

THE CORPORATION OF THE TOWNSHIP OF PUSLINCH 2016 COUNCIL MEETING

A G E N D A

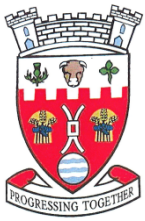
DATE: Wednesday, November 9, 2016

CLOSED MEETING: 12:00 P.M.

REGULAR MEETING: 1:00 P.M.

Denotes resolution prepared

1. Call the Meeting to Order
2. Disclosure of Pecuniary Interest & the General Nature Thereof.
3. **CLOSED ITEMS #**
 - a. Confidential Verbal Report from Karen Landry, CAO/Clerk regarding litigation or potential litigation, including matters before administrative tribunals affecting the municipality or local board and advice that is subject to solicitor client privilege, including communications necessary for that purpose – Reid – 7827 Wellington Road 36 - Normal Farm Practices Board Hearing
 - b. Confidential Verbal Report from Karen Landry, CAO/Clerk regarding litigation or potential litigation, including matters before administrative tribunals affecting the municipality or local board, and personal matters about an identifiable individual, including municipal or local board employees with respect to 4006 Highway 6.
 - c. Confidential Report from Julio D' Antonio, Jeffrey and Spence Insurance and Steven Smith, Frank Cowan Company, regarding litigation or potential litigation, including matters before administrative tribunals affecting the municipality or local board and advice that is subject to Solicitor-Client privilege, including communications necessary for that purpose – Insurance Claim Matters.
4. Adoption and Receipt of Minutes of the Previous Meeting.**#**
 - (a) Public Meeting Minutes (2) - October 4, 2016
 - (b) Special Council Meeting – October 6, 2016
 - (c) Special Closed Council Meeting - October 6, 2016
 - (d) Budget Meeting - October 12, 2016
 - (e) Council Meeting – October 19, 2016
 - (f) Closed Council Meeting – October 19, 2016
 - (g) Budget Meeting - October 26, 2016
5. Business Arising Out of the Minutes.
6. **PUBLIC MEETINGS**
 1. Public Meeting – Rezoning Application File D14/ONT – 1340464 Ontario



THE CORPORATION OF THE TOWNSHIP OF PUSLINCH November 9, 2016 MEETING

Ltd. (Weber), Concession 3, Part Lots 3-5, municipally known as 4576 Wellington Road 32

- (a) Report PD-2016-030 Public Meeting – Rezoning Application File D14/ONT – 1340464 Ontario Ltd. (Weber), Concession 3, Part Lots 3-5, municipally known as 4576 Wellington Road 32

*note this Public Information Meeting will be held on November 10, 2016 at 7:00 p.m. at the Municipal Complex – 7404 Wellington Rd. 34

7. **COMMUNICATIONS**

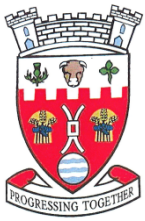
1. Groundwater Science Corp correspondence dated October 17, 2016
 - a. Puslinch Pit- License No. 17600 (North Half Lot 26, Con 1), Monitoring Report Update
2. Environmental Registry Alert
 - a. Mini Lakes Residents Association
3. AMO- LAS correspondence dated October 10, 2016
 - a. LAS Natural Gas Program – 2014-15 Period Reserve Fund Rebate
4. Dufferin Aggregates correspondence dated October 13, 2016
 - a. Monthly Monitoring Report, Mill Creek Pit, License #5738, Pt Lot 24, Conc 1 and Pt Lots 21-24, Conc 2, Site Plan
5. Lafarge correspondence dated October 11, 2016
 - a. Compliance Assessment Report, McMillan Pit, License #10671
6. Union Gas correspondence dated October 26, 2016
 - a. Union Gas Limited - 2017 Rates - Notice of Application

7. **Intergovernmental Affairs**

- (a) Various correspondence for review.

8. **DELEGATIONS / PRESENTATIONS**

- 1:05 p.m. – Julio D'Antonio, Jeffrey & Spence Ltd. and Steven Smith, Frank Cowan Company – Presentation – 2017 Municipal Insurance Program.
2017 Municipal Insurance Program Renewal



THE CORPORATION OF THE TOWNSHIP OF PUSLINCH November 9, 2016 MEETING

Frank Cowan Company 2017 Municipal Insurance Program Renewal
Report for the Policy Term February 1, 2017 to February 1, 2018. ≠

1:30 p.m. – Tom Lusi, Economic Development, County of Wellington, regarding
Economic Development programs designed to help employers in
Wellington County

9. **REPORTS**

1. **Puslinch Fire and Rescue Services**

None

2. **Finance Department ≠**

- a. Applications for Cancellation, Reduction or Refund of Taxes re: Chapter 25,
Section 357, 358 – Municipal Act ≠

3. **Administration Department ≠**

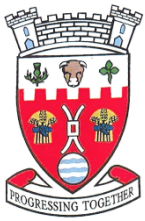
- a. Report ADM-2016-017 Municipal Complaint Policy ≠
- b. Report ADM-2016-021 County of Wellington- Road Maintenance Agreement
≠

4. **Planning and Building ≠**

- a. Chief Building Official – October, 2016 ≠
- b. County of Wellington Notice of Decision On Application for Approval of Draft
Plan of Subdivision, DRS Developments Ltd.
- c. County of Wellington Report- 2014 Provincial Policy Statement Review-
Agriculture and Mineral Aggregate Resource Policies
- d. Astrid J. Clos, Planning Consultants, correspondence dated November 1,
2016 ≠
 - i. Request for extension of draft plan approval, Fox Run Phase 2
- e. Report PD-2016-029 Holding (h1) Removal – Rezoning Application – Karen
Bonnevillie – Lot 245 (2 Dogwood Road PVT) - File No. D14/BON - Part Lot
21, Concession 8, Plan 61M203, formerly municipally known as 7541
Wellington Road 34, Township of Puslinch. ≠

5. **Roads & Parks Department**

None



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November 9, 2016 MEETING

6. Recreation Department

- (a) Report REC-2016-010 ORC Pad Committee Recommendations ≠
a. Kevin Johnson, Committee Member, will be in attendance.

7. Mayor's Updates

None

10. NOTICES OF MOTION

11. COMMITTEE MINUTES

12. MUNICIPAL ANNOUNCEMENTS

13. UNFINISHED BUSINESS

14. BY-LAWS ≠

- (a) 077-2016 A BY-LAW TO AMEND BY-LAW NUMBER 19/85, AS AMENDED BEING THE ZONING BY-LAW OF THE OF THE TOWNSHIP OF PUSLINCH To remove the Holding Symbol for Lot 245 of the Mini Lakes Residents Association Condominium. As per Item 9(4)(e)
- (b) 078-2016 Being a by-law to authorize the entering into an Agreement with The Corporation of the County of Wellington regarding the road maintenance agreement. As per Item 9(3)(b)
- (c) 079-2016 Being a by-law to delegate authority to the Chief Building Official and the CAO/Clerk to execute Agreements for the collection of securities for the purpose of an owner to be able to maintain accessory structures on a property in order to demolish a dwelling and construct a new dwelling. (As per Report PD-2016-028)

15. CONFIRMING BY-LAW ≠

- (a) By-law to confirm the proceedings of Council for the Corporation of the Township of Puslinch.

16. ADJOURNMENT ≠



THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
PUBLIC MEETING MINUTES

DATE: Tuesday October 4, 2016

TIME: 7:00 p.m.

PLACE: Puslinch Municipal Complex

FILE NUMBER: Zoning Amendment File D14/LEA
Glenn and Mary Leachman – Aberfoyle Snomobiles

MEMBERS: Mayor Dennis Lever - Chair
Councillor Ken Roth
Councillor Susan Fielding
Councillor John Sepulis
Councillor Matthew Bulmer

The Chair welcomed those attending the Public Meeting.

No pecuniary interest was declared by any member of Council.

The Chair advised that purpose of the Public Meeting is to inform and provide the public with the opportunity to ask questions, or to express views with respect to the proposed Zoning By-law Amendment commenced by the Applicant: Glenn and Mary Leachman of Aberfoyle Snomobiles, located on Brock Road S. and Gilmour Road.

The Chair advised that the members of Council are here to observe and listen to public comments; however, they will not provide a position on the matter.

The Chair informed attendees when Council makes a decision, should you disagree with that decision, the Planning Act provides you with an opportunity to appeal this application to the Ontario Municipal Board for a hearing. Please note that if a person or public body does not make oral submissions at a public meeting or written submissions to the Township of Puslinch before the decision is made, the person or public body is not entitled to appeal the decision of the Township of Puslinch to the Ontario Municipal Board. In addition, if a person or public body does not make an oral submission at a public meeting, or make written comments to the Township of Puslinch before the decision is made, the person or public body may not be added as a party to the hearing of an appeal before the Ontario Municipal Board unless, in the opinion of the Board, there are reasonable grounds to do so.

The Chair noted that the Planning Act requires that at least one Public Meeting be held for each development proposal.

The Chair instructed the format of the Public Meeting is as follows:

- The applicant will present the purpose and details of the application and any further relevant information.
- Following this the public can obtain clarification, ask questions and express their views on the proposal.
- Following this members of Council have the opportunity to obtain clarification and ask questions of the proposal.
- The applicant and staff will attempt to answer questions or respond to concerns this evening. If this is not possible, the applicant and/or staff will follow up and obtain this information. Responses will be provided when this matter is brought forward and evaluated by Council at a later date.

Presentations

John Cox, of JL Cox Planning Consultants Inc., introduced the application. The property was acquired in 2012. The family has owned the business since 1971 and the current leased location at 60 Brock Road is undersized. Relocation on the 2.9 hectare/7 acre property will provide a location for a new building design, more space for a showroom, retail functions and services and storage. The new location will allow product to be stored inside and security will be improved.



THE CORPORATION OF THE TOWNSHIP OF PUSLINCH PUBLIC MEETING MINUTES

John Cox listed the studies submitted in support of the application include a Planning Justification Report and Preliminary Site Plan prepared by JL Cox Planning Consultants Inc., a Stormwater Management Plan and Servicing Brief and Grading Plan prepared by Van Harten and a Noise Feasibility Study prepared by HGC Engineering.

An aerial of the surrounding land uses was displayed and John Cox outlined the commercial lands to the north, the residential properties to the east and south and the vacant Nestle lands to the west.

John Cox detailed the planning policies of the proposal and showed the front of the property that is designated Central Business District under the Official Plan and is proposing the former right-of-way be redesignated from Residential to Central Business District. The rear portion is to remain a single residential property. The use of a recreational vehicle dealership would typically be located in highway commercial areas but the business has been within the central business district for 45 years. A hybrid of uses is being proposed for the property in addition to the Aberfoyle Snomobiles uses including a garden centre or nursery, garden equipment sales and service, a veterinarian clinic.

John Cox remarked that the zoning on the property will change from Agricultural to a Hamlet Commercial Special Zone. Parking for the business is proposed to be located at the south side and rear of the low profile, one storey new building with one access onto Brock Road. A separate building for stacked storage of recreational equipment is proposed to the rear of the main building/showroom. Access on to Gilmour Road would be for emergency access only. The original homestead and surrounding trees will remain on the property. Site Plan Approval will be required for the use where a more detailed Site Plan will be provided with landscaping buffers between the residential uses. There will not be any fuel storage on the site other than jerry cans. The stormwater management easement in favour of the Meadows of Aberfoyle will remain untouched. The GRCA has no concerns with the proposal, noting the Greenlands portion of the property cannot be developed and the property is not located in a Wellhead Protection Area.

John Cox indicated a Noise Study was completed for the proposal and amended to address the Township Engineering comments. Noise would be created from truck deliveries, rooftop HVAC and the startup of machines. It is noted that the new 4-stroke machines are made to be quieter now and it is not intended to have machines driving on the property. The site can be designed to minimize the noise and they will work with the Township to ensure it is designed the best way to do so. Lighting on the property can be done so it is downward shielded, with no need for lighting at the rear of the property. The site will be developed in accordance with the Township Urban Design Guidelines.

Question/Comments

Brian Patterson, 161 Aberfoyle Mill Crescent, remarked that the business will also be a service dealership where old machines that can have 108 dB noise levels and questioned if those were included in the noise study. Ventilation will also cause noise and the business currently drives the machines on the sidewalks now and wonders how that will change.

John Cox indicated the service repairs will be done inside the building and the owners have indicated that outdoor use of machines will be limited.

Brian Patterson stated there no guarantee that the machines will not be operated on the residential lands adjacent to the business.

Steven Just, 4 Gilmour Road, remarked surprise and disappointment that no noise, landscape or buffer zone is shown between the residential properties on Gilmour Road that are bounded by the subject lands. A 6 foot fence would block their view. No outdoor noise was detailed in the noise study and the storage area is currently proposed directly adjacent to their property.

Steven Just asked where the storage doors will be located. ATV's currently drive through the road allowance and it is questioned how this will change.

John Cox noted the intent is to have all storage indoors, the site plan is preliminary, the site can be reconfigured and changes can be made.

Steven Just asked if there are required setbacks for septic systems because the plan currently shows it located on the property line.

John Cox responded that there are required setbacks under the Ontario Building Code.



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Steven Just asked where will the vehicles be tested, will there be a P.A. system and security cameras and what will activity be like outside of business hours? If the road allowance is not closed there is a security concern because it would be possible to come up along his property through the road allowance.

Steven Just also stated he has concerns with lighting, buffer setbacks and the surface of the parking area.

John Cox noted there will not be any Sunday sales and there are issues that need to be addressed.

Mark Mast, RR3 Guelph, noted Brock Road is on a truck route and the noise by-law permits noise from 7 a.m. to 11 p.m. The O.P.P. is to police vehicular traffic and there is no law to prohibit the machines on the sidewalks.

Giles Owen, 30 Aberfoyle Mill Crescent, remarked he is opposed to the development proposal. He was informed that the property would be commercial but it would be small scale boutique type commercial uses, not industrial type highway uses. He agrees snowmobiles are more modern but still is concerned about the daily noise coming from the property. Also, security has unfortunately been an issue with the business. Is a strip mall possible on the property with all the proposed uses and what would "substantial buffering" entail? Noise is a big concern to the neighbours and even during operating hours there has to be consideration for those who do not work typical 9-5 hours. Will there be a requirement to build on the residential portion of the property? There appears to be more appropriate locations for the type of use proposed.

John Cox indicated that the list of proposed uses is consistent with those permitted in the Central Business District, but the Township can ultimately determine what is appropriate. Landscaping, berming and fencing will buffer the residential uses. The noise study is being updated to include the outdoor start-up of machinery, as requested by GM Blue Plan.

Darryl Leachman, 6 Gilmour Road, remarked that he wants to address the public's concerns. He also lives adjacent to the property and does not want to decrease the values of his property either. He is proposing to have the crates and snowmobiles inside for property aesthetics. A loop is proposed on site to have trucks be able to turn to exit the property without backing out onto Hwy 6. Testing of the recreational vehicles is done but they do try to limit it and there is no intention of having any riding on the residential property because, including the disturbance to neighbours, there is a liability to the business having vehicles leaving the property and he is hoping to be able to test the vehicles between the two buildings or in the showroom. The ventilation is going to be designed to be inside with pipes to the exhaust and lawnmowers can be louder than snowmobiles. His children do drive ATV's on his property but that is permitted.

Doug Lane, 53 Brock Road S, stated he has lived on the property since 1983 and has been a neighbour to the business for 34 years. The noise on Brock Road is caused by the traffic and there is not sound from the snowmobile business.

Dave Puttock, 37 Aberfoyle Mill Cres, noted he would like to see more detailed plans because the property has not been attractive since 1971 and stated the noise consultants were hired by the Leachman's so the noise study would be positive.

Audrey Mast, 58 Brock Road, indicated that a portion of the business is currently on her property and the noise is minimal living next door.

Greg Hubbard, 79 Brock Road, noted he has no issues with noise on the existing property and enjoys seeing kids go by on dirt bikes and it is appealing to have a family business in the area because they are stakeholders in the community. He is concerned with the broad list of multiple uses proposed on the property and would prefer to revisit other uses with zoning applications as they are proposed.

John Cox responded that the list of uses will be revisited with Township input but there will need to be a practical use for the existing house on the lands.

Graham Stone, 102 Aberfoyle Mills Crescent, remarked that the outdoor storage area detailed on the Site Plan is large showing 43 car parking spaces and the business is continuing to grow so what will the longer term impact to the surrounding properties be?

John Cox cited the current property is limited in size and the intent with the new property and building is to grow the business as it has been slowly growing throughout the years.



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Grant Dunn, 92 Brock Rd S., remarked that the present actions are a good predictor of the future. He currently rents the house from the Leachman's and it has taken two years to get the property cleaned up. He noted Glenn started cutting the grass and takes the time to make the property look better. There is very little ATV traffic on the property other than the two kids who play. Glenn addresses concerns when they are made and there is far more noise created from the road traffic. The horses are being kept on the property and he is going to continue to live in the house. It would be beneficial to the community to have a well-established local business on the property instead of having an unknown commercial business develop on the lands.

Rosemary Clews, 22 Aberfoyle Mill Crescent, stated she looks directly onto the property from her house and was told when she purchased the property there could be townhouses adjacent, not commercial uses. It's inconceivable how all the current outdoor storage will be able to fit inside. There is already a noise concern with the Aberfoyle Mill when she can hear the parties on the property and noise will be worse with Aberfoyle Snomobiles.

Darryl Leachman clarified that his family does not own the barn and has instructed the employees of Aberfoyle Snomobiles not to use the driveway adjacent to the south property line of the Mill. The proposed storage building will be designed with board and batten with stone. The business receives approximately 200 vehicles per year with 5 to 20 crates per delivery. There is no desire for outdoor storage due to theft. Site design still needs to be detailed and he wishes to work with the community.

Randy Moretti, 138 Aberfoyle Mill Crescent, asked why not build the service shop closer to the road?

John Cox responded that with current Urban Design Guidelines it is desirable to have the main building located closer to the road. A small strip of the Residential lands are being proposed to be part of the commercial property to square out the properties.

Randy Moretti stated he objects to redesignating the residential lands to commercial and notes the owners friends will meet at the property on a Sunday and leave from there on ATV's.

Roman Walizad, 98 Brock Road S, stated he is in favour of the commercial use on the property.

Lorraine Myers, 134 Aberfoyle Mill Crescent, indicated she is concerned with increased traffic at the Gilmour and Brock Road intersection.

Mayor Lever informed that a roundabout could be possible at that corner and Public Meetings will be held by the County in the future.

Grant Campbell, 38 Aberfoyle Mill Crescent, inquired to the ownership of the two parcels and wondered if one was a numbered company.

Glenn Leachman confirmed that he owns the numbered company and the other parcel.

Karen Gangnier, 96 Aberfoyle Mill Crescent, asked if additional lands would be needed for the roundabout.

Angela Parker, 89 Aberfoyle Mill Crescent, inquired where the access to the residential parcel will be located.

John Cox indicated the access will be off of Gilmour Road.

Angela Parker remarked that she was told that the land would be developed into boutiques when she bought her house and indicated the buffer would require 40 foot trees to shield the view from her house and asked if the business could be shifted to the north of the property.

John Cox remarked that the north part of the property is in the floodplain and the Greenlands system where the building cannot be moved.

Steve Just, 4 Gilmour Road, noted he would prefer the limits of the Central Business District under the Official Plan not be amended and have the design of the business altered to remain in the existing CBD area.

Sue Simon, 85 Aberfoyle Mill Crescent, remarked that she purchased her property based on a future vision of the adjacent land and is concerned the proposed business will reduce property values due to aesthetics and noise.



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There were no further questions or comments from the gallery and the Chair asked if any member of Council had any questions or comments.

Councillor Fielding encouraged residents to accept the invitation from the Leachman's to visit the existing business and noted there are a lot of common goals of the residents and owners and the design guidelines would be utilized to ensure the aesthetics are pleasing.

Councillor Sepulis thanked everyone for attending and the commitment for all parties to work together.

Councillor Bulmer inquired if the vision of the Amendment changes the vision of the property in terms of scale of the building size, lighting and traffic? It needs to be confirmed if the scale and impacts of the use will be increased.

John Cox replied that lot coverage percentage is low, and parking is average for the building size and the use could have a different impact on the neighbours.

Councillor Bulmer noted loading and unloading in the rear of a property is common in a C1 (Hamlet Commercial) Zone and is there any mechanism to manage the use of vehicle on a property?

John Cox noted that it would most likely be an enforcement issue.

Giles Owen asked what the next steps for the application are and if there will be another Public Meeting.

Mayor Lever indicated the applicant will work with the Planning Department but there will not be a second Public Meeting.

Rosemary Clause remarked that the rear of the building will be 2 storeys and a parking lot with delivery trucks and is concerned the outdoor storage on the new property will remain the same as the existing property.

There were no further questions and the Chair called an end to the public meeting and advised that Council would not be taking action on this proposal tonight.

Adjournment

The meeting adjourned at 9:00 p.m.



THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
PUBLIC MEETING MINUTES

DATE: Tuesday October 4, 2016
TIME: 7:00 p.m.
PLACE: Puslinch Municipal Complex
FILE NUMBER: Zoning Amendment File D14/CBM
2443109 ONTARIO INC c/o CBM Aggregates
MEMBERS: Mayor Dennis Lever - Chair
Councillor Ken Roth
Councillor Susan Fielding
Councillor John Sepulis
Councillor Matthew Bulmer

The Chair welcomed those attending the Public Meeting.

No pecuniary interest was declared by any member of Council.

The Chair advised that purpose of the Public Meeting is to inform and provide the public with the opportunity to ask questions, or to express views with respect to the proposed Zoning By-law Amendment commenced by the Applicant: 2443109 ONTARIO INC c/o CBM Aggregates, located on Brock Road S. and McLean Road W.

The Chair advised that the members of Council are here to observe and listen to public comments; however, they will not provide a position on the matter.

The Chair informed attendees when Council makes a decision, should you disagree with that decision, the Planning Act provides you with an opportunity to appeal this application to the Ontario Municipal Board for a hearing. Please note that if a person or public body does not make oral submissions at a public meeting or written submissions to the Township of Puslinch before the decision is made, the person or public body is not entitled to appeal the decision of the Township of Puslinch to the Ontario Municipal Board. In addition, if a person or public body does not make an oral submission at a public meeting, or make written comments to the Township of Puslinch before the decision is made, the person or public body may not be added as a party to the hearing of an appeal before the Ontario Municipal Board unless, in the opinion of the Board, there are reasonable grounds to do so.

The Chair noted that the Planning Act requires that at least one Public Meeting be held for each development proposal.

The Chair instructed the format of the Public Meeting is as follows:

- The applicant will present the purpose and details of the application and any further relevant information.
- Following this the public can obtain clarification, ask questions and express their views on the proposal.
- Following this members of Council have the opportunity to obtain clarification and ask questions of the proposal.
- The applicant and staff will attempt to answer questions or respond to concerns this evening. If this is not possible, the applicant and/or staff will follow up and obtain this information. Responses will be provided when this matter is brought forward and evaluated by Council at a later date.

Presentations

Evan Perlman, of Glenn Schnarr and Associates agent, introduced John Easton, Project Engineer and Steven May, representative of St. Mary's Cement, and outlined the proposal to rezone the subject lands from Extractive and Agricultural Zones to an Industrial Zone with site specific provisions. The subject lands are located on the west side of Brock Road South, north of McLean Road West and are approximately 13.2 ha (32.6 acres) in area. The site was previously part of a larger mineral aggregate resource operation and all available resources have been fully extracted. The site has been mostly rehabilitated. The purpose of the rezoning is to permit a range of future industrial and commercial uses on the site without having any prospective tenants at this time. A range of uses is being requested that allows for as much flexibility as possible for future tenants. A preliminary concept plan has been submitted with the rezoning application. The concept includes two commercial or office buildings at 3 storeys in



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height with GFAs of almost 14,000 sq. m. each (150,000 sq. ft.). It also includes a third building illustrated as a 1-storey warehouse of 9,300 sq. m. (100,000 sq. ft.). The concept plan also includes the maximum sized septic beds, a stormwater management pond and area for wastewater treatment facility. Access to the site is proposed at the south lot line via McLean Road West and has been located based on a sight-line analysis. The County of Wellington Official Plan identifies the lands within the Puslinch Economic Development Special Policy Area which intends to create a predominate location of employment opportunity for the Township. It also notes that extractive aggregate uses within this area should be considered for industrial, commercial, institutional or recreational activities after aggregate-related activities have stopped. The subject lands are also designated "Rural Employment Area" and "Secondary Agricultural Area". The Rural Employment designation permits dry industrial uses such as manufacturing, offices and small scale commercial. Secondary Agricultural Area designation includes non-prime agricultural areas and permits industrial, institutional and small scale commercial uses. The Technical Studies Report provides an assessment of the lands for natural environment, geotechnical, hydrogeological and stormwater management. The natural environment assessment concluded there was no significant vegetation or animal species on the subject lands. Geotechnical investigations revealed that the subsurface soil is suitable to support the proposed development. The hydrogeological assessment concluded that groundwater quality is good and that water intake would not interfere with neighbouring properties. Appropriately sized septic tile beds and a wastewater treatment facility are provided for on the concept plan, with the ultimate size to be estimated on the maximum number of potential employees. A stormwater management pond is required and conceptually shown on the northwest corner of the site.

Lorraine Meyers, 134 Aberfoyle Mill Crescent, questioned how much water would be needed and if a permit would be applied for and how long a permit would be valid for and if the septic is monitored by the MOE.

John Easton, Project Engineer, responded that a water permit would be indefinite but an MOE approved Permit to Take Water would be required with the development which is reviewed every 10 years. A sewage treatment plan would be required for a large development and need a CofA for the MOE.

Lorraine Myers inquired into the traffic volumes created from the development and if the MTO was consulted. Also, the intersection at Gilmour Road and Brock Road is hazardous and increased traffic will make it even more dangerous.

Evan Perlman noted lane improvements at McLean Road would be required if the development capacity reached maximum build-out.

Aldo Salis, County Planner, remarked that County Engineering will comment on traffic for Brock Road and the MTO is outside the circulation distance. Brock Road is planned for improvements and the intersection at Gilmour Road will be addressed.

Greg Hubbard, 79 Brock Road, remarked that the list of permitted uses is too ambiguous and there was no way to control what will go on the property. Uses like a building or construction yard, bakery, public use and plaza are very different in scale and if all are approved then there is no say after the zoning is approved.

Evan Perlman noted the list of permitted uses in the Industrial Zone had been modified to remove high water uses. Big Box type retail uses are not permitted in the IND Zone. The proposed uses are consistent with the Wellington County Official Plan and multiple uses are needed to attract potential tenants.

There were no further questions or comments from the gallery and the Chair asked if any member of Council had any questions or comments.

Councillor Bulmer noted that the zoning proposal at 424 Maltby Road permitted a broader range of uses and questioned if the Township would be signing an owner/operator agreement if the sewage treatment fails.

Karen Landry, CAO, noted the development would require Site Plan Approval and a Site Plan Agreement where the property owner would be responsible for the sewage treatment.

There were no further questions and the Chair called an end to the public meeting and advised that Council would not be taking action on this proposal tonight.

Adjournment

The meeting adjourned at 7:25 p.m.



THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
OCTOBER 6, 2016 SPECIAL COUNCIL MEETING

MINUTES

DATE: October 6, 2016

CLOSED MEETING: 9:00 A.M.

SPECIAL MEETING: 9:30 A.M.

The October 6, 2016 Special Council Meeting was held on the above date and called to order at 9:00 A.M. in the Council Chambers, Aberfoyle.

1. **ATTENDANCE:**

Mayor Dennis Lever
Councillor Matthew Bulmer
Councillor Susan Fielding
Councillor Ken Roth
Councillor John Sepulis

STAFF IN ATTENDANCE:

1. Karen Landry, CAO/Clerk
2. Steve Goode, Fire Chief
3. Luis Gomes, Deputy Fire Chief of Operations

OTHERS IN ATTENDANCE

None

2. **DISCLOSURE OF PECUNIARY INTEREST & THE GENERAL NATURE THEREOF:**

None

3. **CLOSED MEETING**

Council was in closed session from 9:01 a.m. to 10:12 a.m.

Resolution No. 2016-367:

Moved by Councillor Roth and
Seconded by Councillor Sepulis

That Council shall go into closed session under Section 239 of the Municipal Act for the purpose of:

- (a) Confidential Verbal Report from Aird & Berlis LLP regarding litigation or potential litigation, including matters before administrative tribunals affecting the municipality or local board and advice that is subject to solicitor client privilege, including communications necessary for that purpose – Reid – 7827 Wellington Road 36

CARRIED

Resolution No. 2016-368:

Moved by Councillor Fielding and
Seconded by Councillor Roth

THAT Council move into open session.

CARRIED

Council resumed into open session at 10:13 a.m.

Resolution No. 2016-369:

Moved by Councillor Sepulis and
Seconded by Councillor Roth

That Council receives the Confidential Verbal Report from Aird & Berlis LLP regarding litigation or potential litigation, including matters before administrative



THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
OCTOBER 6, 2016 SPECIAL COUNCIL MEETING

tribunals affecting the municipality or local board and advice that is subject to solicitor client privilege, including communications necessary for that purpose – Reid – 7827 Wellington Road 36;

And that staff proceed as directed.

CARRIED

4. **COMMUNICATIONS:** ≠

- (a) Summary of Council Direction
Service Level Review Meetings – Fire Services
September 7 and 14, 2016 Special Council Meetings

	Master Fire Plan recommendation, as outlined in FIR-2016-002	Council Direction	Status	Action/Information Required
#12	That subject to the consideration and approval of the proposed public fire safety education activities and program cycle objectives by Council that they be included within the proposed Fire Prevention Policy and Establishing and Regulating By-Law (E&R By-law).	Council directed staff to report back on a proposed public education program and activity cycles schedule, including "Seasonal Mobile" and "Agriculture" utilizing approved resources.	O	<p>Fire & Rescue Services Department to report back to Council upon completion of the Fire Service Level Review with a public education program and activity cycles schedule including "Seasonal Mobile" and "Agriculture" utilizing approved resources.</p> <p>Proposed Public Fire and Life Safety Educator (Operating Budget Impact – Pending additional information)</p> <p>Public Education Program and Activities Cycles pg. 6</p> <p>To be incorporated into E & R By-law.</p> <p>It was noted the table needs to be updated to reflect visits to 100 homes in 2016 and that the department will continue the same service delivery level as they have in the past.</p>
# 13	That Council consider the provision of 20 hours per week to support a dedicated position of part-time Public Fire and Life Safety Educator reporting to the part-time Chief Fire Prevention Officer with the responsibility to coordinate and optimize the public fire safety education objectives of the PFRS.	Council expressed a need for additional statistical information.	O	<p>Obtain details from Council on the statistical information requested.</p> <ul style="list-style-type: none">• Chart outlining current public education functions and programs in chart format and the number of staff that attend• Outline what new public education programs are proposed• Number of investigations carried out for new and existing buildings



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				<ul style="list-style-type: none">• Number of complaints• Number of inquiries• Number of inspections• Number of charges laid• Number of court appearances <p>Fire Chief to meet with CAO/Clerk to outline data available and options for converting the “paper” data into “electronic” form and collecting the data in “electronic” form in the future. Staff to report back on resources required to complete this work.</p> <p>Council directed staff to commence collecting data in 2017.</p>
#11	That subject to Council's consideration and approval of the proposed Master Fire Plan that a Fire Prevention Policy be created utilizing the framework of PFSG 04-45-12 “Fire Prevention Policy” for consideration and approval by Council, and attached as an appendix to the fire department Establishing and Regulating By-law.	Council expressed a need for additional statistical information.	O	<p>Obtain details from Council on the statistical information requested.</p> <p>See recommendation #13</p> <p>Fire Chief to meet with CAO/Clerk to outline data available and options for converting the “paper” data into “electronic” form and collecting the data in “electronic” form in the future. Staff to report back on resources required to complete this work.</p> <p>Council directed staff to commence collecting data in 2017.</p> <p>Staff noted that a Policy will be developed after review of the Statistical Data.</p>
#14	That the PFRS Smoke Alarm Program be updated as a department Standard Operating Guideline and included within the proposed Fire Prevention Policy for consideration and approval by Council.	<p>The Fire Chief notified Council that the Township is meeting minimum legislative requirements.</p> <p>Council directed staff to report back on the utilization of Conestoga College Pre-Fire Service program</p>	O	<p>Fire & Rescue Services Department to report back to Council with an updated Smoke Alarm Program utilizing the Conestoga College Pre-Fire Service Program.</p> <p>Conestoga College will not be moving forward with the proposed program.</p> <p>Steve Goode will report back to Council on an alternative program that utilizes the students’ services.</p>



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				It was noted that the Smoke Alarm Program includes Carbon Monoxide Detectors
#16	That subject to the consideration and approval of the proposed fire inspection goals and objectives by Council that they be included within the proposed Fire Prevention Policy and proposed Establishing and Regulating By-Law.	Council Directed staff to report back on an inspection schedule using allocated resources.	O	<p>Fire & Rescue Services Department to report back to Council upon completion of the Fire Service Level Review with an inspection schedule utilizing current allocated resources.</p> <p>Page 14 of Report.</p> <p>To be incorporated into E & R By-law.</p> <p>Staff are to continue with the current service levels.</p>
#17	That consideration be given to increasing the hours of work for the part-time Chief Fire Prevention Officer from the current 16 to 24 hours per week to achieve the proposed fire inspection frequencies identified within the proposed Master Fire Plan.	Council directed staff to obtain information on the definition of full time employee (# of hours worked) prior to giving further consideration to this recommendation.	O	<p>Staff have been advised that full-time employment is determined by the individual organization. An organization when determining the number of hours to define full-time should consider internal equity. Currently a 35 hour week is considered an FTE.</p> <p>OMERS is currently obtaining information for the Township regarding the Township By-law that authorized the Township to enroll and participate in the OMERS Plan.</p>
#2	That consideration be given to increasing the hours of work for the part-time Administrative Assistant from the current 10 hours per week to 24 hours per week to support the administrative needs of the PFRS.	Council directed staff to report back with respect to merging the responsibilities of the Fire Administrative Assistant with the Chief Administrative Officer's Office.	O	CAO/Clerk to report back to Council on the merging of responsibilities of the Fire Administrative Assistant with the CAO/Clerk's office.
#31	That consideration be given to making the position of part-time Deputy Fire Chief of Administration permanent with direct responsibility for the Fire Prevention, Public Education and Training Divisions with a set schedule of 24 hours per week.	Council agreed not to move forward with the addition of the second Deputy Fire Chief.	C	No further action is required.



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	There is no Master Fire Plan recommendation regarding increasing the THSO position from the current eight (8) hours to sixteen (16) per week. The Master Fire Plan shows that the Training Office position hours are set at ten (10) hours per week. Staff did not notice this error in the Master Fire Plan draft and/or final copy.	Council deferred consideration of this item until 2018.	O	<p>This item is to be considered during the 2018 Budget deliberations.</p> <p>Council to identify the type of information to be provided when considering this matter in the future.</p> <p>Staff is to commence the collection of statistical data in 2017.</p>
#33 & 34	<p>No. 33 - That the Township increase the complement of volunteer firefighters from the current 28 to 34, an increase of six volunteer firefighters</p> <p>No. 34 - That Council implement the strategy to optimize the use of part-time resources included within the proposed Master Fire Plan".</p>	Council deferred consideration of this item pending a review of the utilization of automatic aid and consideration of a second fire station in the West end of the Township.	O	Deferred until consideration of a Report to be presented to Council at the November 22, 2016 meeting.

	Recommendation, as outlined in FIR-2016-003	Council Direction	Status	Action/Information Required
#45	Staff recommends that Council consider replacing Pump 31 and Tanker 37 in 2025 with a Pumper/Tanker apparatus. The proposed Pumper/Tanker apparatus would require a 1250 U.S. G.P.M. pump, 3000 U.S. GAL. water tank, foam injection system, firefighting equipment and capable of carrying five (5) firefighters.	<p>Council is in support of the staff recommendation.</p> <p>Council directed staff to watch for a used vehicle that would meet this need, and to then determine if there would be a financial benefit in making a purchase prior to 2025.</p>	<p>C</p> <p>O</p>	<p>Staff is to adjust the Capital Forecast in accordance with the recommendation.</p> <p>Fire and Rescue Services to watch for a used vehicle that would meet this need and report to Council if there is a financial benefit in making this purchase prior to 2025.</p>
#45	Staff recommends based on the low frequency use that Tanker 38 lifecycle capital replacement schedule be increased from the current twenty (20) years to twenty – five (25) years and further that this schedule be formally adopted on a go forward basis and that future capital budget	Council is in support of the staff recommendation.	C	Staff is to adjust the Capital Forecast in accordance with the recommendation.



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	<p>allocations reflect this schedule subject to the budget approval practices of the day.</p> <p>Increasing the lifecycle of Tanker 38 will have no impact to the fire and rescue services provided by the Township fire department and/or ratepayer's personal insurance.</p>			
#41	<p>That the Township of Puslinch prioritize the purchase of a replacement 75 foot Quint for Aerial #33".</p>	<p>The Township purchased a 2003 Aerial #33 in 2016.</p>	C	<p>No further action is required.</p>
#42	<p>That subject to the purchase of a new or used 75 foot Quint that the Township revise the major apparatus replacement plan to accommodate a 20 year life cycle from the time of construction for the purchased apparatus.</p> <p>Staff are not in support of this Master Fire Plan regarding the Quint 20 year lifecycle recommendation.</p> <p>Staff recommend that the 2003 Aerial (Quint) maintain a twenty – five (25) year lifecycle replacement schedule; and</p> <p>Further that the Aerial (Quint) replacement schedule be formally adopted on a go forward basis and that future capital budget allocations reflect this schedule subject to the budget approval practices of the day.</p>	<p>Council is in support of the staff recommendation to remain at a 25 year life cycle.</p>	C	<p>Staff is to adjust the Capital Forecast in accordance with the recommendation.</p>
#43	<p>That the Township of Puslinch purchase a 4-wheel drive pick-up truck capable of carrying 5 to 6 volunteer firefighters and associated department equipment.</p> <p>Staff are in support of the Master Fire Plan recommendation regarding the pickup truck.</p>	<p>Refer to Resolutions 2016-335 and 2016-336.</p> <p>THAT Council approves the inter corporate transfer of a vehicle from the Building</p>	O	<p>Will be considered during capital budget deliberations.</p>



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<p>Staff recommend that Council consider inter corporate transfer of the Chief Building Official Chevrolet Silverado pick-up truck to fire and rescue services division in 2017; and</p> <p>Further that the Township fire and rescue services pickup have a lifecycle replacement schedule of five (5) years; and</p> <p>Further that the CBO pick-up truck after the five (5) year lifecycle schedule be incorporated in the fire department capital replacement program/forecasts commencing in 2017</p>	<p>Department to be used by the Fire Department.</p> <p>THAT the Fire Department makes use of the vehicle transferred from the Building Department;</p> <p>AND THAT the Fire Department reports back six months after the transfer on how the vehicle has been used, with detailed tracking information on the use of the vehicle, and at that time Council will evaluate the effectiveness of the overall utilization by the department.</p>	<p>O</p>	<p>Fire and Rescue Services is to report back to Council six months after the transfer of the vehicle.</p>
	<p>Council directed staff to obtain multiple quotes regarding the installation of emergency lights.</p> <p>Council inquired if there will be fuel savings as a result of the purchase of an additional truck.</p>	<p>O</p> <p>O</p>	<p>Fire and Rescue Services Department is to report back to Council regarding the results from obtaining additional quotes to perform this service.</p> <p>Steve Goode advised an additional quote was obtained and no cost savings was realized.</p> <p>Steve Goode advised that mileage is not tracked.</p> <p>Staff are to develop a list of the Township Pick-Up Trucks which includes vehicle information, department utilization, the position that utilizes the vehicle and identifies whether the vehicle remains at the Township Office after hours.</p>



	Recommendation as outlined in Staff Report FIR-2016-004	Council Direction	Status	Action/Information Required
#1	<p>Master Plan: That the Mission Statement of the Puslinch Fire and Rescue Services be updated to include a Vision Statement and to reflect the framework of the OFMEM PFSG 03-02-13 "Master Planning Process for Fire Protection" subject to approval of the proposed Master Fire Plan by Council.</p> <p>Staff recommend that Council consider adopting the following mission statement for the Township fire and rescue service department:</p> <p>"Puslinch Fire and Rescue Service – Our Community, Our Commitment to Educate, Prevent and Serve those in need"</p> <p>Township Staff recommend that a Vision Statement be developed after the completion of the Township Master Fire Plan Recommendations and Service Review by Council. The decisions made by Council during the fire and rescue</p>	Council is in support of this recommendation.	<p>C</p> <p>O</p>	<p>Council supported the proposed Mission Statement.</p> <p>Fire and Rescue Services is to report back to Council with a proposed Vision Statement upon completion of the Fire Service Level Review.</p>



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	service review will help guide the development of a Vision Statement. The Township fire and emergency services Vision Statement will determine where we want to go, what we want to become and what we want to accomplish.			
#3	The Township Master Fire Plan recommended “That the administrative workspace for the PFRS be reviewed in consideration of the recommendations of the Master Fire Plan and the current facilities review of the Township administrative offices”	Council deferred consideration of this item pending an overall review of all the Township’s facilities.	O	Staff to report back to Council in 2019 on options for administrative workspace including an analysis of leasing versus major capital renovations.
#8	<p>The Township Master Fire Plan recommended “that the Township prioritize the full implementation of the updated fire dispatch services agreement with the City of Guelph including the provisions of performance measures similar to those identified within the NFPA 1221 standard, or alternatively begin investigating alternative solutions for the provisions of full fire dispatch services”</p> <p>Staff are in support of this recommendation</p> <p>Staff recommend that the Township and the City of Guelph Fire Dispatch Service to amend the agreement to include performance measures for call taking and dispatching that meet NFPA 1221 standards and to repeal By-law 29/15.</p>	<p>Council is in support of this recommendation.</p> <p>Staff is to bring forward a by-law to repeal the by-law that authorized the execution of an agreement that is to be amended to include performance measures.</p> <p>Council requested staff to advise whether there will be any savings in dispatch equipment when Guelph implements full service.</p> <p>Wellington County Fire Departments have been informed by the City of Guelph that all fire departments receiving dispatch services from the</p>	<p>C</p> <p>O</p> <p>O</p> <p>C</p>	<p>A By-law was passed by Council at its meeting held on September 21, 2016.</p> <p>Fire and Rescue Services Department is to work with the City of Guelph to incorporate performance measures into a new agreement. It was noted the agreement should also address access to records.</p> <p>Fire and Rescue Services Department is to report back to Council regarding any potential costs savings on dispatch equipment. eg Panda Black Vox</p> <p>Steve Goode advised that the Panda Black Vote is still required. Steve Goode noted that staff will no longer be required to fulfill dispatch duties. This will also result reducing the resource requirements for administrative assistance.</p> <p>Funding for this has been included in the 2017 Proposed Capital Budget.</p>



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		City will split the cost of the CAD system. Estimated at \$12,000.00		
#7	That following Council's consideration of the proposed Master Fire Plan that the Fire Chief be directed to review the current Mutual Aid Agreements in consideration of the fire suppression deployment options and utilization of automatic aid presented within the proposed Master Fire Plan.	Council is in support of this recommendation.	O	<p>Fire and Rescue Services Department to work with Hamilton and Cambridge and report back to Council with proposed mutual aid agreements in Spring of 2017.</p> <p>Steve Goode advised the Ontario Fire Marshal's Office does not require the Township to have a mutual aid agreement with Hamilton or Cambridge because the Township has a Mutual Aid Agreement with the County of Wellington municipalities. As a result, the Township automatically can utilize Provincial Mutual Aid.</p>
#38	That Council authorize the Chief Administrative Officer and Fire Chief to approach the City of Guelph to negotiate an Automatic Aid Agreement for the provision of fire suppression services as reflected in the proposed Master Fire Plan.	Council is in support of this recommendation.	O	<p>The CAO/Clerk is to work with City of Cambridge to extend the current agreement for 1 year. This matter will be considered by Council at its meeting to be held on October 5, 2016.</p> <p>The CAO/Clerk will follow up with the City's Solicitor regarding the terms and conditions of a new agreement for fire suppression services.</p> <p>The CAO/Clerk and Fire Chief are to work with the City of Guelph regarding an Automatic Aid Agreement for fire suppression services.</p>
#22 & 23	<p>That the PFRS reduce the current level of emergency response services to Confined Space Rescue and Slope/High Angle Rope Rescue incidents from an operational capability to an awareness level of response, and that these service levels be reflected in the proposed E & R By-law.</p> <p>That the Fire Chief be directed to investigate the options available for the delivery of operational level emergency response for incidents including Confined Space, High Angle Rope, Trench Rescue and Hazmat</p>	Council is in support of this recommendation.	<p>O</p> <p>O</p>	<p>Fire & Rescue Services Department to change current level of emergency response services for Confined Space Rescue and Slope/High Angle Rope Rescue incidents from an operational level to an awareness level.</p> <p>To be incorporated into E & R By-law</p> <p>Fire & Rescue Services Department to advise Council on who will provide these services.</p>



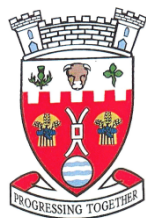
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	<p>response.</p> <p>Staff are in support of this Master Fire Plan recommendations.</p> <p>The Establishing and Regulating By-law # 12/10 will be revised to reflect the level of Confined Space services approved by Council.</p>			
#22 & 23	<p>That the PFRS reduce the current level of emergency response services to Confined Space Rescue and Slope/High Angle Rope Rescue incidents from an operational capability to an awareness level of response, and that these service levels be reflected in the proposed E & R By-law.</p> <p>That the Fire Chief be directed to investigate the options available for the delivery of operational level emergency response for incidents including Confined Space and Steep/High Angle Rope response.</p> <p>Staff are in support of proposed contract agreement between the Township and Centre Wellington fire department for Slope/High Angle rope rescue service.</p> <p>The Establishing and Regulating By-law #12/10 will be revised to reflect the level of specialized services approved by Council.</p>	<p>Council is in support of this recommendation.</p> <p>Council request that staff provide a chart outlining the various services the Fire Department provides and the level of that service (i.e. Animal service rescue)</p> <p>Resolution 2016-337 re: disposal of equipment to Centre Wellington</p> <p>Council requested that staff consider the development of an information package for new residents that includes:</p> <ul style="list-style-type: none">• Fire service levels• Burning regulations and costs to a resident when the fire department responds to a call for burning without a permit• Recreation facilities	<p>O</p> <p>O</p> <p>O</p>	<p>Fire & Rescue Services Department to change current level of emergency response services for Confined Space Rescue and Slope/High Angle Rope Rescue incidents from an operational level to an awareness level.</p> <p>To be incorporated into E & R By-law</p> <p>Fire and Rescue Services Department to obtain written confirmation of the delivery of the services from Centre Wellington in exchange for the equipment.</p> <p>The following is a link on the Township's website regarding services in the Township:</p> <p>http://www.puslinch.ca/en/living-here.asp</p>



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#29	<p>That the Fire Chief be directed to develop a department policy for responding to medical responses that details the types of medical responses, requirements for volunteer firefighters responding, and requirements for data collection to be presented to Council for consideration and approval and inclusion within the recommended updated Establishing and Regulating By-law.</p> <p>Staff recommend that for Council consider and approve draft Guideline # 6-111 "Firefighter Use of Green Lights" (Schedule "D") and Guideline # 6-113 "Responding to Medical Emergencies in Personal Vehicles" (Schedule "E").</p>	<p>Council directed the CAO/Clerk and Fire Chief to report back and clarify the distinction between policy and guidelines within the proposed draft guidelines.</p>	O	<p>The Fire Chief and the CAO/Clerk are to meet to eliminate procedures or guidelines from policy and incorporate the policy into the E & R By-law.</p>
#33	<p>That the Township target an area not greater than five kilometres from the fire station to recruit six additional volunteer firefighters. This may include their residence or place of work in attempting to reduce the turnout times of the PFRS from the current 80th percentile for fire calls of 10.8 minutes to the comparator municipalities identified of 6.6 minutes.</p> <p>Staff recommend that preference be given to firefighter candidates that reside and/or work within 5 kilometres of the fire station</p>	<p>Council is in support of this recommendation and the removal of the residency requirement.</p>	O	<p>Fire and Rescue Services is to proceed with providing preference to recruiting within a 5 km radius of the fire station.</p> <p>That the Recruitment Manual and E & R By-law be amended to eliminate the residency requirement.</p>
#35	<p>That a revised on-call process be implemented to ensure a minimum response to include a</p>	<p>Council is in support of this recommendation and staff are to</p>	O	<p>Fire and Rescue Services staff to report back on the implementation of a senior officer 24/7 on-call schedule.</p>



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	minimum of six volunteer firefighters and a senior officer at all times. Staff are in support of the current crew on call schedule and developing a senior officer on call schedule.	report back on the implementation of a senior officer 24/7 on-call schedule.		
#36	That a revised call-out process be considered to provide an option for alerting either the on-call crew, or alternatively all of the fire suppression resources of the PFRS.	Staff are to report back on the alternatives regarding equipment and costs.	O	Fire and Rescue Services staff to report back on alternatives regarding equipment and costs.
	Staff recommend that the Township fire and rescue services continue to provide the current level of tiered response service as outlined in the 2012 Memorandum of Understanding for the Activation of Tiered Response agreement between the Township and Guelph Wellington Emergency Medical Services (Schedule "H")	Council is in support of the staff recommendation.	C	Current 2012 Memorandum of Understanding to remain in effect.
	Motor vehicle responses	Council directed staff to continue providing motor vehicle responses and requested that future reports separate the number of motor vehicle responses on the 401 from other Township roads.	O	Fire and Rescue Services staff to separate the number of motor vehicle responses on the 401 from other Township roads in future reports.

(b) Replacement of the Chief Fire Prevention Officer

Council advised they were in support of the Fire Chief's recommendation to post for a Chief Fire Prevention Officer with a limit of a 16 hr/week and with a Public Fire and Life Safety Educator with a limit of an 8 hr/week as this has no budgetary impacts.

5. **CONFIRMING BY-LAW**

(a) By-Law to confirm the proceedings of Council for the Corporation of the Township of Puslinch



THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
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Resolution No. 2016-370: Moved by Councillor Roth and
Seconded by Councillor Sepulis

That the following By-law be taken as read three times and finally passed in open Council:

By-Law 70/16 being a by-law to confirm the proceedings of Council for the Corporation of the Township of Puslinch at its meeting held on the 6th day of October, 2016.

CARRIED

6. ADJOURNMENT:

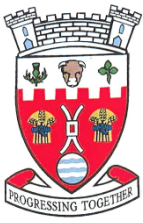
Resolution No. 2016-371: Moved by Councillor Sepulis and
Seconded by Councillor Roth

That Council hereby adjourns at 11:32 A.M.

CARRIED

Dennis Lever, Mayor

Karen Landry, CAO/Clerk



THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
October 12, 2016 COUNCIL BUDGET MEETING

MINUTES

DATE: Wednesday, October 12, 2016

TIME: 9:00 A.M.

The Council Budget Meeting was held on the above date and called to order at 9:00 a.m. in the Council Chambers, Aberfoyle.

1. **ATTENDANCE:**

Mayor Dennis Lever
Councillor Matthew Bulmer
Councillor Susan Fielding
Councillor Ken Roth
Councillor John Sepulis

STAFF IN ATTENDANCE:

1. Karen Landry, CAO/Clerk
2. Mary Hasan, Director of Finance/Treasurer
3. Don Creed, Director of Public Works and Parks
4. Robert Kelly - Chief Building Official
5. Steve Goode, Fire Chief
6. Luis Gomes, Deputy Fire Chief
7. Nina Lecic, Deputy Clerk

OTHERS IN ATTENDANCE

None

2. **DISCLOSURE OF PECUNIARY INTEREST & THE GENERAL NATURE THEREOF:**

None

3. **REPORTS** ≠

Finance Department

Mary Hasan, Director of Finance/Treasurer, provided an overview of items 3(1)(2).

- (1) Report FIN-2016-023 – 2017 Proposed Capital Budget ≠

Resolution No. 2016-372

Moved by Councillor Roth and
Seconded by Councillor Sepulis

That Report FIN-2016-023 regarding the 2017 Proposed Capital Budget be received.

CARRIED

- (2) Report FIN-2016-024 – 2016 Completed Capital Projects (Projected) ≠

Resolution No. 2016-373

Moved by Councillor Sepulis and
Seconded by Councillor Roth

That Report FIN-2016-024 regarding the 2016 Completed Capital Projects (Projected) be received.

CARRIED

4. **2016 PROPOSED CAPITAL BUDGET PRESENTATIONS**

- (1) Steve Goode, Fire Chief – Fire and Rescue Services Department



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Steve Goode, Fire Chief made a presentation to Council regarding the proposed capital budget for the Fire and Rescue Services Department.

Staff Report FIN-2016-023	Staff Direction
Project Title - Defibrillators Type – Replacement (Pg. 20)	Council directed staff to look at manufacturers of defibrillators that have a longer replacement schedule than five years.
Pump 31 Body Work and Paint Job (Pg. 53)	Council directed staff to look at alternate options, such as wrapping the section that is peeling off.
Thermal Imaging Camera	Council directed staff to consider the condition of the equipment in 2019 prior to consideration of the Capital Budget for that year.
Watercraft	Council directed staff to consider the condition of the equipment in 2020 prior to consideration of the Capital Budget for that year.
Pick-up Truck	It was noted by staff that in order for the pick-up truck to be development charge funded, the pickup truck must have a seven year lifecycle within Fire. Therefore, staff will move the replacement from 2022 to 2024.
Portable pumps	Council directed staff to look into having the portable pumps refurbished instead of replaced in 2026.

- (2) Don Creed, Director Public Works and Parks - Public Works Department, Optimist Recreation Centre and Parks Department

Don Creed, Director Public Works and Parks made a presentation to Council regarding the proposed capital budget for Public Works.

Staff Report FIN-2016-023	Staff Direction
Project Title - Road Construction Project Type - Pulverize and Repave (Pg. 43)	Council directed staff to obtain information from the County and local municipalities regarding the cost/tonne for road construction.
Engineering Services	Council inquired of staff whether the Township issues requests for proposals for engineering services. Staff commented that it has completed this process for audit and information technology services and plans to issue over the next two years for engineering services and legal services.
Project Title – Vehicle Replacement and installation of a front snow plow Project Type – Pickup truck and Front Snow Plow – Staff of Public Works (Pg. 47)	Council inquired as to the feasibility of also including a salter on the vehicle. Don Creed to follow up.
Project Title - Road Construction Project Type - Drainage, Sub-Base, Pulverize and Repave (Pg. 49)	Council directed staff to identify an alternative road construction project in lieu of Victoria Road. Council directed staff to include in the tender documentation both Victoria Road and an alternative road to obtain pricing on both.
Project Title - Road Construction Project Type - Pulverize and Repave (Pg. 51)	Council directed staff to discuss cost sharing opportunities with Cox Construction. Don Creed noted that Laird Road would be suggested as Option #2 for the project on



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October 12, 2016 COUNCIL BUDGET MEETING

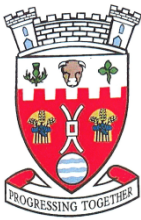
	page 49.
Aberfoyle Sidewalks (Pg. 56)	Council directed staff to ask Wellington County to replace the sidewalks in conjunction with the County work on County Road 46. Staff noted that the Township would reimburse the costs to the County.
Carroll Pond & Lesic Jassal Municipal Drain (Pg. 67)	Council directed staff to determine the ability to allocate a portion of the cost to those benefiting from the use of the system.
Single Axle Dump Truck-303 (Pg. 76)	Council directed staff to investigate whether there is a better year for replacing the vehicle.
Fleet Management Study	Council directed staff to complete a further analysis of the lifecycle of Township vehicles and to provide Council with a chart of the various pick-up trucks, their uses, the cost of replacement, the useful life, what position utilizes the vehicle, and whether the vehicle remains onsite while not in use for Township business purposes.
Traffic Calming - Streetscaping Morrison - Phase 2	Council directed staff to defer this item to 2019.

Don Creed, Director Public Works and Parks made a presentation to Council regarding the proposed capital budget for the Optimist Recreation Centre.

Project Title - Olympia Ice Resurfacers Project Type - Equipment Replacement (Pg. 37)	Council directed staff to send out communication to the Optimist Club advising of the equipment replacement and requesting for consideration of a donation. Staff clarified that the cost of the project includes the battery charger and the outlet.
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Don Creed, Director Public Works and Parks made a presentation to Council regarding the proposed capital budget for Parks.

Kabota Lawnmower (Pg. 16)	Council directed staff to provide an update at a later date on the costs of contracting services out versus doing them in-house.
Replace Light Standards and Bleachers - Old Morrison (Pg. 55)	Council directed staff to provide the cost of replacing bleachers as they may be required at both locations. Council directed staff to only include the replacement of light standards at one ball diamond with the location to be determined.
Improvements to Tennis Courts (Pg. 86)	<p>Council directed staff to bring forward a use/cost sharing agreement with the Puslinch Tennis Club in the next couple of years that would outline responsibilities for court care and maintenance, as well as cost sharing.</p> <p>Council directed staff to add the following wording to the proposed Capital Forecast "Subject to an agreement being formalized with the Tennis Club regarding responsibilities for upgrades/improvements to the tennis courts."</p>



a. Fence ORC

Don Creed, Director Public Works and Parks provided Council with an update of the fence at the ORC, including a cost estimate for a sound wall.

Resolution No. 2016-374

Moved by Councillor Sepulis and
Seconded by Councillor Roth

THAT Council installs an additional fence on the South side of the Optimist Recreation Centre as a noise mitigation.

RECORDED VOTE	YES	NO	CONFLICT	ABSENT
Councillor Bulmer		1		
Councillor Roth		1		
Mayor Lever		1		
Councillor Sepulis		1		
Councillor Fielding		1		
TOTAL		5		

LOST

(3) Robert Kelly, Chief Building Official – Building Department and Planning Department

Robert Kelly, Chief Building Official made a presentation to Council regarding the proposed capital budgets for the Building Department and Planning Department.

(4) Karen Landry, CAO/Clerk –Corporate Department, Puslinch Community Centre, and Badenoch Community Centre

Corporate

Staff are to analyze options associated with the municipal office renovation/expansion including accessibility project in 2018.

It was noted that the funding for the Pay Equity Study noted in 2021 should be increased as the last study only included an update to the previous study.

Badenoch Community Centre

Council discussed the proposed capital budget for the Badenoch Community Centre and directed staff to:

- Transfer the Badenoch Community Centre to a Badenoch Community Centre Not-for Profit Organization, or similar entity for \$1
- The Township is to retain first right of refusal to acquire the property back for \$1 should the organization wish to sell it in the future
- The Township is prepared to pay the cost for the organization to incorporate
- The exterior wall rehabilitation for the back wall is to be completed prior to the transfer (2016 Capital Budget item)
- Funds in the amount of \$47,500 currently included in the Township’s 2017 Capital Budget for Badenoch will be made available through a grant from the Township to the organization conditional upon submission of works to be completed and receipts substantiating the work has been completed.
- Remove capital items proposed from 2018 to 2026.



Puslinch Community Centre

Staff Report FIN-2016-023	Staff Direction
Replacement of Metal Roofing Panels (Pg. 96)	Council directed staff to look into painting of the roof panels to extend its life.
Replacement of Sanitary Pumps and Control System (Pg. 109)	Council directed staff to investigate when the sanitary pumps and control system were last replaced. It is believed that the replacement occurred 8 to 9 years ago resulting in this capital project needing to be done earlier.

(5) Mary Hasan, Director of Finance/Treasurer – Finance Department

Refer to Agenda Item 3(1) and 3(2).

5. CONFIRMING BY-LAW:

Resolution No. 2016-375

Moved by Councillor Roth and
Seconded by Councillor Bulmer

That the following By-law be taken as read three times and finally passed in open Council:

- (a) By-Law **071/16** being a by-law to confirm the proceedings of Council for the Corporation of the Township of Puslinch at its Budget meeting held on the 12th day of October, 2016.

CARRIED

6. ADJOURNMENT:

Resolution No. 2016-376

Moved by Councillor Bulmer and
Seconded by Councillor Roth

That Council hereby adjourns at 1:13 p.m.

CARRIED

Dennis Lever, Mayor

Karen Landry, CAO/Clerk



MINUTES

DATE: Wednesday, October 19, 2016

CLOSED MEETING: 6:15 P.M.

REGULAR MEETING: 7:00 P.M.

The October 19, 2016 Regular Council Meeting was held on the above date and called to order at 6:15 p.m. in the Council Chambers, Aberfoyle.

1. ATTENDANCE:

Mayor Dennis Lever
Councillor Matthew Bulmer
Councillor Susan Fielding
Councillor Ken Roth
Councillor John Sepulis

STAFF IN ATTENDANCE:

1. Karen Landry, CAO/Clerk
2. Mary Hasan, Director of Finance/Treasurer
3. Don Creed, Director of Public Works and Parks
4. Nina Lecic, Deputy Clerk

OTHERS IN ATTENDANCE

1. Doug Smith
2. Andreanne Simard
3. Kathy White
4. Kyle Davis
5. Michelle Luomo
6. Martin Keller
7. K. Lever

2. DISCLOSURE OF PECUNIARY INTEREST & THE GENERAL NATURE THEREOF:

Councillor Bulmer declared a pecuniary interest with respect to Item 3(a) - Confidential Verbal Report from Karen Landry, CAO/Clerk regarding the security of the property of the municipality or local board, with respect to 23 Brock Road- as he provides services to the Aberfoyle Farmer's market. Councillor Bulmer left Council Chambers and was not present for any discussions on the matter.

Councillor Fielding declared a pecuniary interest with respect to Item 9 (a) – Notice of Motion- Comments on the expansion of the Greenbelt plan area- as she has family members that own property in this area. Councillor Fielding left the Council table and did not partake in any discussions or voting on the matter.

3. CLOSED MEETING

Council was in closed session from 6:16 p.m. to 6:44 p.m.

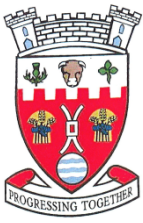
Council recessed from 6:44 p.m. to 7:00 p.m.

Resolution No. 2016-377:

Moved by Councillor Sepulis and
Seconded by Councillor Fielding

That Council shall go into closed session under Section 239 of the Municipal Act for the purpose of:

- (a) Confidential Verbal Report from Karen Landry, CAO/Clerk regarding the security of the property of the municipality or local board, with respect to 23 Brock Road.
- (b) Confidential Verbal Report from Karen Landry, CAO/Clerk regarding litigation or potential litigation, including matters before administrative tribunals affecting the municipality or local board and advise that is subject to solicitor



client privilege, including communications necessary for that purpose–
Aggregate Assessment Appeals - Minutes of Settlement.

CARRIED

Resolution No. 2016-378: Moved by Councillor Fielding and
Seconded by Councillor Sepulis

THAT Council move into open session.

CARRIED

Council resumed into open session at 6:44 p.m.

Resolution No. 2016-379: Moved by Councillor Sepulis and
Seconded by Councillor Fielding

That Council receives the:

- (a) Confidential Verbal Report from Karen Landry, CAO/Clerk regarding the security of the property of the municipality or local board, with respect to 23 Brock Road.
- (b) Confidential Verbal Report from Karen Landry, CAO/Clerk regarding litigation or potential litigation, including matters before administrative tribunals affecting the municipality or local board and advice that is subject to solicitor client privilege, including communications necessary for that purpose–
Aggregate Assessment Appeals - Minutes of Settlement.

And that staff proceed as directed;

**That the Mayor and Clerk be authorized to execute revised Minutes of Settlement for the following roll number:
2301 000 004 12100**

CARRIED

4. ADOPTION OF THE MINUTES: ≠

- (a) Council Meeting – October 5, 2016
- (b) Closed Council Meeting – October 5, 2016

Resolution No. 2016-380: Moved by Councillor Fielding and
Seconded by Councillor Sepulis

That the minutes of the following meetings be adopted as written and distributed:

- (a) Council Meeting – October 5, 2016
- (b) Closed Council Meeting – October 5, 2016

CARRIED

5. BUSINESS ARISING OUT OF THE MINUTES:

6. PUBLIC MEETINGS:

- 1. Notice of Public Information Session #1 Comprehensive Zoning By-law Project

*note this Public Information Session will be held on Thursday October 20th, 2016
6:00 to 8:00 pm at the Puslinch Community Centre

7. COMMUNICATIONS: ≠

- (1) Environmental Registry Alert

- a. Warren Paving & Materials Group Limited, a sub. Of Lafarge Canada Inc.
Registry #012-8765
- b. Cascade (Canada) Ltd. Registry # 012-4245



THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
October 19, 2016 COUNCIL MEETING

Councillor Sepulis requested that Council be advised when further notices arrive with respect to Warren Paving & Materials Group Limited

- (2) Comments on the Mini Lakes Quarterly Monitoring Report – Q2 2016
a. Correspondence from Blue Plan Engineering dated October 6, 2016

(3) 2016 Compliance Assessment Reports

- a. Martini Pit License ID 5654
- b. Philips Pit License ID 5610
- c. St. Mary's Cement Inc. License ID 5563
- d. St. Mary's Cement Inc. License ID 5497 (McNally Pit)
- e. St. Mary's Cement Inc. License ID 5520 (Aberfoyle pit)
- f. St. Mary's Cement Inc. License ID 624952 (Lanci)
- g. St. Mary's Cement Inc. License ID 625284 (Neubauer pit)
- h. St. Mary's Cement Inc. License ID 17600
- i. St. Mary's Cement Inc. License ID 625189
- j. St. Mary's Cement Inc. License ID 129817 (Mast-Snyder)
- k. St. Mary's Cement Inc. License ID 624864 (McNally East)
- l. St. Mary's Cement Inc. License ID 5734 (Edgington 2 pit)
- m. St. Mary's Cement Inc. License ID 5531 (Edgington 1 pit)
- n. St. Mary's Cement Inc. License ID 5737 (McMillan pit)

- (4) Nestle Permit to Take Water and water sustainability ≠
a. Correspondence dated October 12, 2016

Resolution No. 2016-381: Moved by Councillor Sepulis and
Seconded by Councillor Fielding

That Council receives the correspondence from Andreanne Simard, Natural Resource Manager, Nestle Waters Canada dated October 12, 2016.

CARRIED

Council requested that staff consult Township consultants for comments on the Province imposed moratorium.

Council also requested that staff consult other municipalities with respect to their municipal well process.

- (5) Introduction of Legislation to amend the Aggregate Resources Act
a. Correspondence from the Ministry of Natural Resources and Forestry dated October 6, 201

6. Intergovernmental Affairs≠

Councillor Bulmer requested that the communication with respect to Street Lighting from the Royal Astronomical Society of Canada, Toronto Chapter, dated October 5, 2016 be incorporated as part of the current Comprehensive Zoning By-law Project.

Councillor Sepulis requested that the "Ontario Support for the Framework for Recreation in Canada 2015" report be forwarded to local recreation and seniors groups.

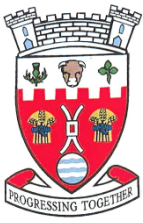
Resolution No. 2016-382: Moved by Councillor Fielding and
Seconded by Councillor Sepulis

That the Intergovernmental Affairs correspondence items listed on the Council Agenda for October 19, 2016 Council meeting be received.

CARRIED

DELEGATIONS/PRESENTATIONS≠

7:05 p.m. – Martin Keller, Source Protection Program Manager, Grand River Conservation Area regarding Update on City of Guelph and Guelph-



Eramosa Township Water Systems Tier 3 Water Budget and Risk
Assessment

Councillor Sepulis requested that staff bring back municipal well discussions to an upcoming Council meeting.

Resolution No. 2016-383: Moved by Councillor Roth and
Seconded by Councillor Fielding

That Council receives the presentation by Martin Keller, Source Protection Program Manager, Grand River Conservation Area regarding Update on City of Guelph and Guelph-Eramosa Township Water Systems Tier 3 Water Budget and Risk Assessment.

CARRIED

7. REPORTS: #

1. Puslinch Fire and Rescue Services #

- (a) Puslinch Fire and Rescue Monthly Report
a. July/August/September 2016

Council Sepulis requested that staff report back with an overview of what the “Other” 2016 Year To Date Emergency Calls are.

Resolution No. 2016-384: Moved by Councillor Fielding and
Seconded by Councillor Sepulis

That Council receives the Puslinch Fire and Rescue Services Response Report for July/August/September 2016.

CARRIED

2. Finance Department #

- (a) FIN-2016-018 Municipal Performance Measurement Program Report for 2015

Resolution No. 2016-385: Moved by Councillor Sepulis and
Seconded by Councillor Fielding

That Report FIN-2016-018 regarding the Municipal Performance Measurement Program Report for 2015 be received; and

That staff publish notice in the Puslinch Pioneer and Township website regarding the availability of the Municipal Performance Measurement Program Report for 2015.

CARRIED

- (b) FIN-2016-025 Ontario Community Infrastructure Fund – Formula-Based Component – Execution of Contribution Agreement

Resolution No. 2016-386: Moved by Councillor Fielding and
Seconded by Councillor Sepulis

That Report FIN-2016-025 regarding Ontario Community Infrastructure Fund – Formula-Based Component – Execution of Contribution Agreement be received; and

That Council enact a By-law authorizing the entering into an Agreement with Her Majesty the Queen in Right of Ontario as represented by the Minister of



Agriculture, Food and Rural Affairs in order to participate in the Ontario Community Infrastructure Fund – Formula-Based Component.

CARRIED

3. Administration Department

None

4. Planning and Building Department ≠

a. Chief Building Official Report –September 2016

Resolution No. 2016-387:

Moved by Councillor Roth and
Seconded by Councillor Bulmer

That Council receives the Chief Building Official Report for September 2016.

CARRIED

b. PD-2016-027 Public Meeting – Rezoning Application File D14/ONT – 1340464 Ontario Ltd, Concession 3, Part Lots 3-5, 4576 Wellington Road 32.

Resolution No. 2016-388:

Moved by Councillor Bulmer and
Seconded by Councillor Roth

That Report PD-2016-027 regarding Notice of Public Meeting – Rezoning Application file D14/ONT – 1340464 Ontario Ltd., Concession 3, Part Lots 3-5, 4576 Wellington Road 32, be received; and

That Council authorize the holding of a Statutory Public Meeting on Thursday November 10th, at 7:00 pm in the Council Chambers, Municipal Complex.

CARRIED

c. PD-2016-028 Agreement with Marc and Helen Jowett Part Lot 3, Part Lot 2, Plan 380, 2 Lakeside Drive

Resolution No. 2016-389:

Moved by Councillor Roth and
Seconded by Councillor Bulmer

That Report PD-2016-028 regarding the Agreement with Marc and Helen Jowett – Lot 3, Part Lot 2, Plan 380, municipally known as 2 Lakeside Drive be received; and

That Council enact a By-law to authorize the entering into of an Agreement with Marc and Helen Jowett; and

That Council pass a By-law to delegate authority to the Chief Building Official and the CAO/Clerk to execute Agreements for the collection of securities for the purpose of an owner to be able to maintain accessory structures on a property in order to demolish a dwelling and construct a new dwelling.

CARRIED

5. Roads & Parks Department

None

6. Recreation Department

None



7. **Mayor's Updates**

- a. County of Wellington Report on Mobile HHW Depot Service
- b. County of Wellington Report on Rural Collection Progress Report

8. **NOTICE OF MOTION:**

- a. Councillor Roth- Walking Trail at the Puslinch Community Centre

Resolution No. 2016-390: Moved by Councillor Roth and
Seconded by Councillor Bulmer

WHEREAS the Walking Trail at the Puslinch Community Centre has been completed;

AND WHEREAS the development of a Walking Trail on the Puslinch Community Centre Lands was initiated by former Councillor Wayne Stokley;

NOW THEREFORE BE IT RESOLVED in honour of Councillor Wayne Stokley and his dedication to sports and recreational activities in the Township, Council hereby dedicates and names the Puslinch Community Centre Lands Trail in memory of "Councillor Wayne Stokley"; and

That upon installation of a plaque in the Spring of 2017, a trail opening event be held to unveil the plaque in honour of late Councillor Wayne Stokley.

CARRIED

Councillor Fielding disclosed a pecuniary interest, left the Council table, and refrained from discussion and voting on item # (b) below:

- b. Mayor Lever- Comments on the expansion of the Greenbelt plan area

Resolution No. 2016-391: Moved by Councillor Roth and
Seconded by Councillor Sepulis

WHEREAS Council passed Resolution 2016-251 at its meeting held on June 15, 2016 in support of County of Wellington Planning Committee – Comments on Proposed Changes to Provincial Plans dated June 9, 2016 and wherein the expansion of the Greenbelt into Wellington County was not supported;

AND WHEREAS the proposed changes to the Provincial Plans (the Greenbelt Plan) recommends an expansion of the Greenbelt Plan Area in southern Wellington County and includes the Township of Puslinch;

AND WHEREAS the Province has emphasized the importance of residential and employment corridors next to transportation and transit corridors;

AND WHEREAS Highway 401 is major transportation and economic development corridor;

NOW THEREFORE BE IT RESOLVED should the Province proceed with the expansion of the Greenbelt Plan Area in Puslinch, the Township recommends that lands within a 2 kilometers of the Highway 401 corridor and Highway 6 be specifically excluded from the current and proposed Greenbelt Plan Area to accommodate and develop employment lands.

CARRIED

9. **COMMITTEE MINUTES**

None



10. MUNICIPAL ANNOUNCEMENTS

- (a) Councillor Sepulis and Mayor Lever noted that they attended the CBM Open house.
- (b) Councillor Fielding notified Council that Don Creed, Director of Public Works and Parks will be a guest speaker at the October 26, 2016 Community Oriented Policing meeting.
- (c) Mayor Lever provided an overview of the AMO and FCM conferences he attended.
- (d) Mayor Lever notified Council that he attended the Bridges to Better Business Event- Celebrating Small Business in Our Community hosted by the Guelph-Wellington Business Center.
- (e) Council requested that staff register the Township as a delegation for the ROMA and OGRA Conferences.

11. BY-LAWS:

- (a) 072/16 Being a by-law to authorize the entering into an Agreement with Her Majesty the Queen in Right of Ontario as represented by the Minister of Agriculture, Food and Rural Affairs in order to participate in the Ontario Community Infrastructure Fund – Formula-Based Component. (As per Report FIN-2016-025)
- (b) 073/16 Being a by-law to repeal By-law 27/97 being a By-law to establish temporary Trailer licenses pending the construction of a residential building (As per Resolution 2016-362 from the October 5, 2016 Council Meeting)
- (c) 074/16 Being a by-law to authorize the entering into an Agreement with Marc and Helen Jowett – 2 Lakeside Drive (As per Report PF-2016-028)

Resolution No. 2016-392:

Moved by Councillor Bulmer and
Seconded by Councillor Roth

That the following By-laws be taken as read three times and finally passed in open Council:

- a. 072/16 Being a by-law to authorize the entering into an Agreement with Her Majesty the Queen in Right of Ontario as represented by the Minister of Agriculture, Food and Rural Affairs in order to participate in the Ontario Community Infrastructure Fund – Formula-Based Component. (As per Report FIN-2016-025)
- b. 073/16 Being a by-law to repeal By-law 27/97 being a By-law to establish temporary Trailer licenses pending the construction of a residential building (As per Resolution 2016-362 from the October 5, 2016 Council Meeting)
- c. 074/16 Being a by-law to authorize the entering into an Agreement with Marc and Helen Jowett – 2 Lakeside Drive (As per Report PD-2016-028)

CARRIED

12. CONFIRMING BY-LAW

- (a) By-Law to confirm the proceedings of Council for the Corporation of the Township of Puslinch

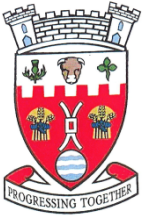
Resolution No. 2016-393:

Moved by Councillor Roth and
Seconded by Councillor Bulmer

That the following By-law be taken as read three times and finally passed in open Council:

By-Law 075/16 being a by-law to confirm the proceedings of Council for the Corporation of the Township of Puslinch at its meeting held on the 19th day of October, 2016.

CARRIED



THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
October 19, 2016 COUNCIL MEETING

(6) ADJOURNMENT:

Resolution No. 2016-394: Moved by Councillor Bulmer and
Seconded by Councillor Roth

That Council hereby adjourns at 9:21 p.m.

CARRIED

Dennis Lever, Mayor

Karen Landry, CAO/Clerk



THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
October 26, 2016 COUNCIL BUDGET MEETING

MINUTES

DATE: Wednesday, October 26, 2016

TIME: 9:00 A.M.

The Council Budget Meeting was held on the above date and called to order at 9:00 a.m. in the Council Chambers, Aberfoyle.

1. **ATTENDANCE:**

Mayor Dennis Lever
Councillor Matthew Bulmer
Councillor Susan Fielding
Councillor Ken Roth
Councillor John Sepulis

STAFF IN ATTENDANCE:

1. Karen Landry, CAO/Clerk
2. Mary Hasan, Director of Finance/Treasurer
3. Don Creed, Director of Public Works and Parks
4. Robert Kelly - Chief Building Official
5. Luis Gomes, Deputy Fire Chief

OTHERS IN ATTENDANCE

None

2. **DISCLOSURE OF PECUNIARY INTEREST & THE GENERAL NATURE THEREOF:**

None

3. **REPORTS** ≠

Finance Department

(1) Report FIN-2016-026 – 2017 Proposed Budget ≠

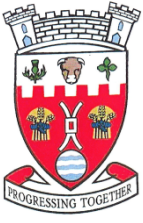
Council directed staff to incorporate a 1.50% cost of living adjustment to the base budget.

Council directed staff that grant funding for Badenoch in the amount of \$2,000 be transferred to Corporate Legal to obtain legal advice for incorporation.

Council directed staff to have Puslinch Lake Conservation Association make a presentation to Council regarding the progress on dredging of the lake and the timing for completion of the project.

Council directed staff to include grant funding at 2016 levels as follows:

Aberfoyle Agricultural Society	\$3,000
Community Oriented Policing	\$500
Friends of Mill Creek – Grand River	\$1,250
Puslinch Lake Conservation Association	\$25,000
Sunrise Therapeutic Riding and Learning Centre	\$2,500
Wellington County Farm and Home Safety Association	\$125
Wellington County Plowmen's Association	\$100
Total	\$32,475



Resolution No. 2016-395:

Moved by Councillor Sepulis and
Seconded by Councillor Fielding

That Report FIN-2016-026 regarding the 2017 Proposed Budget be received.

CARRIED

4. 2016 PROPOSED OPERATING BUDGETS

(a) Corporate

(b) Administration

Council directed staff to work with the Optimist Club and the Heritage Committee on Canada 150 celebrations.

(c) Council

(d) Elections

(e) Finance

Council requested the percentage of residents utilizing pre-authorized and online tax payment options.

Council requested staff to inquire of Local Authority Services whether it is feasible to consolidate all of the Township's hydro accounts and whether there are any financial savings. Staff were also requested to consider the consolidation of facility maintenance costs.

(f) Building

Council requested staff to include funding in the Capital Forecast for septic inspections that are required to be completed every five years. Staff were also requested to report back on the recovery of these costs by the City of Guelph through the Source Water Protection discussions.

(g) Source Water Protection

Staff advised that Kyle Davis is to provide the Township with estimated costs for 2017. Staff advised that the resourcing of a Risk Management Inspector will be discussed at a future meeting.

(h) Planning

(i) By-Law

(j) Public Works

(k) Parks

(l) Optimist Recreation Centre

Staff advised that the ORCP Committee will be considering a report regarding recommended changes to the operation of the Optimist Recreation Centre which may have budgetary implications. The report will be submitted to Council no later than November 22, 2016.

(m) Puslinch Community Centre



THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
October 26, 2016 COUNCIL BUDGET MEETING

Council directed staff to determine a cost per hour for the operation of the Optimist Recreation Centre and the Puslinch Community Centre.

(n) Fire and Rescue Services

Council requested staff to provide a summary of the clothing purchased by Fire and the rotation cycle of the clothing.

(o) Library

(p) Badenoch

(q) Committees

Council requested at the time of finalizing the budget, consideration be given to setting aside additional funding to contribute to reserves.

5. **CONFIRMING BY-LAW:**

Resolution No. 2016-396:

Moved by Councillor Roth and
Seconded by Councillor Bulmer

That the following By-law be taken as read three times and finally passed in open Council:

(a) By-Law **076/16** being a by-law to confirm the proceedings of Council for the Corporation of the Township of Puslinch at its Budget meeting held on the 26th day of October, 2016.

CARRIED

6. **ADJOURNMENT:**

Resolution No. 2016-397:

Moved by Councillor Bulmer and
Seconded by Councillor Roth

That Council hereby adjourns at 10:39 a.m.

CARRIED

Dennis Lever, Mayor

Karen Landry, CAO/Clerk



REPORT PD-2016-030

INFORMATION REPORT

FROM: Kelly Patzer, Development Coordinator

DATE: November 9, 2016

SUBJECT: Public Meeting – Rezoning Application File D14/ONT – 1340464 Ontario Ltd. (Weber), Concession 3, Part Lots 3-5, municipally known as 4576 Wellington Road 32

BACKGROUND:

1. Purpose of Report

This report is to provide an outline to Council and the Public of application D14/ONT and the review completed to date in advance of the Public Meeting being held Thursday November 10, 2016 at 7 p.m. regarding the Zoning By-law Amendment on the lands located at 4576 Wellington Road 32, Aberfoyle.

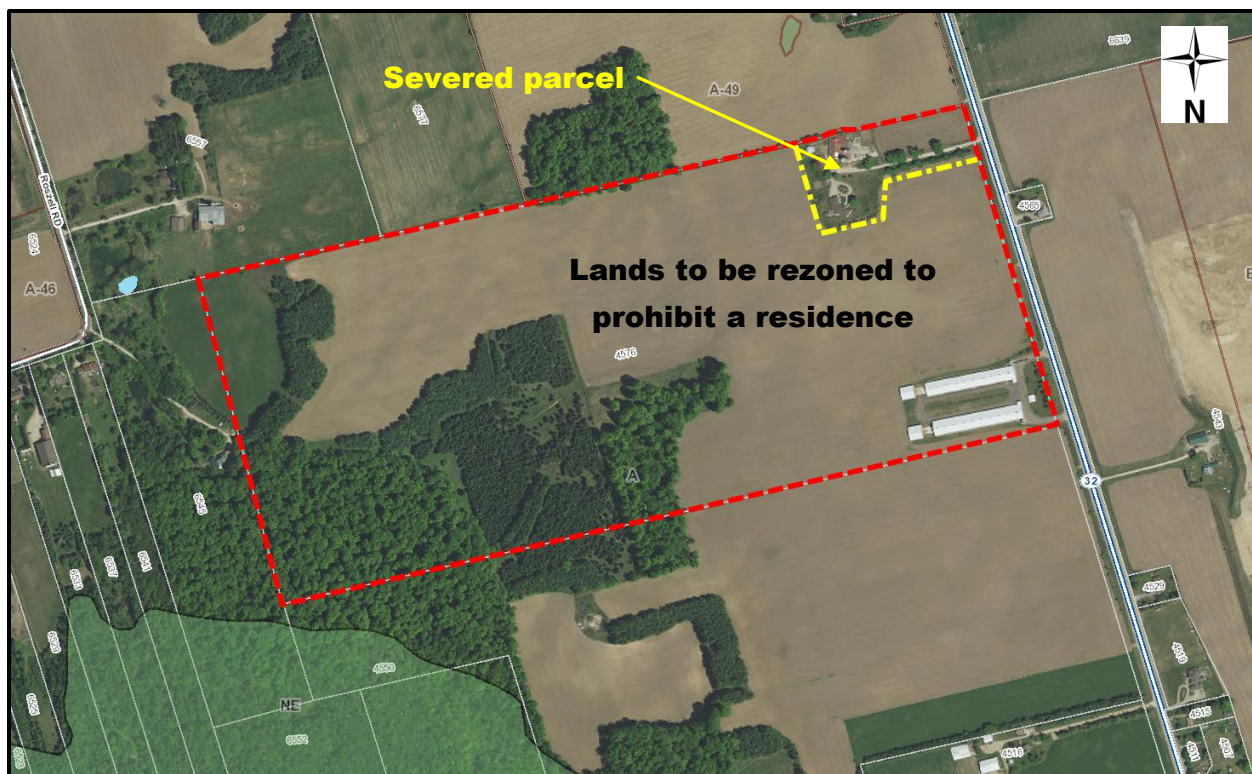
2. Application

An application has been submitted to rezone a portion of the subject property from Agricultural (A) Zone to an Agricultural Special (A__) Zone to permit a severance. The proposed severed parcel with an existing dwelling can be deemed a “surplus residence” on Prime Agricultural lands designated under the Official Plan. Farmers are permitted to sever the surplus residence and rezone the retained agricultural lands to prohibit a new residence being built, to protect the agricultural use of the lands.

A justification letter, attached, has been submitted as part of the application package.

3. Location & Site Characteristics

The subject agricultural land to be rezoned is approximately 38.2 ha (94 acres) in area and is located on the property municipally known as 4576 Wellington Road 32. The parcel to be severed is 2.2 hectares (5.4 acres) and contains a residential dwelling. The bank barn and attached silos that were located on the residential severed parcel have been demolished. Abutting land uses include agricultural lands and rural residential properties.



Source: County of Wellington 2015 Air Photo & Parcel Fabric

APPLICATION CHRONOLOGY:

1. Township of Puslinch Zoning Application

The application was submitted and deemed complete September 22, 2016.

2. Notice:

October 18, 2016: Notice of a Complete Application and Public Meeting was mailed to required agencies and property owners within 120 metres of the subject property and a notice sign has been placed on the subject lands.

October 21, 2016: Notice of a Complete Application and Public Meeting published in the Wellington Advertiser.

November 8, 2016: Application to be presented for comment at the Planning Development and Advisory Committee.

November 10, 2016: Public Meeting to be held at Township of Puslinch.

3. Staff, Agency & Public Circulation Comments:

The zoning application was circulated for review comments to the Township's consultants and External Agencies. The County of Wellington Planning report detailing the proposed rezoning is attached. Staff and consultants have no objection or comments towards the application.

The Township has not received any written comments from the public in support of or against the rezoning application.

APPLICABLE LEGISLATION & REQUIREMENTS:

1. County of Wellington Official Plan

The subject property is designated as Prime Agricultural and Greenlands. Section 10.3.4(f) of the Official Plan indicates a severance in the Prime Agricultural area may be considered for an existing residence that is surplus to a farming operation as a result of a farm consolidation, provided that the vacant (retained) parcel of farmland is rezoned to prohibit a residential use.

2. Township of Puslinch Zoning By-Law

The subject lands are zoned Agricultural. Permitted uses in the A Zone include agricultural uses and a single detached dwelling.

CONCLUSION:

Once all relevant information, reports and comments have been reviewed and completed, a final Recommendation Report will be brought forward to Council with any required proposed amending By-law which will summarize all agency and public comments and assess the merits of the application.

ATTACHMENTS:

Attachment "A" - County of Wellington Planning Report

Attachment "B" – Letter prepared by Van Harten Surveying.



PLANNING REPORT for the TOWNSHIP OF PUSLINCH

Prepared by the County of Wellington Planning and Development Department

DATE: November 10, 2016
TO: Kelly Patzer, Development Coordinator
Township of Puslinch
FROM: Elizabeth Martelluzzi, Junior Planner
County of Wellington
SUBJECT: **D14/ONT (Weber)**
Zoning By-law Amendment
4576 Wellington Road 32 (Part Lots 3-5, Concession 3), Puslinch

SUMMARY

This zoning by-law amendment application was deemed complete and a public meeting scheduled for November 10, 2016. The purpose of this report is to provide our preliminary comments concerning the application materials submitted by the applicant.

The subject lands were granted provisional approval for severance application B88/15 by the Wellington County Land Division Committee in November, 2015. This application would satisfy a condition for the severance of a surplus farm dwelling. The proposed zone amendment would prohibit a residential dwelling on the retained lands.

INTRODUCTION

The land subject to the proposed zoning by-law amendment is municipally addressed as 4576 Wellington Road 32. The property received conditional approval for severance application B88/15 in November, 2015 by the Wellington County Land Division Committee. A condition of severance is to rezone the retained lands to prohibit a residential dwelling.

The severed parcel is 2.2 ha (5.4 acres) and includes an existing single detached dwelling, garage, drive shed, grain tower and barn (to be removed). The retained parcel is 38.2 ha (94 acres) and is used for agricultural purposes. Surrounding land uses include agricultural uses.

PROPOSAL

The purpose of the proposed amendment is to rezone the retained parcel, 38.2 ha (94 acres), from Agricultural to Agricultural Exception zone to prohibit a residential dwelling on the subject land.

PROVINCIAL PLANNING POLICY

The Provincial Policy Statement (PPS) provides direction for restricting residential uses on the retained portion of a surplus farm dwelling severance. This is echoed in the County Official Plan and implemented through a Zoning by-law amendment. The Provincial Policy Statement states in section 2.3.4.1.c., that residential lot creation in prime agricultural areas may only be permitted for a residence surplus to a farming operation as a result of farm consolidation. The PPS requires that in this instance, the planning authority ensures that new residential dwellings are prohibited on the retained parcel of farmland created by the severance. The subject property was subject to a surplus farm dwelling severance and therefore to prohibiting residential uses on the retained lands conforms to provincial policy.

COUNTY OFFICIAL PLAN

The subject property is designated as PRIME AGRICULTURAL and GREENLANDS. According to section 10.3.4.f., a severance in the Prime Agricultural area may be considered for an existing residence that is surplus to a farming operation as a result of a farm consolidation, provided that the vacant (retained) parcel of farmland is rezoned to prohibit a residential use.

The zone amendment conforms to the County of Wellington Official Plan.

PUBLIC AND AGENCY COMMENTS

No formal comments have been received from neighbouring property owners, and there were no agency concerns brought forward at this time.

NEXT STEPS

The public meeting for this application is scheduled for November 10, 2016. Following the public meeting, Township Council may further consider the applicant's response to any matters raised by the public and other comments and concerns identified. We will be in attendance at the public meeting to hear the applicant's presentation, public comments and Council discussion. Our planning recommendations will be provided following the public meeting and resolution of outstanding issues.

Respectfully submitted

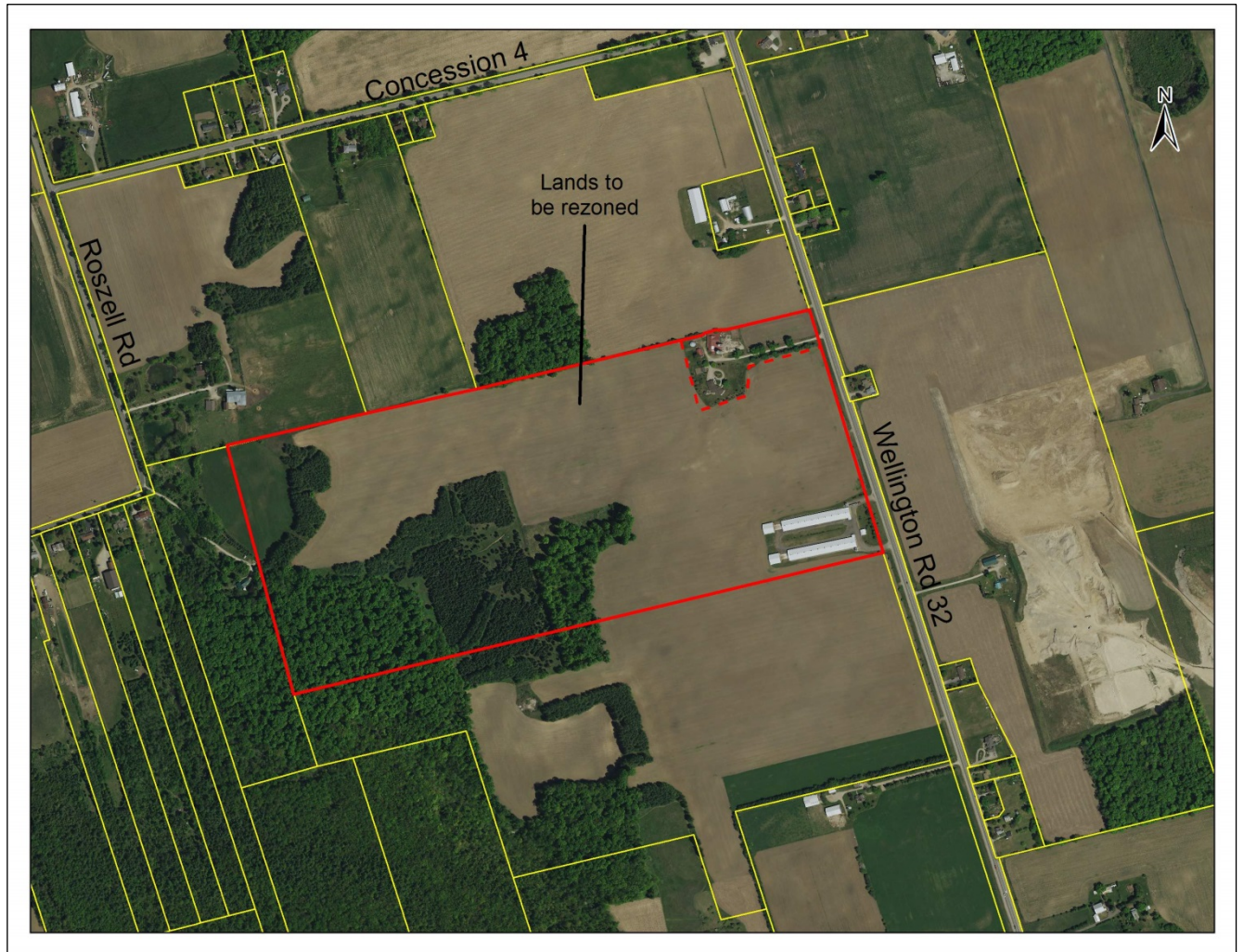
County of Wellington Planning and Development Department



Elizabeth Martelluzzi, B.URPI
Junior Planner

Attachments: Figure 1, Subject Lands.

Figure 1: Subject Lands.



August 9, 2016

23141-15

Jeff.Buisman@vanharten.com

Township of Puslinch
7404 Wellington Road 34
R.R. #3
Guelph, ON
N1H 6H9

Attention: Karen Landry, CAO

Dear Ms. Landry,

Re: Surplus Residence Severance Application B88/15
4576 Wellington Road 32
Part of Lots 3-5, Concession 3
PIN 71211-0013
Township of Puslinch

Please find enclosed an application for a Zoning By-law Amendment on the above-mentioned property. Included with this submission are copies of the zone change sketch, completed application form, the required deed, and a cheque to the Township of Puslinch of \$3,600 for the minor application fee.

This zoning by-law amendment application is being made to meet condition 8 of Severance Application B88/15 which was approved November 2015 subject to conditions. The application severed a "surplus residence" from a 38.2± ha farm.

The Zoning By-law amendment is to prohibit a new residential dwelling on the retained parcel of application B88/15. This is one of the requirements for "surplus residence severances" as laid out in Section 10.3.4 of the Wellington County Official Plan. The section allows farmers to reduce capital costs of owning farmland. The proposed zone change protects the existing agricultural use of the land by ensuring a new residence cannot be built on the land.

12 Memorial Avenue,
Elmira, Ontario N3B 2R2
Phone: 519-669-5070

423 Woolwich Street,
Guelph, Ontario N1H 3X3
Phone: 519-821-2763

660 Riddell Road, Unit 1,
Orangeville, Ontario L9W 5G5
Phone: 519-940-4110

www.vanharten.com



LAND SURVEYORS and ENGINEERS

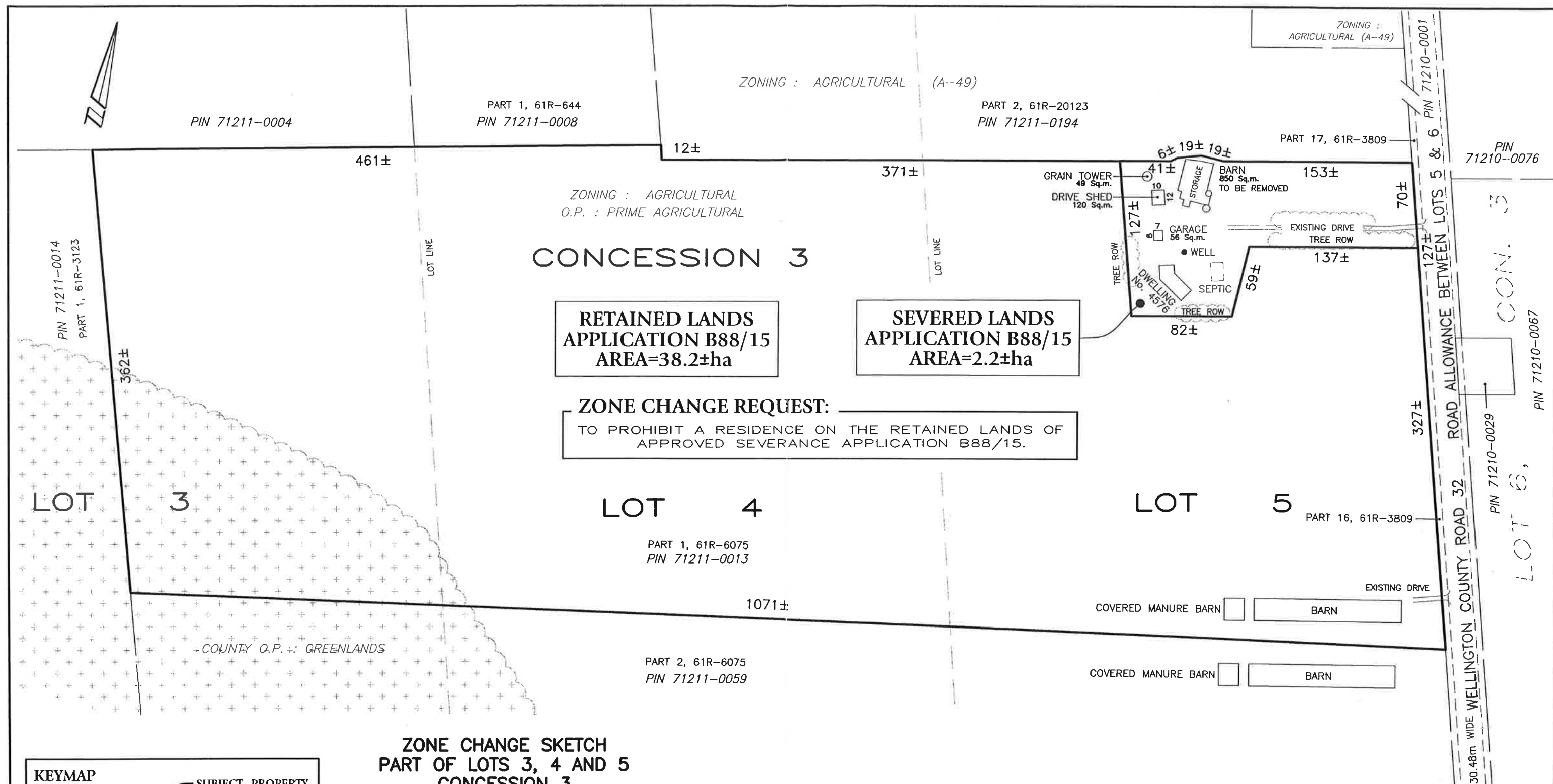
Please call me if you or the Planning Staff have any questions.

Very truly yours,
Van Harten Surveying Inc.

A handwritten signature in black ink, appearing to read "Jeff Buisman", is written over the typed name.

Jeffrey E. Buisman B.E.S, B.Sc.
Ontario Land Surveyor

cc Laurie Weber, 1340464 Ontario Limited



CONCESSION 3

RETAINED LANDS
APPLICATION B88/15
AREA=38.2±ha

SEVERED LANDS
APPLICATION B88/15
AREA=2.2±ha

ZONE CHANGE REQUEST:

TO PROHIBIT A RESIDENCE ON THE RETAINED LANDS OF
APPROVED SEVERANCE APPLICATION B88/15.

ZONE CHANGE SKETCH PART OF LOTS 3, 4 AND 5 CONCESSION 3 TOWNSHIP OF PUSLINCH COUNTY OF WELLINGTON

SCALE: 1 — 3000

0 30 60 120 180 metres

VAN HARTEN SURVEYING INC.

THIS SKETCH WAS PREPARED
ON THE 9th DAY OF AUGUST, 2016

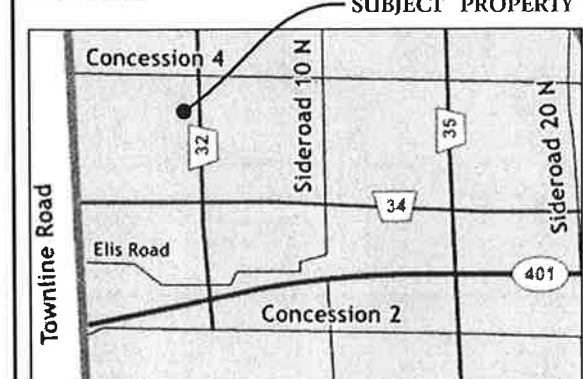
Jeffrey E. Buisman

JEFFREY E. BUISMAN
ONTARIO LAND SURVEYOR

NOTES:

1. THIS IS NOT A PLAN OF SURVEY AND SHOULD NOT BE USED FOR REAL ESTATE TRANSFERS OR MORTGAGES.
2. SUBJECT LANDS ARE ZONED AGRICULTURAL
3. SUBJECT LANDS HAVE AN OFFICIAL PLAN DESIGNATION OF PRIMARY AGRICULTURAL AND GREENLANDS
4. DISTANCES ON THIS PLAN ARE SHOWN IN METRES AND CAN BE CONVERTED TO FEET BY DIVIDING BY 0.3048.
5. DIMENSIONS ON THIS SKETCH ARE APPROXIMATE AND HAVE NOT BEEN VERIFIED BY SURVEY.

KEYMAP



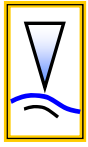
Van Harten
SURVEYING INC.
LAND SURVEYORS and ENGINEERS

423 WOOLWICH STREET
GUELPH — ONTARIO, N1H 3X3
PHONE: (519) 821 — 2763
FAX: 821 — 2770
www.vanharten.com

660 RIDDELL ROAD, UNIT 1
ORANGEVILLE — ONTARIO, L9W 5G5
PHONE: (519) 940 — 4110
FAX: 519 — 940 — 4113
www.vanharten.com

DRAWN BY: JAM CHECKED BY: JEB PROJECT No. 23141-15

Aug 08, 2016-2:55pm
G:\PUSLINCH\Con3\ACAD\SEV\ZONING PT3-5 (WEBER) UTM 2010.d



*Groundwater
Science Corp.*

328 Daleview Place,
Waterloo, ON N2L 5M5
phone: (519) 746-6916
email: apentney@rogers.com

Email Report

To: Colin Evans, CBM	From: Andrew Pentney
Email: colin.evans@vcimentos.com	Pages: 2
Phone: (416) 423-1300	Date: October 17, 2016
Re: Puslinch Pit – License No. 17600 Monitoring Report Update	CC: MNRF, Township of Puslinch, Harrington McAvan Ltd.

This Monthly Report summarizes the September results of the groundwater monitoring program for the CBM Puslinch Pit.

Below Water Table Extraction

CBM that no below water extraction occurred in September 2016.

Water Level Monitoring and Threshold Status

The reported water level measurements from June to September, compared to threshold values, are summarized on the attached table.

As indicated by the measurements, there were no threshold exceedances observed and no Action Response over this period. Overall water levels are within historical ranges.

Streamflow in Mill Creek at Side Road 10 is reported through the GRCA website to be currently “Normal” (at or above 70% of normal summer low flow), however the declared condition remains at “Level 2”. There is no PTTW in place, or water use under a PTTW, at the site.

If you have any questions or require further information please do not hesitate to contact me.

Sincerely,

Andrew Pentney, P.Geo.
Hydrogeologist

Location:	MP1	MP2	MP3	MP4	North Pond	South Pond
TOC Elev.:	314.77	316.56	317.50	315.35	307.38	306.80
Threshold Elev.:	-	-	305.27	305.27	305.64	305.34
Date	Water Level Elevation (mASL)					
14-Jun-16	306.97	306.47	306.48	306.52	307.09	306.62
11-Jul-16	306.87	306.38	306.35	306.43	307.01	306.53
08-Aug-16	306.72	306.21	306.25	306.26	306.84	306.35
21-Sep-16	306.59	306.06	306.05	306.09	306.62	306.14
Notes: * Elevations are geodetic, as per Van Harten Surveying Inc. July 2007 reported reference elevations Elev. = Elevation (mASL) TOC = Top of Casing mASL = metres above sea level						

WATER LEVEL SUMMARY TABLE

Nina Lecic

From: Karen Landry
Sent: October-28-16 10:30 AM
To: Nina Lecic
Subject: FW: "puslinch" in New Instrument Proposal Notice:
Proponent: Mini Lakes Residents Association

From: Environmental Registry Alerts [<mailto:registryalerts@eco.on.ca>]
Sent: Friday, October 28, 2016 9:57 AM
To: Karen Landry
Subject: "puslinch" in New Instrument Proposal Notice: Proponent: Mini Lakes Residents Association ...

"puslinch" in New Instrument Proposal Notice: Proponent: Mini Lakes Residents Association

Proponent: Mini Lakes Residents Association
Instrument: Permit to Take Water - OWRA s. 34
Ministry: Ministry of the Environment and Climate Change
Date Proposed: 2016-10-28
Comment Period: 30 days: submissions may be made between October 28, 2016 and November 27, 2016.
Comment Deadline: 2016-11-26 (please check the registry to confirm deadline)
URL: <http://www.ebr.gov.on.ca/ERS-WEB-External/...>
Registry #: 012-8940

2 Excerpts Mention "puslinch":

"...Description of Instrument

This proposal is to renew Permit to Take Water No. 3331-73RKYV for communal purposes. Water will be taken from four (4) wells related to water supply activities, in the Township of **Puslinch**, County of Wellington, Ontario. Details of Water Taking are as follows:

Permit Type - Renewal (Category 1)

Source 1

Source of Water: Well - Drilled
Maximum Rate (Litres Per Minute): 136.00
Maximum Number of Hours of Taking per Day: 24
Maximum Volume (Litres) Per Day: 146,880.00
Maximum Number of Days of Taking in a Year: 365
Earliest Calendar date of taking (mm/dd): 01/01 <..."

"...this proposal must be directed to:

West Central Region
Permit To Take Water Evaluator
Ministry of the Environment and Climate Change
Operations Division
West Central Regional Office
119 King Street West
Floor 12
Hamilton Ontario
L8P 4Y7
Phone: (905) 521-7833
Fax: (905) 521-7820
Toll Free Phone: (800) 668-4557

(opens in new window)
Location(s) Related to this Instrument:

Mini Lakes Community

Lot 21, Concession 8

Township of **Puslinch**, County of Wellington

TOWNSHIP OF **PUSLINCH**

Additional Information:

The following government offices have additional information regarding this Proposal. To arrange a viewing of these documents please call the Ministry Contact or the Office listed below.

West Central Regional Office
119 King Street West
Floor 12
Hamilton Ontario
L8P 4Y7
Phone: (905) 521-7640
Toll Free Phone: (800) 668-4557

..."

Ministry #: 5740-AF5P2M

The *Environmental Commissioner of Ontario* is not responsible for any consequences arising from missed Registry notices. Under the Environmental Bill of Rights, the Environmental Registry site at <http://www.ebr.gov.on.ca/> is the authoritative source for public notices about environmental matters being proposed by Ontario government ministries.

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Instrument Proposal Notice:

Proponent: Mini Lakes Residents Association
7541 Wellington County Road 34 Road
Puslinch Ontario

Canada N1H 6H9

Instrument Type: Permit to Take Water - OWRA s. 34

EBR Registry Number:

012-8940

Ministry Reference Number:

5740-AF5P2M

Ministry:

Ministry of the Environment
and Climate Change

**Date Proposal loaded to the
Registry:**

October 28, 2016

Keyword(s): Water

Comment Period: 30 days: submissions may be made between October 28, 2016 and November 27, 2016.

Description of Instrument:

This proposal is to renew Permit to Take Water No. 3331-73RKYV for communal purposes. Water will be taken from four (4) wells related to water supply activities, in the Township of Puslinch, County of Wellington, Ontario. Details of Water Taking are as follows:

Permit Type - Renewal (Category 1)

Source 1

Purpose of Water Taking: Communal - Water Supply

Source of Water: Well - Drilled

Maximum Rate (Litres Per Minute): 136.00

Maximum Number of Hours of Taking per Day: 24

Maximum Volume (Litres) Per Day: 146,880.00

Maximum Number of Days of Taking in a Year: 365

Earliest Calendar date of taking (mm/dd): 01/01

Latest Calendar date of taking (mm/dd): 12/31

Period of Water Taking: 10 Years

Source 2

Purpose of Water Taking: Communal - Water Supply

Source of Water: Well - Drilled

Maximum Rate (Litres Per Minute): 182.00

Maximum Number of Hours of Taking per Day: 24

Maximum Volume (Litres) Per Day: 196,560.00

Maximum Number of Days of Taking in a Year: 365

Earliest Calendar date of taking (mm/dd): 01/01

Latest Calendar date of taking (mm/dd): 12/31

Period of Water Taking: 10 Years

Source 3

Purpose of Water Taking: Communal - Water Supply

Source of Water: Well - Drilled

Maximum Rate (Litres Per Minute): 222.00

Maximum Number of Hours of Taking per Day: 24

Maximum Volume (Litres) Per Day: 319,680.00

Maximum Number of Days of Taking in a Year: 365

Earliest Calendar date of taking (mm/dd): 01/01

Contact:

**All comments on this
proposal must be directed
to:**

West Central Region

Permit To Take Water
Evaluator

Ministry of the Environment
and Climate Change

Operations Division

West Central Regional Office

119 King Street West

Floor 12

Hamilton Ontario

L8P 4Y7

Phone: (905) 521-7833

Fax: (905) 521-7820

Toll Free Phone: (800) 668-
4557

**To submit a comment
online, click the submit
button below:**

[Submit Comment](#) (opens
in new window)

**Location(s) Related to
this Instrument:**

Mini Lakes Community

Lot 21, Concession 8

Latest Calendar date of taking (mm/dd): 12/31
Period of Water Taking: 10 Years

Township of Puslinch, County
of Wellington

Source 4

Purpose of Water Taking: Communal - Water Supply
Source of Water: Well - Drilled
Maximum Rate (Litres Per Minute): 273.00
Maximum Number of Hours of Taking per Day: 24
Maximum Volume (Litres) Per Day: 294,840.00
Maximum Number of Days of Taking in a Year: 365
Earliest Calendar date of taking (mm/dd): 01/01
Latest Calendar date of taking (mm/dd): 12/31
Period of Water Taking: 10 Years

Public Consultation:

This proposal has been posted for a 30 day public review and comment period starting October 28, 2016. If you have any questions, or would like to submit your comments, please do so by November 27, 2016 to the individual listed under "Contact". Additionally, you may submit your comments on-line.

All comments received prior to November 27, 2016 will be considered as part of the decision-making process by the Ministry if they are submitted in writing or electronically using the form provided in this notice and reference EBR Registry number 012-8940.

Please Note: All comments and submissions received will become part of the public record. Comments received as part of the public participation process for this proposal will be considered by the decision maker for this proposal.

Your personal information may be used in the decision making process on this proposal and it may be used to contact you if clarification of your comment is required. It may be shared (along with your comment) with other Ontario Ministries for use in the decision making process. Questions about this collection should be directed to the contact mentioned on the Proposal Notice page.

TOWNSHIP OF PUSLINCH

Additional Information:

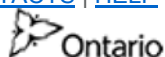
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West Central Regional Office
119 King Street West
Floor 12
Hamilton Ontario
L8P 4Y7
Phone: (905) 521-7640
Toll Free Phone: (800) 668-4557

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7(4)

October 10, 2016

Dennis Lever
Mayor
Township of Puslinch
7404 Wellington Road 34, R. R. # 3
Guelph, ON N1H 6H9

Dear Mayor Lever:

RE: LAS Natural Gas Program – 2014-15 Period Reserve Fund Rebate

LAS is pleased to announce a rebate to all LAS Natural Gas Program members. The amount being rebated back to your municipality is **\$721.45**.


This amount represents your municipality's proportionate share of the \$1 million reserve fund surplus that is being returned to program members that had accounts enrolled in the LAS Natural Gas Program during the 2014-15 program year (November 1, 2014 - October 31, 2015).

A copy of this letter and the cheque for your municipality has been sent to the designated LAS program contact (see CC below).

Your municipality's share of the program reserve fund was calculated using actual consumption data for all accounts enrolled in the LAS program for the period. The consumption data was aggregated at the organizational level and the payment amount is based on your proportionate share of the total LAS program volume.

We look forward to your continued involvement in this valuable program. Should you have any questions please contact Jason Hagan, LAS Program Manager at ext. 320 or at jhagan@amo.on.ca.

Sincerely,


Judy Dezell
Director

CC: Betty Coburn, Deputy Treasurer

RECEIVED

OCT 14 2016

Township of Puslinch





Dufferin Aggregates
2300 Steeles Ave W, 4th Floor
Concord, ON L4K 5X6
Canada

7(5)

October 13, 2016

RECEIVED
OCT 14 2016
Township of Puslinch

Seana Richardson
Aggregates Technical Specialist
Ministry of Natural Resources
Guelph District
1 Stone Road West
Guelph, Ontario
N1G 4Y2

Attention: Ms. Richardson

**Re: Monthly Monitoring Report
Mill Creek Pit, License #5738
Township of Puslinch, Wellington County**

CLERK'S DEPARTMENT	
TO	
Copy	
Please Handle	
For Your Information	
Council Agenda	Nov 1/16
File	

Please find enclosed the required monitoring data for the month of September 2016. As indicated, there were no exceedances to report in this month.

If you have any questions, please do not hesitate to call.

Sincerely,

Ron Van Ooteghem
Site Manager

C.c.

Karen Landry (Township of Puslinch)
Sonja Strynatka (GRCA)
Maria Topalovic (Dufferin Aggregates)
University of Guelph

Monthly Reporting
Mill Creek Aggregates Pit
September 2016

Date	DP21 (mASL)	Threshold Value (mASL)	Exceedance
8-Sep-16	305.84	305.49	NO
15-Sep-16	305.80	305.49	NO
21-Sep-16	305.75	305.49	NO
26-Sep-16	305.77	305.49	NO

Date	BH13 (mASL)	DP21 (mASL)	Head Difference (m)	Threshold Value (m)	Exceedance
8-Sep-16	306.22	305.84	0.38	0.10	NO
15-Sep-16	306.17	305.80	0.37	0.10	NO
21-Sep-16	306.12	305.75	0.37	0.10	NO
26-Sep-16	306.11	305.77	0.34	0.10	NO

Date	DP17 (mASL)	Threshold Value (mASL)	Exceedance
8-Sep-16	305.29	305.17	NO
15-Sep-16	305.26	305.17	NO
21-Sep-16	305.21	305.17	NO
26-Sep-16	305.21	305.17	NO

Date	BH92-12 (mASL)	DP17 (mASL)	Head Difference (m)	Threshold Value (m)	Exceedance
8-Sep-16	305.42	305.29	0.13	0.06	NO
15-Sep-16	305.38	305.26	0.12	0.06	NO
21-Sep-16	305.35	305.21	0.14	0.06	NO
26-Sep-16	305.34	305.21	0.13	0.06	NO

Date	DP3 (mASL)	Threshold Value (mASL)	Exceedance
8-Sep-16	304.84	304.54	NO
15-Sep-16	304.81	304.54	NO
21-Sep-16	304.70	304.54	NO
26-Sep-16	304.69	304.54	NO

Date	DP6 (mASL)	DP3 (mASL)	Head Difference (m)	Threshold Value (m)	Exceedance
8-Sep-16	305.72	304.84	0.88	0.58	NO
15-Sep-16	305.65	304.81	0.84	0.58	NO
21-Sep-16	305.58	304.70	0.88	0.58	NO
26-Sep-16	305.70	304.69	1.01	0.58	NO

Date	DP2 (mASL)	Threshold Value (mASL)	Exceedance
8-Sep-16	304.32	303.50	NO
15-Sep-16	304.25	303.50	NO
21-Sep-16	304.20	303.50	NO
26-Sep-16	304.21	303.50	NO

Date	BH92-27 (mASL)	DP2 (mASL)	Head Difference (m)	Threshold Value (m)	Exceedance
8-Sep-16	305.04	304.32	0.72	0.32	NO
15-Sep-16	304.97	304.25	0.72	0.32	NO
21-Sep-16	304.93	304.20	0.73	0.32	NO
26-Sep-16	304.89	304.21	0.68	0.32	NO

Date	DP1 (mASL)	Threshold Value (mASL)	Exceedance
8-Sep-16	304.38	303.91	NO
15-Sep-16	304.33	303.91	NO
21-Sep-16	304.28	303.91	NO
26-Sep-16	304.27	303.91	NO

Date	BH92-29 (mASL)	DP1 (mASL)	Head Difference (m)	Threshold Value (m)	Exceedance
8-Sep-16	305.50	304.38	1.12	0.23	NO
15-Sep-16	305.44	304.33	1.11	0.23	NO
21-Sep-16	305.32	304.28	1.04	0.23	NO
26-Sep-16	305.31	304.27	1.04	0.23	NO

Date	DP5C (mASL)	Threshold Value (mASL)	Exceedance
8-Sep-16	303.11	302.79	NO
15-Sep-16	303.06	302.79	NO
21-Sep-16	302.97	302.79	NO
26-Sep-16	303.01	302.79	NO

Date	OW5-84 (mASL)	DP5C (mASL)	Head Difference (m)	Threshold Value (m)	Exceedance
8-Sep-16	303.60	303.11	0.49	0.25	NO
15-Sep-16	303.54	303.06	0.48	0.25	NO
21-Sep-16	303.50	302.97	0.53	0.25	NO
26-Sep-16	303.52	303.01	0.51	0.25	NO

Notes:

- No exceedances to report



October 11, 2016

Township of Puslinch
7404 Wellington Road #34
R.R. #3
Guelph, Ontario N1H 6H9

Attention: Clerk's Office

Re: 2016 LAFARGE COMPLIANCE ASSESSMENT REPORTS

Dear Sir/Madam:

Enclosed for your records are copies of the 2016 Compliance Assessment Reports for aggregate operations owned by Lafarge in your municipality. These reports were submitted to the Ministry of Natural Resources and Forestry as per the requirements of the Aggregate Resources Act. Reports for the following sites are enclosed:

Site	Licence No.
McMillan	10671

If you have any questions regarding this matter, please feel free to contact me at any time.

Regards,

LAFARGE CANADA INC.

A handwritten signature in blue ink, appearing to read 'MA', enclosed within a circular scribble.

Melissa Albanese
Office Service Administrator,
melissa.albanese@lafargeholcim.com

RECEIVED

OCT 25 2016

Township of Puslinch

LAFARGE CANADA INC.

6509 Airport Road, Mississauga ON, L4V 1S7
Phone: (905) 738 - 7070
www.buildingbettercities.ca | www.lafarge-na.com

A member of
LafargeHolcim

Licensees Compliance Assessment Report - Aggregate Resources Act

Background Information						Year: 2016
Licensee: (Warren Bitulithic Limited) The Warren Paving & Materials Group Limited, a sub. of Lafarge Canada Inc.				Licence ID #: 10671 (McMillan pit)		MNR District/Area Office: Sudbury
Lot: Part N1/2 23		Conc.: 1		Geographic Twp.: Puslinch		Municipality: Township of Puslinch
Observations						
OPERATING STANDARDS		IN COMPLIANCE?			COMMENTS	Remedial Action?
		Yes	No	N/A		
A - Site Access						
A1	Boundaries (clearly marked)	X			Majority of boundaries are either fenced and signed or demarcated with hedgerows and the remains of various types of fences (see B5). See general comments.	Y
A2	Entrance and Exits (location/closed)	X			Gates at the main entrance/exit along the north boundary are either closed or can be closed and locked. Conveyor access through adjacent Dufferin pit, discussed with MNR.	
A3	Lease/Ownership/Extraction Agreement: Lands are owned by licensee.					
B - Site Protection						
B4	Fencing		X		Fencing along the south and north boundaries of site. The west and east boundaries are partially fenced (see sketch) and shared with adjacent pits. See comments.	Y
B5	Fencing (site plan variation or temporary relief granted)	X			Site plan override is noted on the site plans for the west boundary shared with the adjacent CBM pit. See general comments.	
B6	Screening (trees/berms)	X			Existing berms, vegetation and topography screen the pit from the adjacent uses shown on the site plans. Berm constructed in northeast part of site. See comments.	
B7	Setbacks (15m / 30m or other)	X			East setback area has been staked at 15 m. Removal of setback area between this pit and the adjacent licensed pits is conditional of approvals (page 2, note #1). See comments.	
C - Operational Details						
C8	Operating Sequence	X			Stripping and extraction proceeding south in parts of phases 1-3 as shown on the site plan. See note #18 on page 2 regarding the blending of materials.	
C9	Stripping (overburden)	X			Stripped topsoil and overburden stored in berms and stockpiles located on site and are available for rehabilitation of site (see page 3, note #5 on site plans). See comments.	
C10	Overburden Seeded	X			Established berms are well vegetated. Stockpile has been placed north of the woodlot has been shaped and seeded.	
C11	Extraction Depth	X			Maximum depth allowed – +/- 301 m asl Lowest floor elevation +/- 307 m asl	
C12	Buildings/Scales (location)	X			There is a small wooden shed located at the north end of the site.	
C13	Equipment (any specific conditions or restrictions)	X			There is a loader and trucks currently operating on site (see page 2, notes #2, 8, 9, 10 and 15 on site plans).	
C14	Plant (location/any specific conditions or restrictions)	X			No portable processing plant currently operating on the site (see page 2, notes #15 and 16 on site plans).	
C15	Scrap (location/removal)		X		Minimal amount of scrap currently stored on site. Scrap removal has been ongoing in 2015, as required (see page 2, note #12 on site plans).	Y
C16	Stockpiles (location)	X			Product stockpiles are located on the pit floor > 30 metres from the licensed boundaries, except along the common boundaries (see note #8 and site plan overrides on page 2).	
C17	Topsoil (location/seeded)	X			Topsoil has been stripped in the eastern part of the site and stored in the berms and stockpiles on site (see page 2, note #5 on site plans).	
C18	Excavation Faces	X			Extraction occurred above the water table (see site plans). Existing pit faces vary from approximately 3 to 6 metres in height.	
C19	Ponds (location/depth)	X			Below water extraction has started in the eastern parts of Areas 1 and 2. Below water extraction is permitted on site (see site plans).	
C20	Internal Roads (any specific conditions or restrictions)	X			Internal roads to be developed as required. Haul road at pit entrance/exit is paved for a distance of about 30 m from the road. See general comments.	
C21	Haul Routes (external/any specific conditions or restrictions)	X			Access to the site is from Puslinch Concession Road 2, a paved and designated haul road.	
C22	Blast Monitoring Report (quarries only)			X	Licensed pit. No blasting to occur on site.	
C23	Dust Suppression	X			Water is applied on internal haul roads to control dust (see page 2, note #16 on site plans).	
C24	Hours of Operation (any specific conditions or restrictions)	X			No restrictions on licence or site plans. Complies with local by-laws.	
C25	Well Monitoring Reports	X			Groundwater monitoring is ongoing (see page 2, note #16ii).	
C26	Identification Sign (as per Sect. 5.22 of Provincial Standards)	X			Sign at the main entrance/exit of pit located at Concession Road #2 and is maintained.	
C27	Orderly Conditions	X			Site is orderly.	
C28	Blasting Hours (quarries only)			X	Licensed pit. No blasting on site.	

Note: Any ("No") requires completion of Page 3

Observations (continued)					
OPERATING STANDARDS	IN COMPLIANCE?			COMMENTS	Remedial Action?
	Yes	No	N/A		
D – Rehabilitation					Y
D29 Disturbed Hectareage	X			Current year - # of hectares 0 Total # of hectares +/- 24.4	
D30 Progressive rehabilitation	X			Current year - # of hectares +/- 0.3 Total # of hectares +/- 0.3	
D31 Sloping of Faces	X			Rehabilitation previously completed for wayside pit on site. About 120 m of the terminated south face has been sloped in 2016.	
D32 Grades/Contours/Elevations	X			As shown on the site plan. Extraction limits or maximum extraction depths have not been reached.	
D33 Importation of Material (inert)	X			Importation of fill is permitted (see note #14). Off-site materials have not been brought into the site for rehabilitation purposes. Some asphalt and concrete has been stockpiled on pit floor for recycling purposes.	
D34 Vegetation	X			Vegetation has been established in the northwest part of the site.	
D35 Final Rehabilitation	X			Only a small part of the site has been extracted below water table to date, in the initial phase of extraction. See comments.	
E - Prescribed Conditions (For Licences issued after June 27, 1997)					
E36 Other Monitoring Reports			X	None required at this time.	
E37 Requirements of C of A's			X	None required at this time.	
E38 Noise Mitigation			X	Noise to be mitigated on site as required (see page 2, note #16iv). Noise levels to be monitored annually during active extraction to determine whether additional mitigation measures are required.	
E39 Fuel Storage Tanks			X	No fuel is currently stored on site (see page 2, note #13 on site plans).	
E40 Spills Plan			X	Corporate policy in place (see page 2, notes #13 and #16iii & 16v regarding refuelling pad to be built when site becomes active).	
E41 Permit to Take Water			X	Extraction below the water table is permitted on the site but not dewatering (see site plans).	
E42 Dust Suppression Measures Req'd. (Haul routes, equip, etc.)			X	As required (see page 2, note #16i).	
F - Other Conditions (As indicated on either Site Plan or Licence)					
F43 Tonnage Condition	X			Class "A" licence – 400,000 tonnes annually	
F44					
F45					
General Comments: A site plan amendment has been approved by MNR to address the following: a) site plan override for not fencing the mutual boundary(ies) shared with the adjacent west pit and b) proposed tree screen planting within the north setback area as shown on the site plans.					
Minor site plan amendment request approved in 2009 to allow flexible phasing and importation of clean fill into site for rehabilitation.					
Relief (site plan override) granted for stockpiling aggregate within 30 metres of the west and east licensed boundaries shared with the adjacent pits.					
A1 – Licensed boundaries are clearly demarcated with fences, signs, hedgerows, rock piles, painted trees or the remains of cedar, wire or stone fences (west and east boundaries). Steel posts and wooden stakes installed along east boundary.					
B4 – Repairs completed in 2015 for damaged and cut sections along north and south boundaries.					
B5 – Site plan variance approved for not fencing west boundary and there are discussions with adjacent operator regarding the east boundary.					
B6 – Topsoil and overburden placed along the west boundary (central), has been re-graded and shaped. New sections of berms constructed in 2015 have been seeded. Dead trees in tree screen to be replanted.					
B7 – No extraction permitted within the south woodlot (see page 2, note #4). Dripline from treeline has been flagged and staked in 2015/16.					
C9 – Trees along the east boundary of the site will be removed by operator, as extraction proceeds through the shared boundary and is within 5 m of the tree(s).					
C20 - As shown on the operational plan, recycled asphalt was placed on the haul road into the pit for a distance of about 70 m from the gates (ie total distance of hard surface of > 85 m) and is maintained. Refer to MNR letter of 2004.					
D35 – See page 2, note #6 regarding the removal of surplus topsoil/subsoil from the site after final rehabilitation of the pond has been completed.					
Licence ID#: 10671					

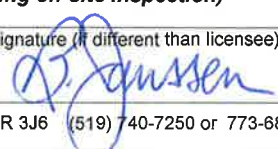
Note: Any ("No") requires completion of Page 3

[illegible]

In order to extend the 90-day remedial action deadline date, you must obtain the Aggregate Inspector's approval (in writing) prior to filing the report with the Inspector or local MNR office.

Date Submitted to MNR: Y / M / D	2016 / 09 / 30	Please ensure that the site plan you have is the most current, approved plan and is the same as the one MNR has on file.
Is the site held in reserve? <input type="checkbox"/> YES or <input checked="" type="checkbox"/> NO		

Copies of Report Sent to:	County/Regional Municipality	Local Municipality	Ministry of Natural Resources
(by September 30th)	<input checked="" type="checkbox"/> YES	<input checked="" type="checkbox"/> YES	<input checked="" type="checkbox"/> YES

TO BE COMPLETED BY PERSON CONDUCTING REVIEW (including on-site inspection)			
Date Inspected: Y / M / D	2016 / 06 / 21	Review Conducted by: B. Janssen (Please Print)	Signature (if different than licensee): 
Name of Company and Address: Harrington McAvan Ltd 55 Ainslie St. North, 2nd Floor, Cambridge, Ontario. N1R 3J6 (519) 740-7250 or 773-6830			
Position with Company: Consultant hired by licensee to complete compliance assessment.			

Signature of Licensee or Authorized Official: 
--

FOR MNR OFFICE USE ONLY				
Accepted by MNR: (✓ one)	YES <input type="checkbox"/> NO <input type="checkbox"/>	Date Accepted: Y / M / D	/ /	MNR Signature:
Field Audit by MNR: (✓ one)	YES <input type="checkbox"/> NO <input type="checkbox"/>	Date Inspected: Y / M / D	/ /	MNR Signature:
Follow up Notice Required? YES <input type="checkbox"/> NO <input type="checkbox"/>				Licence ID #: 10671

- Pursuant to Subsection 57(4) of the ARA, it is an offence to furnish false information.
- You must provide a sketch if remedial action is required or progressive rehabilitation has been performed.
- In order to extend the 90-day remedial action deadline date, you must obtain the Aggregate Inspector's approval (in writing) prior to filing the report with the Inspector or local MNR office.
- Please submit this report to the local Aggregate Inspector who administers your site, or the local MNR office.

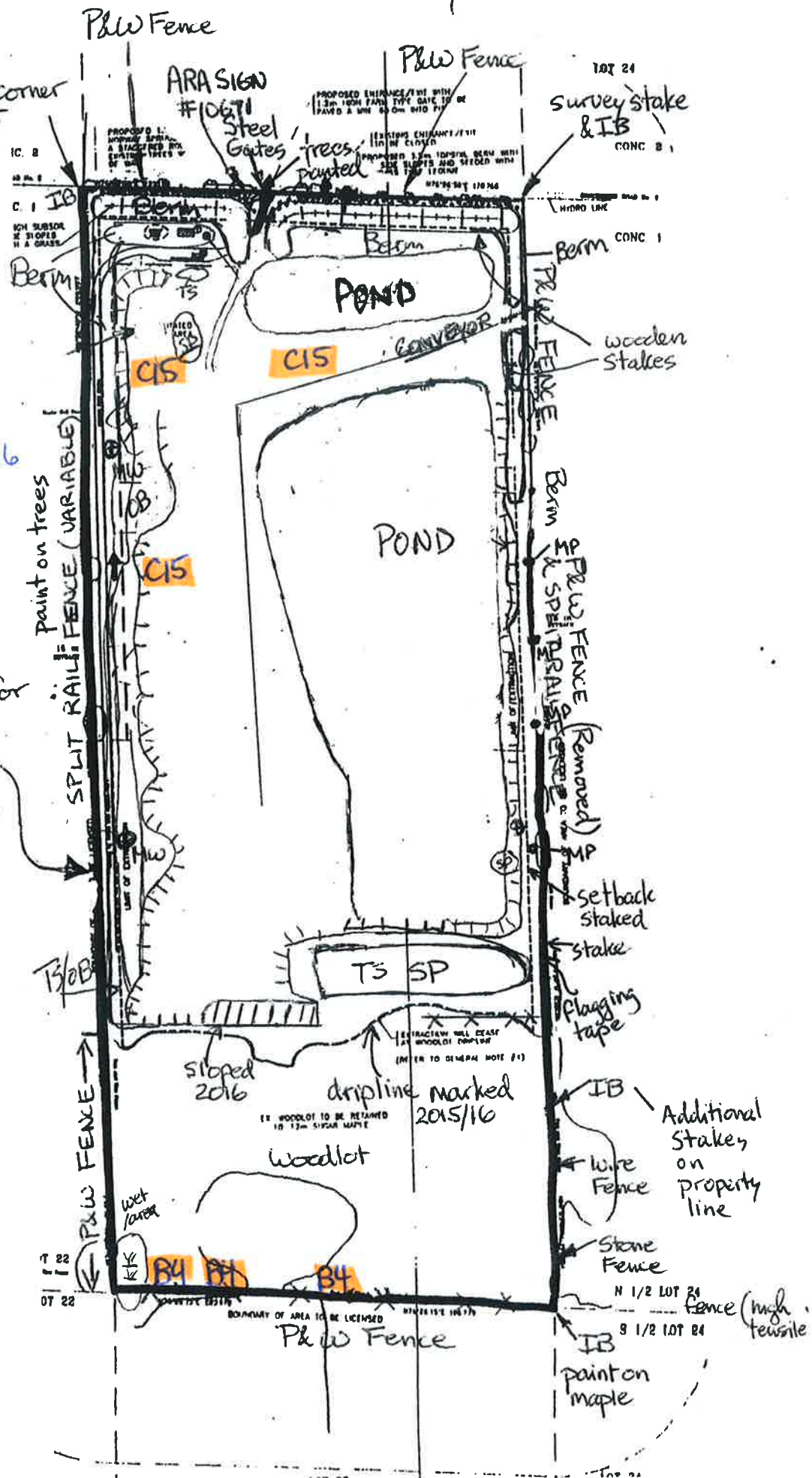
(NOTE: ALL INFORMATION IN RESPECT OF THIS REPORT IS AVAILABLE FOR PUBLIC REVIEW)

Scale: 1: 5300±
Assessment Date:

Assessment Date:

7

paint on trees



Nina Lecic

From: Mary Hasan
Sent: October-26-16 10:58 AM
To: Nina Lecic
Subject: FW: EB-2016-0245 - Union Gas Limited - 2017 Rates - Notice of Application
Attachments: UNION_APPL_2017 Rates_07102016.pdf; Notice_Union_2017Rates_20161017.pdf; Notice_Union_2017Rates_FRA_20161017.pdf

From: Hale, Angela [<mailto:ahale@uniongas.com>]

Sent: Wednesday, October 19, 2016 4:01 PM

To: fran@adelaidemetcalfe.on.ca; alberton@jam21.net; rvidm@ahtwp.ca; pparker@amherstburg.ca; info@armourtownship.ca; reynaldrivard@nt.net; areld@bmts.com; clerk@acwtownship.ca; info@atikokan.ca; pmcier@augusta.ca; peggy@baldwin.ca; SMaertens@bayham.on.ca; lmillard@bayham.on.ca; cpallo@city.belleville.on.ca; reception@blackriver-matheson.com; rmordue@blandfordblenheim.ca; katie.scott@blindriver.ca; bluewater@town.bluewater.on.ca; clerk@ebonfield.org; lmcdonald@bracebridge.ca; brant@brant.ca; lwolfe@brantford.ca; gfrost@brighton.ca; info@brockton.ca; info@brookealvinston.com; brucemines@bellnet.ca; bcobean@brucecounty.on.ca; clerk@burksfalls.ca; cob@burlington.ca; info@callander.ca; administration@calvintownship.ca; questions@cambridge.ca; dleitch@centralelgin.org; info@centralhuron.com; clerksoffice@centrehastings.com; kokane@centrewellington.ca; chapple@tbaytel.net; dthibeault@charltonanddack.com; ckclerk@chatham-kent.ca; office@chatsworth.ca; cobalt@ntl.sympatico.ca; lbrace@cobourg.ca; jp.ouellette@town.cochrane.on.ca; toc@ontera.net; hfinn@cornwall.ca; clerk@cramahetownship.ca; admin@dawneuphemia.on.ca; dawsontwp@tbaytel.net; gmaracle@deseronto.ca; generalinquiries@dryden.ca; cao@duttondunwich.on.ca; eftownship@ear-falls.com; municipality@eastferris.ca; bjunker@ezt.ca; mail@twpec.ca; mmcdonald@elgin-county.on.ca; info@city.elliottlake.on.ca; township@emo.ca; lacarte@ntl.sympatico.ca; dmctavish@enniskillen.ca; town@espanola.ca; mbrennan@countyofessex.on.ca; cbondy@essex.ca; evanturelclerk@parolink.net; info@fauquierstrickland.com; town@fort-frances.com; information@gananoque.ca; office@georgianbluffs.on.ca; townhall@goderich.ca; cthwaites@gravenhurst.ca; info@greaternapanee.com; clerks@greatersudbury.ca; administration@greenstone.ca; info@greyhighlands.ca; sharon.vokes@grey.ca; clerks@guelph.ca; general@get.on.ca; eeichenbaum@haldimandcounty.on.ca; suzannej@haltonhills.ca; accesshalton@halton.ca; clerk@hamilton.ca; info@hamiltontownship.ca; civic@hanover.ca; harris@ntl.sympatico.ca; pinej@hastingscounty.com; townofhearst@hearst.ca; clerk@town.howick.on.ca; Denise.corry@huntsville.ca; bknight@huroneast.com; email@huronshores.ca; inquiries@huroncounty.ca; deputyclerk@tbaytel.net; clerks@ingersoll.ca; klauson@iroquoisfalls.com; johnsontwp@bellnet.ca; general@kapuskasing.ca; hkasprick@kenora.ca; contactus@cityofkingston.ca; rorton@kingsville.ca; joann.ducharme@tkl.ca; mmasse@lakeshore.ca; administration@lambtonshores.ca; administration@county-lambton.on.ca; info@town.lasalle.on.ca; lavalley@nwonet.net; info@leamington.ca; reception@uclg.on.ca; vanessa@townshipleeds.on.ca; lkeech@lennox-addington.on.ca; webmaster@london.ca; info@loyalist.ca; ldeboer@lucanbiddulph.on.ca; twpmacd@onlink.net; admin@vianet.ca; clerktreasurer@visitmachin.com; clerk@madoc.ca; reception@town.mapleton.on.ca; info@markstay-warren.ca; t.graham@marmoraandlake.ca; info@mattawa.ca; mattawan@explornet.ca; mattice@ntl.sympatico.ca; Clerk@mcmurrichmonteith.com; info@meaford.ca; boyds@middlesexcentre.on.ca; kbunting@middlesex.ca; townclerk@milton.ca; bwhite@town.minto.on.ca; public.info@mississauga.ca; moonbeam@moonbeam.ca; townshipofmorley@gmail.com; nmichie@morristurnberry.ca; info@muskoka.on.ca; nairncentre@personainternet.com; neebing@neebing.org; office@newbury.ca; lindsaymannila@nipigon.net; andy.grozelle@norfolkcounty.ca; cathy.conrad@cityofnorthbay.ca; jsippel@northdumfries.ca; info@northdundas.com; info@northhuron.ca; admin@northmiddlesex.on.ca; pberfelz@northperth.ca; admin@northstormont.ca; caned@northumberlandcounty.ca; karmstrong@norwich.ca; kkruger@twp.norwich.on.ca; Townclerk@oakville.ca; oilsprings@ciaccess.com; peggy.dupuis@oliverpaipoonge.on.ca; twpopas@persona.ca; corporate@orillia.ca; info@oro-medonte.ca; cityadmin@owensound.ca; btabor@oxfordcounty.ca; clerk@papineaucameron.ca; jboggs@townofparrysound.com; info@peelregion.ca;

info@townshipofperry.ca; gschwendinger@pertheast.ca; lscott@perthsouth.ca; info@perthcounty.ca;
clerksdepartment@petrolia.ca; plumtwsp@onlink.net; info@plympton-wyoming.ca; jburns@villageofpointedward.com;
sbernardi@porthope.ca; info@powassan.net; info@prescott.ca; pgreco@twp.prince.on.ca; clerks@pecounty.on.ca;
Admin; kevinh@city.quintewest.on.ca; rainyriver@tbaytel.net; ramara@ramara.ca; municipality@redlake.ca;
cao@shawbiz.ca; clerks@sarnia.ca; clerk@saugeenshores.ca; cityclerk@cityssm.on.ca; info@seguin.ca;
hsander@townshipofsevern.com; nhunley@shuniah.org; john.daly@simcoe.ca; luc.denault@townsrf.ca;
sbpen@bmts.com; clerk@town.southbruce.on.ca; mail@southdundas.com; info@southhuron.ca;
info@southriverontario.com; info@southstormont.ca; info@southgate.ca; cao@swox.org;
info@southwestmiddlesex.ca; southwold@southwold.ca; renee.chaperon@stcharlesontario.ca;
jbaranek@twp.stclair.on.ca; lheinbuch@town.stmarys.on.ca; wgraves@stthomas.ca; info@stirling-rawdon.com;
caoclerk@stonemills.com; info@sdgcounties.ca; clerks@city.stratford.on.ca; general@strathroy-caradoc.ca;
clerk@strongtownship.com; villageoffice@sundridge.ca; info@tecumseh.ca; visit@temagami.ca;
municipality@temiskamingshores.ca; inquiries@thamescentre.on.ca; info@thebluemountains.ca;
townthess@bellnet.ca; jhannam@thunderbay.ca; dewilson@tillsonburg.ca; clerks@timmins.ca; info@twp.tweed.on.ca;
info@tyendinagatowship.com; administration@valharty.ca; dbruder@warwicktownship.ca; olga.smith@waterloo.ca;
regionalinquiries@regionofwaterloo.ca; gkosch@wellesley.ca; township@wellington-north.com;
donnab@wellington.ca; spray@westelgin.net; info@westgrey.com; jbarbeau@westnipissing.ca; info@westperth.com;
info@wilmot.ca; clerks@city.windsor.on.ca; ahumphries@cityofwoodstock.ca; woolwich.mail@woolwich.ca;
kmartin@zorra.on.ca

Subject: EB-2016-0245 - Union Gas Limited - 2017 Rates - Notice of Application

Good Afternoon,

As directed by the Ontario Energy Board, attached, please find a copy of the Notice of Application in English and French, together with Union's Application and Evidence for the EB-2016-0245 2017 Rates proceeding.

Thank you,

Angela Hale

Administrative Assistant, Regulatory Affairs
Union Gas Limited | A Spectra Energy Company
50 Keil Drive North | Chatham, ON N7M 5M1
Tel: 519.436.4619 Cell: 519.401.4220
email: ahale@uniongas.com



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October 07, 2016

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: EB-2016-0245 – Union Gas Limited (“Union”) – 2017 Rates Evidence

Please find Union’s application and evidence for an order of the Ontario Energy Board (the “Board”) approving or fixing rates for the distribution, transmission and storage of natural gas, effective January 1, 2017. Union originally filed its 2017 Rates evidence with the Board September 9, 2016 incorporating customer-related and facility-related Greenhouse Gas obligation costs in 2017 rates. However, based on direction received from the Board, Union has removed the Greenhouse Gas obligation costs from its 2017 Rates application. Union will file to recover the Greenhouse Gas obligation costs separately in its 2017 Cap and Trade Compliance Plan proceeding (EB-2016-0296). In addition, Union updated the 2017 Rates evidence for the Board-approved October 1, 2016 QRAM.

If the proposed 2017 rate changes are approved by the Board, the total bill increase for a typical Union South residential customer consuming 2,200 m³ per year would amount to \$13 per year. For a typical Union North residential customer consuming 2,200 m³ per year, the total bill impact ranges from a decrease of \$50 to an increase of \$18 per year.

Union seeks the Board’s issuance of the final Rate Order by November 30, 2016 to ensure the implementation of 2017 rates by January 1, 2017. In the event that the Board does not issue a rate order by November 30, 2016 for implementation by Union on January 1, 2017, Union seeks an Order of the Board declaring Union’s rates as filed interim as of January 1, 2017. Union proposes to deal with any retrospective impact of the Board’s Decision through a rate rider for general service rate classes and a one-time adjustment for all other rate classes, which will recover any changes in rates ultimately approved by the Board’s order with effect from January 1, 2017.

Yours truly,

[original signed by]

Chris Ripley
Manager, Regulatory Applications

c.c.: EB-2015-0116 Intervenors
Crawford Smith, Torys

ONTARIO ENERGY BOARD

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,
2017.

APPLICATION

1. Union Gas Limited (“Union”) is a business corporation incorporated under the laws of the province of Ontario, with its head office in the Municipality of Chatham-Kent.
2. Union conducts both an integrated natural gas utility business that combines the operations of distributing, transmitting and storing natural gas, and a non-utility storage business.
3. Union was an applicant in a proceeding before the Board for an order of the Board approving or fixing a multi-year incentive rate mechanism (“IRM”) to determine rates for the regulated distribution, transmission and storage of natural gas. The Board assigned EB-2013-0202 to Union’s application.
4. Union filed an IRM application with the Board on July 31, 2013. The application was supported by a comprehensive Settlement Agreement (the “Agreement”) between Union and stakeholders. The stakeholders party to the Agreement were parties who participated in Union’s 2008-2012 IRM proceeding and in the annual rate proceedings throughout the last IRM term. The proposed IRM parameters found in the Agreement were further supported by evidence and reports. The Board approved the Agreement on October 7, 2013.

5. Union's Board-approved Agreement sets out a multi-year incentive ratemaking mechanism ("IRM") for calendar years 2014 to 2018. The framework includes a price cap index ("PCI"), where rates are a function of: an inflation factor ("I"), a productivity factor ("X"), certain non-routine adjustments (Z factors), certain predetermined pass-throughs (Y factors), and an adjustment for normalized average consumption ("NAC") to reflect changes in consumption in the General Service rate classes.
6. The IRM approved for Union contemplates the filing by Union of an application for Z factor adjustments, structural rate design changes or the pricing of new regulated services in a time frame that will enable these issues to be resolved in sufficient time to be reflected prospectively in the next year's rates. This requires the filing of a draft Rate Order with supporting documentation which reflects the impact of the PCI pricing formula so that a final Rate Order will be issued for implementation by January 1, 2017.
7. Union hereby applies to the Board, pursuant to section 36 of the Act and pursuant to the annual rate-setting process underlying the IRM in the Agreement, for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas effective January 1, 2017.
8. Union further applies to the Board for all necessary orders and directions concerning pre-hearing and hearing procedures for the determination of this application.
9. This application is supported by written evidence that has been filed with this application and may be amended from time to time as circumstances may require.
10. The persons affected by this application are the customers resident or located in the municipalities, police villages and Indian reserves served by Union, together with those to whom Union sells gas, or on whose behalf Union distributes, transmits or stores gas. It is impractical to set out in this application the names and addresses of such persons because they are too numerous.

11. The address of service for Union is:

Union Gas Limited

P.O. Box 2001
50 Keil Drive North
Chatham, Ontario
N7M 5M1

Attention: Chris Ripley
Manager, Regulatory Applications
Telephone: (519) 436-5476
Fax: (519) 436-4641

- and -

Torys
Suite 3000, Maritime Life Tower
P.O. Box 270
Toronto Dominion Centre
Toronto, Ontario
M5K 1N2

Attention: Crawford Smith
Telephone: (416) 865-8209
Fax: (416) 865-7380

DATED October 7, 2016.

UNION GAS LIMITED

[Original signed by]

Chris Ripley
Manager, Regulatory Applications

PREFILED EVIDENCE

The purpose of this evidence is to describe proposed changes to Union’s regulated transportation, storage and distribution rates effective January 1, 2017 determined in accordance with the Board-approved 2014-2018 Incentive Regulation (“IR”) application (EB-2013-0202), Settlement Agreement and supporting evidence (collectively “the Agreement”). The Board approved the Agreement on October 7, 2013.

The Board-approved Agreement sets out a multi-year incentive ratemaking mechanism (“IRM”) for calendar years 2014 to 2018. The framework includes a price cap index (“PCI”), where rates are a function of: an inflation factor (“I”), a productivity factor (“X”), certain non-routine adjustments (Z factors), certain predetermined pass-throughs (Y factors), and an adjustment for Normalized Average Consumption (“NAC”) to reflect changes in consumption in the general service rate classes. The 2017 rate setting process described below follows the same approach used to set 2016 rates in EB-2015-0116.

This evidence is organized under the following headings:

Tab 1

1. 2017 Inflation Factor and Productivity Factor
2. Z Factor Adjustments
3. Y Factor Adjustments
4. Normalized Average Consumption Adjustment

1 5. Union North Cost Allocation and Rate Design Implementation

2 6. General Service Delivery Rate Adjustment

3 7. Parkway Delivery Commitment Incentive

4 8. Customer Bill Impacts

5 9. Rate Schedule Changes

6 10. New Deferral Accounts

7 11. Deferral Account Closure Requests

8 12. Implementation

9 13. Distribution Interruptions

10 Tab 2

11 Parkway Delivery Obligation Reporting

12 Tab 3

13 Gas Supply Memorandum

14 Tab 4

15 Customer Managed Service

16
17 A description of the supporting schedules referred to below is provided in the Overview of
18 Working Papers document following Tab 1. A summary of Union's 2017 proposed revenue
19 changes is provided in Table 1 below.

Table 1
Proposed Changes in Revenue
Effective January 1, 2017

Line No.	Particulars	(\$000's)
	<u>Summary Change in Revenue:</u>	
1	2017 Proposed in EB-2016-0245	1,215,646
2	2016 Approved in EB-2016-0247	<u>1,169,572</u>
3	Net Change (line 1 - line 2)	<u><u>46,074</u></u>
	<u>Detail Change in Revenue:</u>	
4	2017 Price Cap Index (0.66%)	6,006
5	2017 Union North Redesign	(25,764)
6	2017 DSM Budget Change	1,749
7	2017 Capital Pass-throughs	46,557
8	2017 Parkway Delivery Obligation	17,525
9	2017 Facility-Related GHG Obligation	<u>-</u>
10	Total (line 4 through line 9)	<u><u>46,074</u></u>

1

2 **1. 2017 INFLATION FACTOR AND PRODUCTIVITY FACTOR**

3 The inflation factor used in Union's PCI mechanism is the actual year-over-year percentage
4 change in the annualized average of four quarters (using Q2 to Q2) of Statistics Canada's
5 Gross Domestic Product Implicit Price Index Final Domestic Demand ("GDP IPI FDD").
6 The inflation factor is adjusted annually on this basis with no restatement for adjustments by
7 Statistics Canada. For 2017 rates, the inflation factor is 1.66%. It is based on the actual
8 change in the GDP IPI FDD from 2015 Q2 to 2016 Q2. The calculation is provided at Rate
9 Order, Working Papers, Schedule 1.

1 The approved annual productivity (“X”) factor for the IR term is expressed as a percentage of
2 inflation. Specifically, for each year of the IR term productivity is 60% of GDP IPI FDD,
3 inclusive of a stretch factor. This results in an annual rate escalation factor, before the impact
4 of Y and Z factors and earnings sharing, of 40% of GDP IPI FDD. For 2017 rates, the X
5 factor is 1.00% and the PCI is 0.66%.

6 7 **2. Z FACTOR ADJUSTMENTS**

8 **Treatment of Tax Savings**

9 Consistent with the Board-approved Agreement, Union will maintain an equal and symmetrical
10 sharing of tax changes over the IR term, sharing the impact of tax changes 50:50 as applied to
11 the tax level reflected in rates. Beginning January 1, 2017, changes are expected to the tax
12 treatment of cumulative eligible capital (“CEC”). Currently, 75% of eligible capital expenditures
13 (such as licences, acquisition of goodwill, customer lists, etc.), are included in a CEC pool. A
14 deduction can be claimed at the rate of 7% per year on a declining balance basis. Under the
15 proposed rules, beginning January 1, 2017, 100% of CECs will be included in a new Capital
16 Cost Allowance (“CCA”) Class 14.1, rather than the previous CEC pool. There will be a 5%
17 depreciation rate, and current rules that apply to depreciable property, such as the ‘half-year
18 rule’, recapture and capital gains, will apply to the properties included in Class 14.1. CEC
19 balances from the current system will be transferred to the new Class 14.1 pool as of January 1,
20 2017. The opening balance of the Class 14.1 pool will be equal to the CEC balance as at
21 December 31, 2016. The CCA depreciation rate for property included in the Class 14.1 pool

related to expenditures incurred before January 1, 2017, will be 7% until 2027. The financial impact that would otherwise relate to 2017 rates is approximately \$2,000, subject to 50:50 sharing. Due to materiality, Union has not reflected this amount in 2017 rates.

3. Y FACTOR ADJUSTMENTS

The Board-approved Agreement provided for a number of Y factors which are not adjusted as part of the price cap formula and are passed through to customers in rates. The Y factors are:

- Cost of gas and upstream transportation costs as defined in EB-2011-0210;
- DSM budget changes as determined in EB-2015-0029 and any subsequent Board proceeding;
- Lost Revenue Adjustment Mechanism (“LRAM”) for the contract rate classes;
- Unaccounted for gas volume variances; and,
- Major capital additions.

3.1 Cost of Gas and Upstream Transportation Costs

Union’s current upstream gas costs are as filed in Union’s October 1, 2016 QRAM (EB-2016-0247). Changes in upstream gas costs will continue to be determined using the Board-approved QRAM methodology. Rate Order, Working Papers, Schedule 15 provides the allocation of upstream transportation costs by rate class included in current approved revenue.

1 3.2 DSM Budget Changes

2 Consistent with the Board's Revised Decision in the 2015-2020 DSM Plan proceeding (EB-
3 2015-0029) dated February 24, 2016, Union has included an approved DSM budget of \$58.6
4 million in 2017 rates. The difference between the 2017 DSM budget and actual 2017 DSM
5 budget will be captured in the Demand Side Management Variance Account ("DSMVA").
6 The allocation to rate classes can be found at Rate Order, Working Papers, Schedule 11.

7
8 3.3 LRAM for the Contract Rate Classes

9 For contract rate classes, Union will continue to adjust volumes and calculate rates to capture
10 the LRAM volume impacts. As the 2015 DSM audit process is not yet complete, Union
11 proposes to adjust 2017 volumes by 2015 pre-audit results. The variance related to the
12 difference between the 2015 pre-audit and post-audit results will be captured in the LRAM
13 Deferral Account.

14
15 Consistent with 2016 rates, the 2015 pre-audit LRAM results by rate class are determined
16 based on the rate class of a customer at December 31, 2015. In order to align the 2015 pre-
17 audit LRAM results with the rate class of the customer in the Board-approved forecast
18 volume, Union transferred the LRAM pre-audit results of the identified customers in Rate M7
19 of 13,926 10³m³ to rate classes M4 and M5A based on the rate class of the customer in 2013
20 Board-approved volumes.
21 Rate Order, Working Papers, Schedule 17 provides the LRAM volume adjustments by rate
22 class.

1 3.4 Major Capital Additions

2 Consistent with the Board-approved Agreement, parties agreed that Union's 2014-2018 IR
3 term would include Y factor treatment for major capital projects, subject to the projects
4 meeting certain eligibility criteria. Union includes a capital pass-through mechanism to adjust
5 rates during the IR term to reflect the associated impacts of significant capital investments
6 made throughout the IR term deemed "not-business-as-usual".

7
8 The Board approved capital pass-through treatment on Union's Leave-to-Construct applications
9 for the proceedings listed below. Union has included the Board-approved 2017 costs for each of
10 the proceedings in 2017 rates.

- 11 1. Parkway West Project – EB-2012-0433;
12 2. Brantford-Kirkwall / Parkway D Project – EB-2013-0074;
13 3. Dawn Parkway 2016 System Expansion Project – EB-2014-0261;
14 4. Burlington Oakville Pipeline Project – EB-2014-0182; and,
15 5. 2017 Dawn Parkway Project – EB-2015-0200.

16 Please see Rate Order, Working Papers, Schedule 10 for the 2017 rate adjustments by rate class.

1 **4. NORMALIZED AVERAGE CONSUMPTION ADJUSTMENT**

2 Consistent with the Board-approved Agreement, Union adjusts general service rates annually
3 during the 2014-2018 IR term for the changes in NAC. NAC incorporates all volume
4 changes, including changes due to average use and DSM activities (LRAM) for general
5 service rate classes.

6
7 Consistent with the 2016 methodology, Union adjusted the general service storage and
8 delivery rates for the 2015 actual NAC, using the Board-approved weather normal
9 methodology blend of 50:50 (30-year average and 20-year declining trend). For 2017, the
10 NAC adjustment is the variance between 2014 Actual NAC and 2015 Actual NAC, as seen in
11 Rate Order, Working Papers, Schedule 12.

12
13 **5. UNION NORTH COST ALLOCATION AND RATE DESIGN IMPLEMENTATION**

14 In 2017 rates, Union has implemented changes to Union North storage and transportation rates in
15 accordance with the Dawn Reference Price (EB-2015-0181) Settlement Proposal (the
16 “Settlement”) approved by the Board on January 7, 2016.

17
18 Union updated the 2017 Union North storage and transportation rates to reflect the gas supply
19 plan for the 2017 calendar year as filed in EB-2015-0181 and agreed to in the Settlement. The
20 changes to storage and transportation rates are based on a detailed cost allocation for each of the
21 new Union North West and Union North East Zones. Within each of the two Union North
22 Zones, Union has set storage and transportation rates on a postage stamp basis. The Union North

1 West Zone is comprised of the Centrat Manitoba Delivery Area (“MDA”) (i.e. the Fort Frances
2 Zone), Union Western Delivery Area (“WDA”) and the Union Sault Ste. Marie Delivery Area
3 (“SSMDA”). The Union North East Zone is comprised of the Union North Delivery Area
4 (“NDA”), Union North Central Delivery Area (“NCDA”) and Union East Delivery Area
5 (“EDA”).

6
7 Per the Settlement, Union has also included upstream transportation fuel costs for both Union
8 North sales service and bundled DP customers in the Union North West and Union North East
9 transportation rates. The upstream transportation fuel for sales service customers is currently
10 recovered in gas commodity rates and the upstream transportation fuel for bundled DP customers
11 is currently provided as fuel in-kind. Effective January 1, 2017, Union will remove the upstream
12 transportation fuel costs from the Union North gas commodity rate as part of its January, 2017
13 QRAM application, and bundled DP customers will no longer provide fuel in-kind. The Union
14 North transportation rates will be updated each quarter as part of Union’s QRAM process to
15 reflect changes in the reference price used to determine the cost of the upstream transportation
16 compressor fuel requirements.

17
18 The cost allocation for the cost-based storage and transportation costs by Zone is provided at
19 Rate Order, Working Papers, Schedule 23. The 2017 gas supply plan has been updated to reflect
20 the reference price and tolls per the October, 2016 QRAM (EB-2016-0247).

1 In accordance with the Settlement, Union will implement changes for each of the new Union
2 North zones gas commodity and fuel rates with Union's January, 2017 QRAM application.
3 Changes to the reference price used to set gas commodity rates to account for the changing gas
4 supply portfolio will be implemented with the QRAM coincident with or immediately following
5 the TransCanada King's North Project in-service date.

6
7 **6. GENERAL SERVICE DELIVERY RATE ADJUSTMENT**

8 Consistent with 2016 rates, Union adjusted small volume general service Rate M1 and Rate 01
9 distribution customer-related costs during the 2014-2018 IR term on a revenue neutral basis by
10 adjusting the 2017 customer-related cost variance over all of the delivery volumes within each of
11 the Rate M1 and Rate 01 rate classes.

12
13 **7. PARKWAY DELIVERY COMMITMENT INCENTIVE**

14 In Union's 2014 Rates (EB-2013-0365) Decision and Order, the Board approved the Settlement
15 Framework for Reduction of Parkway Delivery Obligation. As part of the Settlement
16 Framework the Board approved payment of a Parkway Delivery Commitment Incentive
17 ("PDCI") for any continued obligated DCQ deliveries at Parkway beginning November 1, 2016
18 to DP and sales service customers for all PDO volumes.

19
20 As agreed in the Settlement, the PDCI credit is set at the M12 Dawn to Parkway toll at 100%
21 load factor including fuel. In Union's 2016 Rates application (EB-2015-0116), Union included

1 the PDCI credit on the applicable rate schedules and has updated the PDCI credit to reflect the
2 proposed 2017 Rate M12 demand and fuel rate for 2017 rates.

3
4 Beginning November 1, 2016, the PDCI credit will be paid monthly to DP customers based on
5 their obligated DCQ volumes at Parkway. The PDCI credit will be paid monthly to sales service
6 customers by way of the South Purchase Gas Variance Accounts ("SPGVA") based on the
7 Parkway deliveries in Union's gas supply portfolio. Union is proposing to use the SPGVA to
8 provide the PDCI credit to sales service customers rather than including the PDCI credit in the
9 gas supply transportation rate as was set out in the Settlement Framework. Union is proposing to
10 use the SPGVA rather than the gas supply transportation rate because the Union South
11 transportation rate will be set to zero effective January 1, 2017, per Union's Dawn Reference
12 Price proceeding (EB-2015-0181).

13
14 Union is including the PDCI costs of \$16.6 million in rates effective January 1, 2017. Per the
15 Settlement, Union has allocated the PDCI costs to rate classes consistent with the allocation of
16 other PDO costs included in rates. The PDCI costs for the period of November 1, 2016 to
17 December 31, 2016 will be recorded in the Parkway Obligation Rate Variance Deferral Account.
18 Please see Rate Order, Working Papers, Schedule 20 for the calculation of the 2017 PDCI costs
19 and allocation to rate classes.

1 **8. CUSTOMER BILL IMPACTS**

2 The bill impact for a typical residential customer consuming 2,200 m³ annually in the Union
3 South area is an increase of \$13 per year. The bill impact for a typical residential customer
4 consuming 2,200 m³ annually in the Union North area is a decrease of \$50 to an increase of
5 \$18 per year.

6
7 Rate Order, Working Papers, Schedule 6 provides average 2017 unit price changes for all in-
8 franchise rate classes. Rate Order, Working Papers, Schedule 8 provides customer bill
9 impacts for general service rate classes M1, M2, Rate 01 and Rate 10. Rate Order, Working
10 Papers, Schedule 9 provides the bill impact for all in-franchise rate classes for both sales
11 service and direct purchase customers.

12
13 Bill impacts do not reflect changes to Union's gas commodity and fuel rates that will be
14 implemented with Union's January 1, 2017 QRAM application.

15
16 **9. RATE SCHEDULE CHANGES**

17 Elimination of Union North Rate S1

18 Union is proposing to eliminate the Union North general service unbundled storage Rate S1 rate
19 schedule effective January 1, 2017.

20
21 Union is proposing to eliminate the Rate S1 rate schedule during the IRM term since Rate S1
22 was not updated for the Union North storage and transportation rate changes, per Union's Dawn

1 Reference Price proceeding (EB-2015-0181). Union did not update the Rate S1 rate schedule as
2 part of that proceeding because no customers contracted for the Union North general service
3 unbundled storage service under Rate S1.

4
5 The Rate S1 rate schedule was first introduced in January 1, 2000 as part of the RP-1999-0017
6 Decision. The Rate S1 general service unbundled storage service has been available for over 15
7 years and no customers have contracted for the service since it was introduced. Union is also not
8 forecasting any customers to take the service. Accordingly, the elimination of the Rate S1 rate
9 schedule will result in no customer impacts. Consistent with this proposal, the contract
10 unbundled storage service offerings were eliminated from Union's rate schedules as part of
11 Union's 2013 Cost of Service proceeding (EB-2011-2010).

12 13 **10. NEW DEFERRAL ACCOUNTS**

14 There are no new deferral account requests.
15

16 **11. DEFERRAL ACCOUNT CLOSURE REQUESTS**

17 Gas Supply Review – Consultant Cost (Account No. 179-128)

18 The Gas Supply Review – Consultation Cost account was established as part of Union's 2013
19 Cost of Service proceeding (EB-2011-0210). In the proceeding, the Board ordered Union to
20 file an expert, independent review of its gas supply plan, its gas supply planning process, and
21 its gas supply planning methodology. The Board directed Union to establish a deferral
22 account to capture the cost of the expert, independent review. Union filed the review in its

1 updated 2012 Deferrals Disposition evidence dated November 11, 2013. Union requests
2 approval to close the Gas Supply Review – Consultant Cost Deferral Account (Account
3 No.179-128) effective January 1, 2017.

4
5 Carbon Dioxide Offset Credits (Account No. 179-117)

6 In Union’s Demand Side Management (“DSM”) Generic Issues Review proceeding (EB-
7 2006-0021), the Board ordered Union to establish a deferral account to deal with existing or
8 future carbon dioxide offset credits for dollar amounts representing proceeds from the sale or
9 other dealings in credits related to DSM plans and programs. When the deferral account was
10 established, the rules related to carbon dioxide offset credits were unknown and the purpose
11 of the account was to mitigate risks associated with this unknown. The account has never
12 held a balance. Union requests approval to close the Carbon Dioxide Offset Credits Deferral
13 Account (Account No. 179-117) effective January 1, 2017.

14
15 **12. IMPLEMENTATION**

16 Union proposes to implement new rates effective January 1, 2017 as described in the Rate
17 Setting Process of the EB-2013-0202 Settlement Agreement at Section 13.1. Union therefore
18 requests a decision by November 30, 2016. This timing allows 2017 rates to be implemented
19 prospectively and aligns with the January 1, 2017 QRAM process.

20
21 In the event that the Board does not issue a rate order by November 30, 2016 for implementation
22 by Union on January 1, 2017, Union seeks an Order of the Board declaring Union’s rates as filed

1 interim as of January 1, 2017. Union proposes to deal with any retrospective impact of the
2 Board's Decision through a rate rider for general service rate classes and a one-time adjustment
3 for all other rate classes, which will recover any changes in rates ultimately approved by the
4 Board's order with effect from January 1, 2017.

5
6 **13. DISTRIBUTION INTERRUPTIONS**

7 In Union's 2016 Rates Settlement Agreement (EB-2015-0116), Union agreed to provide
8 information on distribution interruptions as part of its annual rate application. Please see
9 Appendix A for Union's 2016 Distribution Interruptions.

Location	Advanced Notice of Interruption to Customers (h:mm)	Interruption Start Date	Interruption End Date	Interrupted Customers	Interruption Day	Number of Non-Compliant Customers	Overrun Volume (m ³)	
Sudbury	22:50	13/Feb/16	14/Feb/16	10	1	5	122,510	
						5	122,510	
Panhandle	24:15	12/Feb/16	14/Feb/16	72	1	3	22,446	
						2	4	23,496
							4	45,942
Madoc	24:30	12/Feb/16	14/Feb/16	1	1	0	0	
					2	0	0	
						0	0	

EB-2016-0245
Rate Order for 2017 Rates
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APPENDIX A

UNION GAS LIMITED
Union North
Summary of Changes to Sales Rates
Rate 01A - Small Volume General Firm Service

Line No.	Particulars (cents/m ³)	EB-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
1	Monthly Charge - All Zones	\$21.00		\$21.00
	Monthly Delivery Charge - All Zones			
	Including Customer-Related GHG Obligation			
2	First 100 m ³			
3	Next 200 m ³			
4	Next 200 m ³			
5	Next 500 m ³			
6	Over 1,000 m ³			
	Excluding Customer-Related GHG Obligation			
7	First 100 m ³	8.9080	0.3494	9.2574
8	Next 200 m ³	8.6825	0.3419	9.0244
9	Next 200 m ³	8.3287	0.3280	8.6567
10	Next 500 m ³	8.0040	0.3152	8.3192
11	Over 1,000 m ³	7.7358	0.3046	8.0404
12	Delivery - Price Adjustment (All Volumes)	1.3070 (1)	(0.6393)	0.6677 (2)
	Gas Transportation Service			
13	Union North West Zone (previously Fort Frances)	5.8185	0.9107	6.7292
14	Union North West Zone (previously Western Zone)	4.9868	1.7424	6.7292
15	Union North West Zone (previously Northern Zone)	6.4915	0.2377	6.7292
16	Union North East Zone (previously Northern Zone)	6.4915	(3.5260)	2.9655
17	Union North East Zone (previously Eastern Zone)	7.7619	(4.7964)	2.9655
18	Transportation - Price Adjustment (All Zones)	0.3919 (3)		0.3919 (3)
	Storage Service			
19	Union North West Zone (previously Fort Frances)	3.6786	(1.6197)	2.0589
20	Union North West Zone (previously Western Zone)	3.3463	(1.2874)	2.0589
21	Union North West Zone (previously Northern Zone)	3.9476	(1.8887)	2.0589
22	Union North East Zone (previously Northern Zone)	3.9476	2.6744	6.6220
23	Union North East Zone (previously Eastern Zone)	4.4552	2.1668	6.6220
24	Storage - Price Adjustment (All Zones)	-		-
	Commodity Cost of Gas and Fuel			
25	Fort Frances	11.2726	(0.0008)	11.2718
26	Western Zone	11.3542	(0.0008)	11.3534
27	Northern Zone	11.4805	(0.0008)	11.4797
28	Eastern Zone	11.5808	(0.0008)	11.5800
29	Commodity and Fuel - Price Adjustment (All Zones)	(1.6907) (4)		(1.6907) (4)

Notes:

- (1) Includes a temporary charge of 0.6393 cents/m³ expiring December 31, 2016, and temporary charges of 0.6186 and 0.0491 cents/m³ expiring March 31, 2017.
- (2) Includes temporary charges of 0.6186 and 0.0491 cents/m³ expiring March 31, 2017.
- (3) Includes Prospective Recovery of (0.3510), (0.0065), 0.0388, and 0.2015 cents/m³, and a temporary charge of 0.5091 cents/m³ expiring March 31, 2017.
- (4) Includes Prospective Recovery of 0.4405, (1.0675), (0.9289), and (0.1348) cents/m³.

UNION GAS LIMITED
Union North
Summary of Changes to Sales Rates
Rate 10 - Large Volume General Firm Service

Line No.	Particulars (cents/m ³)	EB-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
1	Monthly Charge - All Zones	\$70.00		\$70.00
	Monthly Delivery Charge - All Zones			
	Including Customer-Related GHG Obligation			
2	First 1,000 m ³			
3	Next 9,000 m ³			
4	Next 20,000 m ³			
5	Next 70,000 m ³			
6	Over 100,000 m ³			
	Excluding Customer-Related GHG Obligation			
7	First 1,000 m ³	7.2298	0.5273	7.7571
8	Next 9,000 m ³	5.8947	0.4299	6.3246
9	Next 20,000 m ³	5.2108	0.4422	5.6530
10	Next 70,000 m ³	4.7160	0.4002	5.1162
11	Over 100,000 m ³	2.8414	0.2411	3.0825
12	Delivery - Price Adjustment (All Volumes)	1.2320 (1)	(0.5971)	0.6349 (2)
	Gas Transportation Service			
13	Union North West Zone (previously Fort Frances)	5.1333	0.7596	5.8929
14	Union North West Zone (previously Western Zone)	4.3016	1.5913	5.8929
15	Union North West Zone (previously Northern Zone)	5.8063	0.0866	5.8929
16	Union North East Zone (previously Northern Zone)	5.8063	(3.0760)	2.7303
17	Union North East Zone (previously Eastern Zone)	7.0767	(4.3464)	2.7303
18	Transportation - Price Adjustment (All Zones)	0.4196 (3)		0.4196 (3)
	Storage Service			
19	Union North West Zone (previously Fort Frances)	2.4007	(0.8512)	1.5495
20	Union North West Zone (previously Western Zone)	2.0684	(0.5189)	1.5495
21	Union North West Zone (previously Northern Zone)	2.6697	(1.1202)	1.5495
22	Union North East Zone (previously Northern Zone)	2.6697	2.0065	4.6762
23	Union North East Zone (previously Eastern Zone)	3.1773	1.4989	4.6762
24	Storage - Price Adjustment (All Zones)	-		-
	Commodity Cost of Gas and Fuel			
25	Fort Frances	11.2726	(0.0008)	11.2718
26	Western Zone	11.3542	(0.0008)	11.3534
27	Northern Zone	11.4805	(0.0008)	11.4797
28	Eastern Zone	11.5808	(0.0008)	11.5800
29	Commodity and Fuel - Price Adjustment (All Zones)	(1.6907) (4)		(1.6907) (4)

Notes:

- (1) Includes a temporary charge of 0.5971 cents/m³ expiring December 31, 2016, and temporary charges of 0.4730 and 0.1619 cents/m³ expiring March 31, 2017.
- (2) Includes temporary charges of 0.4730 and 0.1619 cents/m³ expiring March 31, 2017.
- (3) Includes Prospective Recovery of (0.3498), (0.0052), 0.0415, and 0.2019 cents/m³, and a temporary charge of 0.5312 cents/m³ expiring March 31, 2017.
- (4) Includes Prospective Recovery of 0.4405, (1.0675), (0.9289), and (0.1348) cents/m³.

UNION GAS LIMITED
Union North
Summary of Changes to Sales Rates
Rate 20 - Medium Volume Firm Service

Line No.	Particulars (cents/m ³)	EB-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
1	Monthly Charge	\$932.79	(\$48.33)	\$884.46
2	Delivery Demand Charge			
3	First 70,000 m ³	29.3047	(0.6721)	28.6326
	All over 70,000 m ³	17.2326	(0.3952)	16.8374
	Delivery Commodity Charge			
	Including Customer-Related GHG Obligation			
4	First 852,000 m ³			
5	All over 852,000 m ³			
	Excluding Customer-Related GHG Obligation			
6	First 852,000 m ³	0.5891	(0.0242)	0.5649
7	All over 852,000 m ³	0.4282	(0.0176)	0.4106
	Monthly Gas Supply Demand Charge			
8	Union North West Zone (previously Fort Frances)	55.7556	0.0929	55.8485
9	Union North West Zone (previously Western Zone)	34.5138	21.3347	55.8485
10	Union North West Zone (previously Northern Zone)	72.9435	(17.0950)	55.8485
11	Union North East Zone (previously Northern Zone)	72.9435	(23.2168)	49.7267
12	Union North East Zone (previously Eastern Zone)	105.4062	(55.6795)	49.7267
13	Gas Supply Demand - Price Adjustment (All Zones)	-		-
	Commodity Transportation 1			
14	Union North West Zone (previously Fort Frances)	4.4802	(0.9177)	3.5625
15	Union North West Zone (previously Western Zone)	4.0146	(0.4521)	3.5625
16	Union North West Zone (previously Northern Zone)	4.8570	(1.2945)	3.5625
17	Union North East Zone (previously Northern Zone)	4.8570	(2.2491)	2.6079
18	Union North East Zone (previously Eastern Zone)	5.5682	(2.9603)	2.6079
19	Transportation 1 - Price Adjustment (All Zones)	(0.0806) (1)		(0.0806) (1)
	Commodity Transportation 2			
20	Union North West Zone (previously Fort Frances)	-		-
21	Union North West Zone (previously Western Zone)	-		-
22	Union North West Zone (previously Northern Zone)	-		-
23	Union North East Zone (previously Northern Zone)	-		-
24	Union North East Zone (previously Eastern Zone)	-		-
	Commodity Cost of Gas and Fuel			
25	Fort Frances	11.0099	(0.0008)	11.0091
26	Western Zone	11.0896	(0.0008)	11.0888
27	Northern Zone	11.2128	(0.0008)	11.2120
28	Eastern Zone	11.3108	(0.0008)	11.3100
29	Commodity and Fuel - Price Adjustment (All Zones)	(1.6907) (2)		(1.6907) (2)
	Bundled Storage Service (\$/GJ)			
30	Monthly Demand Charge	12.489	7.622	20.111
31	Commodity Charge	0.159	0.047	0.206
32	Storage Demand - Price Adjustment	-		-

Notes:

- (1) Includes Prospective Recovery of (0.3725), 0.0235, 0.0609, and 0.2075 cents/m³.
(2) Includes Prospective Recovery of 0.4405, (1.0675), (0.9289), and (0.1348) cents/m³.

UNION GAS LIMITED
Union North
Summary of Changes to Sales Rates
Rate 100 - Large Volume High Load Factor Firm Service

Line No.	Particulars (cents/m ³)	EB-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
1	Monthly Charge	\$1,423.71	(\$50.96)	\$1,372.75
2	Delivery Demand Charge All Zones	15.5220	(0.4137)	15.1083
	Delivery Commodity Charge All Zones			
3	Including Customer-Related GHG Obligation			
4	Excluding Customer-Related GHG Obligation	0.2252	(0.0047)	0.2205
	Monthly Gas Supply Demand Charge			
5	Union North West Zone (previously Fort Frances Zone)	103.8605	8.2389	112.0994
6	Union North West Zone (previously Western Zone)	79.0784	33.0210	112.0994
7	Union North West Zone (previously Northern Zone)	123.9130	(11.8136)	112.0994
8	Union North East Zone (previously Northern Zone)	123.9130	34.5294	158.4424
9	Union North East Zone (previously Eastern Zone)	161.7862	(3.3438)	158.4424
10	Gas Supply Demand - Price Adjustment (All Zones)	-		-
	Commodity Transportation 1			
11	Union North West Zone (previously Fort Frances Zone)	7.1222	(0.8337)	6.2885
12	Union North West Zone (previously Western Zone)	6.7730	(0.4845)	6.2885
13	Union North West Zone (previously Northern Zone)	7.4048	(1.1163)	6.2885
14	Union North East Zone (previously Northern Zone)	7.4048	1.6565	9.0613
15	Union North East Zone (previously Eastern Zone)	7.9382	1.1231	9.0613
16	Transportation 1 - Price Adjustment (All Zones)	-		-
	Commodity Transportation 2			
17	Union North West Zone (previously Fort Frances Zone)	-		-
18	Union North West Zone (previously Western Zone)	-		-
19	Union North West Zone (previously Northern Zone)	-		-
20	Union North East Zone (previously Northern Zone)	-		-
21	Union North East Zone (previously Eastern Zone)	-		-
	Commodity Cost of Gas and Fuel			
22	Fort Frances	11.0099	(0.0008)	11.0091
23	Western Zone	11.0896	(0.0008)	11.0888
24	Northern Zone	11.2128	(0.0008)	11.2120
25	Eastern Zone	11.3108	(0.0008)	11.3100
26	Commodity and Fuel - Price Adjustment (All Zones)	(1.6907) (1)		(1.6907) (1)
	Bundled Storage Service (\$/GJ)			
27	Monthly Demand Charge	12.489	7.622	20.111
28	Commodity Charge	0.159	0.047	0.206
29	Storage Demand - Price Adjustment	-		-

Notes:

(1) Includes Prospective Recovery of 0.4405, (1.0675), (0.9289), and (0.1348) cents/m³.

UNION GAS LIMITED
Union North
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
	<u>Rate 25 - Large Volume Interruptible Service</u>			
1	Monthly Charge	\$331.70	(\$24.95)	\$306.75
	Delivery Charge - All Zones *			
	Maximum			
2	Including Customer-Related GHG Obligation			
3	Excluding Customer-Related GHG Obligation	4.7943	0.3762	5.1705
	Gas Supply Charges - All Zones			
4	Minimum	1.4848		1.4848
5	Maximum	675.9484		675.9484

* see Appendix C.

UNION GAS LIMITED
Union South
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
	<u>Utility Sales</u>			
1	Commodity and Fuel	11.5706	(0.0008)	11.5698
2	Commodity and Fuel - Price Adjustment	(0.6779) (1)		(0.6779) (1)
3	Transportation	4.2031		4.2031
4	Total Gas Supply Commodity Charge	15.0958	(0.0008)	15.0950
	<u>M4 Firm Commercial/Industrial</u>			
5	Minimum annual gas supply commodity charge	4.8603	(0.0008)	4.8595
	<u>M4 / M5A Interruptible Commercial/Industrial</u>			
6	Minimum annual gas supply commodity charge	4.8603	(0.0008)	4.8595
	<u>Storage and Transportation Supplemental Services - Rate T1, Rate T2 & Rate T3</u>	<u>\$/GJ</u>		<u>\$/GJ</u>
	Monthly demand charges: (\$/GJ)			
7	Firm gas supply service	59.279		59.279
8	Firm backstop gas	1.693	(0.001)	1.692
	Commodity charges:			
9	Gas supply	2.932		2.932
10	Backstop gas	4.477	0.035	4.512
11	Reasonable Efforts Backstop Gas	5.305	0.165	5.470
12	Supplemental Inventory	Note (2)		Note (2)
13	Supplemental Gas Sales Service (cents/m ³)	18.7530	0.1389	18.8919
14	Failure to Deliver	2.573	0.165	2.738
15	Discretionary Gas Supply Service (DGSS)	Note (3)		Note (3)

Notes:

- (1) Includes Prospective Recovery of (0.1174), (0.0942), (0.4849), and (0.1771) cents/m³, and a temporary charge of 0.1957 cents/m³ expiring March 31, 2017.
- (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.

UNION GAS LIMITED
Union South
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
	<u>Rate M1 - Small Volume General Service Rate</u>			
1	Monthly Charge	\$21.00		\$21.00
	Including Customer-Related GHG Obligation			
2	First 100 m ³			
3	Next 150 m ³			
4	All over 250 m ³			
	Excluding Customer-Related GHG Obligation			
5	First 100 m ³	4.1132	0.6274	4.7406
6	Next 150 m ³	3.9046	0.5956	4.5002
7	All over 250 m ³	3.3656	0.5134	3.8790
8	Delivery - Price Adjustment (All Volumes)	0.9331 (1)	(0.4966)	0.4365 (2)
9	Storage Service	0.7027	0.0126	0.7153
10	Storage - Price Adjustment	-		-
	<u>Rate M2 - Large Volume General Service Rate</u>			
11	Monthly Charge	\$70.00		\$70.00
	Including Customer-Related GHG Obligation			
12	First 1,000 m ³			
13	Next 6,000 m ³			
14	Next 13,000 m ³			
15	All over 20,000 m ³			
	Excluding Customer-Related GHG Obligation			
16	First 1,000 m ³	4.0507	0.6627	4.7134
17	Next 6,000 m ³	3.9755	0.6504	4.6259
18	Next 13,000 m ³	3.7869	0.6527	4.4396
19	All over 20,000 m ³	3.5152	0.6059	4.1211
20	Delivery - Price Adjustment (All Volumes)	1.1485 (3)	(0.6649)	0.4836 (4)
21	Storage Service	0.6161	0.0091	0.6252
22	Storage - Price Adjustment	-		-

Notes:

- (1) Includes a temporary charge of 0.4966 cents/m³ expiring December 31, 2016, and temporary charges of 0.2283 and 0.2082 cents/m³ expiring March 31, 2017.
(2) Includes temporary charges of 0.2283 and 0.2082 cents/m³ expiring March 31, 2017.
(3) Includes a temporary charge of 0.6649 cents/m³ expiring December 31, 2016, and temporary charges of 0.1629 and 0.3207 cents/m³ expiring March 31, 2017.
(4) Includes temporary charges of 0.1629 and 0.3207 cents/m³ expiring March 31, 2017.

UNION GAS LIMITED
Union South
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
	<u>Rate M4 - Firm comm/ind contract rate</u>			
	Monthly demand charge:			
1	First 8,450 m ³	52.9231	3.8796	56.8027
2	Next 19,700 m ³	23.7294	1.7395	25.4689
3	All over 28,150 m ³	19.9360	1.4614	21.3974
	Monthly delivery commodity charge:			
	Including Customer-Related GHG Obligation			
4	First block			
5	All remaining use			
	Excluding Customer-Related GHG Obligation			
6	First block	1.2454	0.1786	1.4240
7	All remaining use	0.5301	0.0760	0.6061
8	Delivery - Price Adjustment (All Volumes)	-		-
9	Minimum annual firm delivery commodity charge	1.4364	0.1778	1.6142
	<u>Interruptible contracts *</u>			
10	Monthly Charge	\$669.55	(\$15.40)	\$654.15
	Daily delivery commodity charge:			
	Including Customer-Related GHG Obligation			
11	2,400 m ³ to 17,000 m ³			
12	17,000 m ³ to 30,000 m ³			
13	30,000 m ³ to 50,000 m ³			
14	50,000 m ³ to 60,000 m ³			
	Excluding Customer-Related GHG Obligation			
15	2,400 m ³ to 17,000 m ³	3.0056	0.0257	3.0313
16	17,000 m ³ to 30,000 m ³	2.8757	0.0257	2.9014
17	30,000 m ³ to 50,000 m ³	2.8074	0.0257	2.8331
18	50,000 m ³ to 60,000 m ³	2.7595	0.0257	2.7852
19	Delivery - Price Adjustment (All Volumes)	-		-
20	Minimum annual interruptible delivery commodity charge	3.1966	0.0249	3.2215
	<u>Rate M5A - interruptible comm/ind contract</u>			
	<u>Firm contracts *</u>			
21	Monthly demand charge	30.7027	1.0932	31.7959
	Monthly delivery commodity charge			
22	Including Customer-Related GHG Obligation			
23	Excluding Customer-Related GHG Obligation	2.2944	0.0774	2.3718
24	Delivery - Price Adjustment (All Volumes)	-		-
	<u>Interruptible contracts *</u>			
25	Monthly Charge	\$669.55	(\$15.40)	\$654.15
	Daily delivery commodity charge:			
	Including Customer-Related GHG Obligation			
26	2,400 m ³ to 17,000 m ³			
27	17,000 m ³ to 30,000 m ³			
28	30,000 m ³ to 50,000 m ³			
29	50,000 m ³ to 60,000 m ³			
	Excluding Customer-Related GHG Obligation			
29	2,400 m ³ to 17,000 m ³	3.0056	0.0257	3.0313
30	17,000 m ³ to 30,000 m ³	2.8757	0.0257	2.9014
31	30,000 m ³ to 50,000 m ³	2.8074	0.0257	2.8331
32	50,000 m ³ to 60,000 m ³	2.7595	0.0257	2.7852
33	Delivery - Price Adjustment (All Volumes)	-		-
34	Minimum annual interruptible delivery commodity charge	3.1966	0.0249	3.2215

Notes:

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

UNION GAS LIMITED
Union South
Summary of Changes to Sales Rates

Line No.	Particulars (cents/m ³)	EB-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
	<u>Rate M7 - Special large volume contract</u>			
	<u>Firm</u>			
1	Monthly demand charge	27.6801	3.1445	30.8246
2	Monthly delivery commodity charge			
3	Including Customer-Related GHG Obligation			
3	Excluding Customer-Related GHG Obligation	0.3734	0.0762	0.4496
4	Delivery - Price Adjustment	-		-
	<u>Interruptible *</u>			
	Monthly delivery commodity charge:			
	Maximum			
5	Including Customer-Related GHG Obligation			
6	Excluding Customer-Related GHG Obligation	4.9691	0.6607	5.6298
7	Delivery - Price Adjustment	-		-
	<u>Seasonal *</u>			
	Monthly delivery commodity charge:			
	Maximum			
8	Including Customer-Related GHG Obligation			
9	Excluding Customer-Related GHG Obligation	4.7250	0.6607	5.3857
10	Delivery - Price Adjustment	-		-
	<u>Rate M9 - Large wholesale service</u>			
11	Monthly demand charge	17.4339	4.8815	22.3154
12	Monthly delivery commodity charge			
12	Including Customer-Related GHG Obligation			
13	Excluding Customer-Related GHG Obligation	0.1902	0.0801	0.2703
14	Delivery - Price Adjustment	-		-
	<u>Rate M10 - Small wholesale service</u>			
	Monthly delivery commodity charge			
15	Including Customer-Related GHG Obligation			
16	Excluding Customer-Related GHG Obligation	5.9327	0.8792	6.8119

Notes:

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

UNION GAS LIMITED
Union South
Summary of Changes to Contract Carriage Rates

Line No.	Particulars (cents/m ³)	EB-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
	<u>Contract Carriage Service</u>			
	<u>Rate T1 - Storage and Transportation</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Firm space	0.011		0.011
	Firm Injection/Withdrawal Right			
2	Union provides deliverability inventory	1.570	(0.009)	1.561
3	Customer provides deliverability inventory	1.195	(0.009)	1.186
4	Firm incremental injection	1.195	(0.009)	1.186
5	Interruptible withdrawal	1.195	(0.009)	1.186
	Commodity charges:			
6	Withdrawal	0.028		0.028
7	Customer provides compressor fuel	0.008		0.008
8	Injection	0.028		0.028
9	Customer provides compressor fuel	0.008		0.008
10	Storage fuel ratio - customer provides fuel	0.403%	0.003%	0.406%
	<u>Transportation (cents / m³)</u>			
11	Monthly demand charge first 28,150 m ³	32.5602	2.8774	35.4376
12	Monthly demand charge next 112,720 m ³	22.4954	1.9879	24.4833
	Firm commodity charges:			
	Union provides compressor fuel - All volumes			
13	Including Customer-Related GHG Obligation			
14	Excluding Customer-Related GHG Obligation	0.1335	0.0488	0.1823
	Customer provides compressor fuel - All volumes			
15	Including Customer-Related GHG Obligation			
16	Excluding Customer-Related GHG Obligation	0.0760	0.0485	0.1245
	Interruptible commodity charges: *			
	Maximum - Union provides compressor fuel			
17	Including Customer-Related GHG Obligation			
18	Excluding Customer-Related GHG Obligation	4.9691	0.6607	5.6298
	Maximum - customer provides compressor fuel			
19	Including Customer-Related GHG Obligation			
20	Excluding Customer-Related GHG Obligation	4.9116	0.6604	5.5720
21	Transportation fuel ratio - customer provides fuel	0.303%	0.002%	0.305%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
22	Injection / Withdrawals	0.102	(0.001)	0.101
23	Customer provides compressor fuel	0.060	(0.001)	0.059
	Transportation commodity charge (cents/m ³)			
24	Including Customer-Related GHG Obligation			
25	Excluding Customer-Related GHG Obligation	1.2040	0.1434	1.3474
	Customer provides compressor fuel			
26	Including Customer-Related GHG Obligation			
27	Excluding Customer-Related GHG Obligation	1.1465	0.1431	1.2896
28	<u>Monthly Charge</u>	\$1,924.04	(\$18.10)	\$1,905.94

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

UNION GAS LIMITED
Union South
Summary of Changes to Contract Carriage Rates

Line No.	Particulars (cents/m ³)	EB-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
	<u>Contract Carriage Service</u>			
	<u>Rate T2 - Storage and Transportation</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Firm space	0.011		0.011
	Firm Injection/Withdrawal Right			
2	Union provides deliverability inventory	1.570	(0.009)	1.561
3	Customer provides deliverability inventory	1.195	(0.009)	1.186
4	Firm incremental injection	1.195	(0.009)	1.186
5	Interruptible withdrawal	1.195	(0.009)	1.186
	Commodity charges:			
6	Withdrawal	0.028		0.028
7	Customer provides compressor fuel	0.008		0.008
8	Injection	0.028		0.028
9	Customer provides compressor fuel	0.008		0.008
10	Storage fuel ratio - customer provides fuel	0.403%	0.003%	0.406%
	<u>Transportation (cents / m³)</u>			
11	Monthly demand charge first 140,870 m ³	22.7402	3.7053	26.4455
12	Monthly demand charge all over 140,870 m ³	12.0285	1.9599	13.9884
	Firm commodity charges:			
	Union provides compressor fuel - All volumes			
13	Including Customer-Related GHG Obligation			
14	Excluding Customer-Related GHG Obligation	0.0616	0.0264	0.0880
	Customer provides compressor fuel - All volumes			
15	Including Customer-Related GHG Obligation			
16	Excluding Customer-Related GHG Obligation	0.0082	0.0261	0.0343
	Interruptible commodity charges: *			
	Maximum - Union provides compressor fuel			
17	Including Customer-Related GHG Obligation			
18	Excluding Customer-Related GHG Obligation	4.9691	0.6607	5.6298
	Maximum - customer provides compressor fuel			
19	Including Customer-Related GHG Obligation			
20	Excluding Customer-Related GHG Obligation	4.9157	0.6604	5.5761
21	Transportation fuel ratio - customer provides fuel	0.282%	0.002%	0.283%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
22	Injection / Withdrawals	0.102	(0.001)	0.101
23	Customer provides compressor fuel	0.060	(0.001)	0.059
	Transportation commodity charge (cents/m ³)			
24	Including Customer-Related GHG Obligation			
25	Excluding Customer-Related GHG Obligation	0.8092	0.1482	0.9574
	Customer provides compressor fuel			
26	Including Customer-Related GHG Obligation			
27	Excluding Customer-Related GHG Obligation	0.7558	0.1479	0.9037
28	<u>Monthly Charge</u>	\$5,751.12	(\$237.31)	\$5,513.81

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

UNION GAS LIMITED
Union South
Summary of Changes to Contract Carriage Rates

Line No.	Particulars (cents/m ³)	EB-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
	<u>Rate T3 - Storage and Transportation</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
1	Firm space	0.011		0.011
	Firm Injection/Withdrawal Right			
2	Union provides deliverability inventory	1.570	(0.009)	1.561
3	Customer provides deliverability inventory	1.195	(0.009)	1.186
4	Firm incremental injection	1.195	(0.009)	1.186
5	Interruptible withdrawal	1.195	(0.009)	1.186
	Commodity charges:			
6	Withdrawal	0.028		0.028
7	Customer provides compressor fuel	0.008		0.008
8	Injection	0.028		0.028
9	Customer provides compressor fuel	0.008		0.008
10	Storage fuel ratio - Customer provides fuel	0.403%	0.003%	0.406%
	<u>Transportation (cents / m³)</u>			
11	Monthly demand charge	11.6340	5.0873	16.7213
	Union provides compressor fuel - All volumes			
12	Including Customer-Related GHG Obligation			
13	Excluding Customer-Related GHG Obligation	0.0825	0.0804	0.1629
	Customer provides compressor fuel - All volumes			
14	Including Customer-Related GHG Obligation			
15	Excluding Customer-Related GHG Obligation	0.0108	0.0801	0.0909
16	Transportation fuel ratio- Customer provides fuel	0.378%	0.002%	0.380%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges			
17	Injection / Withdrawals	0.102	(0.001)	0.101
18	Customer provides compressor fuel	0.060	(0.001)	0.059
	Transportation commodity charge (cents/m ³)			
19	Including Customer-Related GHG Obligation			
20	Excluding Customer-Related GHG Obligation	0.4650	0.2476	0.7126
	Customer provides compressor fuel			
21	Including Customer-Related GHG Obligation			
22	Excluding Customer-Related GHG Obligation	0.3933	0.2473	0.6406
	<u>Monthly Charge</u>			
23	City of Kitchener	\$20,208.17	(\$239.98)	\$19,968.19
24	Natural Resource Gas	\$3,102.16	(\$36.84)	\$3,065.32
25	Six Nations	\$1,034.05	(\$12.28)	\$1,021.77

UNION GAS LIMITED
Union South
Summary of Changes to Unbundled Rates

Line No.	Particulars (cents/m ³)	EB-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
	<u>U2 Unbundled Service</u>			
	<u>Storage (\$ / GJ)</u>			
	Monthly demand charges:			
	Standard Storage Service (SSS)			
1	Combined Firm Space & Deliverability	0.023		0.023
	Standard Peaking Service (SPS)			
2	Combined Firm Space & Deliverability	0.115	(0.001)	0.114
3	Incremental firm injection right	1.039	(0.009)	1.030
4	Incremental firm withdrawal right	1.039	(0.009)	1.030
	Commodity charges:			
5	Injection customer provides compressor fuel	0.026		0.026
6	Withdrawal customer provides compressor fuel	0.026		0.026
7	Storage fuel ratio - Customer provides fuel	0.403%	0.003%	0.406%
	<u>Authorized overrun services</u>			
	<u>Storage (\$ / GJ)</u>			
	Commodity charges:			
8	Injection customer provides compressor fuel	0.060		0.060
9	Withdrawal customer provides compressor fuel	0.060		0.060

UNION GAS LIMITED
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
	<u>M12 Transportation Service</u>			
	<u>Firm transportation</u>			
	Monthly demand charges:			
1	Dawn to Kirkwall	2.421	0.444	2.865
2	Dawn to Parkway	2.883	0.519	3.402
3	Kirkwall to Parkway	0.462	0.075	0.537
4	F24-T	0.069	0.001	0.070
	<u>M12-X Firm Transportation</u>			
5	Between Dawn, Kirkwall and Parkway	3.602	0.637	4.239
	Commodity charges:			
6	Dawn to Kirkwall / Parkway (Cons) / Lisgar	Note (1)		0.000 (1)
7	Dawn to Parkway (TCPL / EGT)	Note (1)		0.000 (1)
8	Kirkwall to Parkway	Note (1)		0.000 (1)
9	Parkway to Dawn / Kirkwall	Note (1)		0.000 (1)
10	Kirkwall to Dawn	Note (1)		0.000 (1)
11	Parkway (TCPL / EGT) to Parkway (Cons) / Lisgar	Note (1)		0.000 (1)
	<u>Limited Firm/Interruptible</u>			
	Monthly demand charges:			
12	Maximum	6.919	1.246	8.165
	Commodity charges :			
13	Others	Note (1)		Note (1)
	<u>Authorized Overrun</u>			
	Transportation commodity charges:			
	Easterly:			
14	Dawn to Kirkwall - Union supplied fuel	Note (1)		Note (1)
15	Dawn to Parkway (Cons) / Lisgar - Union supplied fuel	Note (1)		Note (1)
16	Dawn to Parkway (TCPL / EGT) - Union supplied fuel	Note (1)		Note (1)
17	Kirkwall to Parkway - Union supplied fuel	Note (1)		Note (1)
18	Dawn to Kirkwall - Shipper supplied fuel	0.080 (1)	0.014	0.094 (1)
19	Dawn to Parkway (Cons) / Lisgar - Shipper supplied fuel	0.095 (1)	0.017	0.112 (1)
20	Dawn to Parkway (TCPL / EGT) - Shipper supplied fuel	0.095	0.017	0.112 (1)
21	Kirkwall to Parkway - Shipper supplied fuel	0.015	0.003	0.018 (1)
	<u>M12-X Firm Transportation</u>			
22	Between Dawn, Kirkwall and Parkway - Union supplied fuel	Note (1)		Note (1)
	Between Dawn, Kirkwall and Parkway - Shipper supplied fuel:			
23	Dawn to Kirkwall / Parkway (Cons) / Lisgar	0.118 (1)	0.021	0.139 (1)
24	Dawn to Parkway (TCPL / EGT)	0.118 (1)	0.021	0.139 (1)
25	Kirkwall to Parkway	0.118 (1)	0.021	0.139 (1)
26	Parkway to Dawn / Kirkwall	0.118 (1)	0.021	0.139 (1)
27	Kirkwall to Dawn	0.118 (1)	0.021	0.139 (1)
	<u>M13 Transportation of Locally Produced Gas</u>			
28	Monthly fixed charge per customer station	\$946.47	6.250	\$952.72
29	Transmission commodity charge to Dawn	0.035		0.035
30	Commodity charge - Union supplied fuel	0.008		0.008
31	Commodity charge - Shipper supplied fuel	Note (2)		0.000 (2)
32	Authorized Overrun - Union supplied fuel	0.077		0.077
33	Authorized Overrun - Shipper supplied fuel	0.070 (2)	(0.001)	0.069 (2)

Notes:

- (1) Monthly fuel rates and fuel and commodity ratios per Schedule "C".
(2) Plus shipper supplied fuel per rate schedule.

UNION GAS LIMITED
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
	<u>M16 Storage Transportation Service</u>			
1	Monthly fixed charge per customer station	\$1,505.73	9.940	\$1,515.67
	Monthly demand charges:			
2	East of Dawn	0.765	0.005	0.770
3	West of Dawn	1.055	(0.010)	1.045
4	Transmission commodity charge to Dawn	0.035		0.035
	Transportation Fuel Charges to Dawn:			
5	East of Dawn - Union supplied fuel	0.008		0.008
6	West of Dawn - Union supplied fuel	0.008		0.008
7	East of Dawn - Shipper supplied fuel	Note (1)		0.000 (1)
8	West of Dawn - Shipper supplied fuel	Note (1)		0.000 (1)
	Transportation Fuel Charges to Pools:			
9	East of Dawn - Union supplied fuel	0.009		0.009
10	West of Dawn - Union supplied fuel	0.022		0.022
11	East of Dawn - Shipper supplied fuel	Note (1)		0.000 (1)
12	West of Dawn - Shipper supplied fuel	Note (1)		0.000 (1)
	<u>Authorized Overrun</u>			
	Transportation Fuel Charges to Dawn:			
13	East of Dawn - Union supplied fuel	0.068	(0.001)	0.067
14	West of Dawn - Union supplied fuel	0.077		0.077
15	East of Dawn - Shipper supplied fuel	0.060 (1)		0.060 (1)
16	West of Dawn - Shipper supplied fuel	0.070 (1)	(0.001)	0.069 (1)
	Transportation Fuel Charges to Pools:			
17	East of Dawn - Union supplied fuel	0.035	(0.001)	0.034
18	West of Dawn - Union supplied fuel	0.056		0.056
19	East of Dawn - Shipper supplied fuel	0.025 (1)		0.025 (1)
20	West of Dawn - Shipper supplied fuel	0.035 (1)	(0.001)	0.034 (1)
	<u>C1 - Cross Franchise Transportation Service</u>			
	<u>Transportation service</u>			
	Monthly demand charges:			
21	St. Clair / Bluewater & Dawn	1.055	(0.010)	1.045
22	Ojibway & Dawn	1.055	(0.010)	1.045
23	Parkway to Dawn	0.719	0.118	0.837
24	Parkway to Kirkwall	0.719	0.118	0.837
25	Kirkwall to Dawn	1.268	0.207	1.475
26	Dawn to Kirkwall	2.421	0.444	2.865
27	Dawn to Parkway	2.883	0.519	3.402
28	Kirkwall to Parkway	0.462	0.075	0.537
29	Dawn to Dawn-Vector	0.029		0.029
30	Dawn to Dawn-TCPL	0.137	0.001	0.138
	Short-term:			
31	Maximum	75.00		75.00
	Commodity charges:			
32	St. Clair / Bluewater & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.013		0.013
33	St. Clair / Bluewater & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.010		0.010
34	Ojibway & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.015		0.015
35	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.022		0.022
36	Parkway to Kirkwall / Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.008		0.008
37	Parkway to Kirkwall / Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.014		0.014
38	Kirkwall to Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.008		0.008
39	Kirkwall to Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.008		0.008
40	Dawn to Kirkwall - Union supplied fuel (Nov. 1 - Mar. 31)	0.037		0.037
41	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.015	0.001	0.016
42	Dawn to Parkway (TCPL) - Union supplied fuel (Nov. 1 - Mar. 31)	0.050		0.050
43	Dawn to Parkway (TCPL) - Union supplied fuel (Apr. 1 - Oct.31)	0.028		0.028
44	Kirkwall to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.021		0.021
45	Kirkwall to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.020		0.020

Notes:

(1) Plus shipper supplied fuel per rate schedule.

UNION GAS LIMITED
Summary of Changes to Storage and Transportation Rates

Line No.	Particulars (\$/GJ)	EB-2016-0247 Approved October 1, 2016 Rate (a)	Rate Change (b)	EB-2016-0245 Approved January 1, 2017 Rate (c)
	<u>C1 - Cross Franchise Transportation Service</u>			
	<u>Transportation service cont'd</u>			
1	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		0.000 (1)
2	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		0.000 (1)
3	Ojibway & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		0.000 (1)
4	Ojibway & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		0.000 (1)
5	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		0.000 (1)
6	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		0.000 (1)
7	Kirkwall to Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		0.000 (1)
8	Kirkwall to Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		0.000 (1)
9	Dawn to Kirkwall - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		0.000 (1)
10	Dawn to Kirkwall - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		0.000 (1)
11	Dawn to Parkway (TCPL) - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		0.000 (1)
12	Dawn to Parkway (TCPL) - Shipper supplied fuel (Apr. 1 - Oct.31)	Note (1)		0.000 (1)
13	Kirkwall to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		0.000 (1)
14	Kirkwall to Parkway - Shipper supplied fuel (Apr. 1 - Oct.31)	Note (1)		0.000 (1)
15	Dawn to Dawn-Vector - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		0.000 (1)
16	Dawn to Dawn-Vector - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		0.000 (1)
17	Dawn to Dawn-TCPL - Shipper supplied fuel (Nov. 1 - Mar. 31)	Note (1)		0.000 (1)
18	Dawn to Dawn-TCPL - Shipper supplied fuel (Apr. 1 - Oct. 31)	Note (1)		0.000 (1)
	Interruptible commodity charges:			
19	Maximum	75.00		75.00
20	Dawn(Tecumseh), Dawn(Facilities or TCPL), Dawn (Vector) and Dawn (TSLE)	Note (1)		Note (1)
	<u>Authorized Overrun</u>			
	Firm transportation commodity charges:			
21	St. Clair / Bluewater & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.048	(0.001)	0.047
22	St. Clair / Bluewater & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.045	(0.001)	0.044
23	Ojibway & Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.049		0.049
24	Ojibway & Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.056		0.056
25	Parkway to Kirkwall / Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.132	0.018	0.150
26	Parkway to Kirkwall / Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.139	0.017	0.156
27	Kirkwall to Dawn - Union supplied fuel (Nov. 1 - Mar. 31)	0.049	0.007	0.056
28	Kirkwall to Dawn - Union supplied fuel (Apr. 1 - Oct. 31)	0.049	0.007	0.056
29	Dawn to Kirkwall - Union supplied fuel (Nov. 1 - Mar. 31)	0.146	0.015	0.161
30	Dawn to Kirkwall - Union supplied fuel (Apr. 1 - Oct. 31)	0.125	0.015	0.140
31	Dawn to Parkway (TCPL) - Union supplied fuel (Nov. 1 - Mar. 31)	0.174	0.018	0.192
32	Dawn to Parkway (TCPL) - Union supplied fuel (Apr. 1 - Oct.31)	0.152	0.018	0.170
33	Kirkwall to Parkway - Union supplied fuel (Nov. 1 - Mar. 31)	0.066	0.003	0.069
34	Kirkwall to Parkway - Union supplied fuel (Apr. 1 - Oct.31)	0.065	0.003	0.068
35	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.035 (1)	(0.001)	0.034 (1)
36	St. Clair / Bluewater & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.035 (1)	(0.001)	0.034 (1)
37	Ojibway & Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.035 (1)	(0.001)	0.034 (1)
38	Ojibway & Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.035 (1)	(0.001)	0.034 (1)
39	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.095 (1)	0.017	0.112 (1)
40	Parkway to Kirkwall / Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.095 (1)	0.017	0.112 (1)
41	Kirkwall to Dawn - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.042 (1)	0.007	0.049 (1)
42	Kirkwall to Dawn - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.042 (1)	0.007	0.049 (1)
43	Dawn to Kirkwall - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.080 (1)	0.014	0.094 (1)
44	Dawn to Kirkwall - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.080 (1)	0.014	0.094 (1)
45	Dawn to Parkway (TCPL) - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.095 (1)	0.017	0.112 (1)
46	Dawn to Parkway (TCPL) - Shipper supplied fuel (Apr. 1 - Oct.31)	0.095 (1)	0.017	0.112 (1)
47	Kirkwall to Parkway - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.015 (1)	0.003	0.018 (1)
48	Kirkwall to Parkway - Shipper supplied fuel (Apr. 1 - Oct.31)	0.015 (1)	0.003	0.018 (1)
49	Dawn to Dawn-Vector - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.001 (1)	(0.000)	0.001 (1)
50	Dawn to Dawn-Vector - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.001 (1)		0.001 (1)
51	Dawn to Dawn-TCPL - Shipper supplied fuel (Nov. 1 - Mar. 31)	0.005 (1)		0.005 (1)
52	Dawn to Dawn-TCPL - Shipper supplied fuel (Apr. 1 - Oct. 31)	0.005 (1)		0.005 (1)
	Short Term Firm transportation commodity charges:			
53	Maximum	75.00		75.00

Notes:

(1) Plus shipper supplied fuel per rate schedule.

APPENDIX B



RATE 01A - SMALL VOLUME GENERAL FIRM SERVICE

ELIGIBILITY

Any customer in Union's North West and North East 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 TransCanada's system to the Point of Consumption on the customer's premises of natural gas owned by the customer and transported by TransCanada 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.

Transportation Service customers in the Union North East Zone may contract with Union for transportation service from Dawn to the customer's delivery area. The charges for the transportation service will consist of the Rate C1 Dawn-Parkway firm transportation rate and applicable fuel charges, in accordance with Union's Rate C1 rate schedule, and all applicable third party (i.e. TransCanada) transportation charges on upstream pipelines from Parkway to the customer's delivery area.

(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

	Including Customer-Related GHG Obligation		Excluding Customer-Related GHG Obligation	
	Union North West	Union North East	Union North West	Union North East
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE</u>			\$21.00	\$21.00
<u>DELIVERY CHARGE</u>			<u>¢ per m³</u>	<u>¢ per m³</u>
First 100 m ³ per month @			9.2574	9.2574
Next 200 m ³ per month @			9.0244	9.0244
Next 200 m ³ per month @			8.6567	8.6567
Next 500 m ³ per month @			8.3192	8.3192
Over 1,000 m ³ per month @			8.0404	8.0404
Delivery-Price Adjustment (All Volumes)			0.6677 (1)	0.6677 (1)

Notes:

(1) Includes a temporary charge of 0.6186, and 0.0491 cents/m³ expiring March 31, 2017.



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2017-01-01
Rate 01A
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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

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



RATE 10 - LARGE VOLUME GENERAL FIRM SERVICE

ELIGIBILITY

Any customer in Union's North West and North East 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 TransCanada's system to the Point of Consumption on the customer's premises of natural gas owned by the customer and transported by TransCanada 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.

Transportation Service customers in the Union North East Zone may contract with Union for transportation service from Dawn to the customer's delivery area. The charges for the transportation service will consist of the Rate C1 Dawn-Parkway firm transportation rate and applicable fuel charges, in accordance with Union's Rate C1 rate schedule, and all applicable third party (i.e. TransCanada) transportation charges on upstream pipelines from Parkway to the customer's delivery area.

(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

	Including Customer-Related GHG Obligation		Excluding Customer-Related GHG Obligation	
	Union North West	Union North East	Union North West	Union North East
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE</u>			\$70.00	\$70.00
<u>DELIVERY CHARGE</u>			<u>¢ per m³</u>	<u>¢ per m³</u>
First 1,000 m ³ per month @			7.7571	7.7571
Next 9,000 m ³ per month @			6.3246	6.3246
Next 20,000 m ³ per month @			5.6530	5.6530
Next 70,000 m ³ per month @			5.1162	5.1162
Over 100,000 m ³ per month @			3.0825	3.0825
Delivery-Price Adjustment (All Volumes)			0.6349 (1)	0.6349 (1)

Notes:

(1) Includes a temporary charge of 0.4730, and 0.1619 cents/m³ expiring March 31, 2017.



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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

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

RATE 20 - MEDIUM VOLUME FIRM SERVICE**ELIGIBILITY**

Any customer in Union's North West and North East 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 TransCanada'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.

Transportation Service customers in the Union North East Zone may contract with Union for transportation service from Dawn to the customer's delivery area. The charges for the transportation service will consist of the Rate C1 Dawn-Parkway firm transportation rate and applicable fuel charges, in accordance with Union's Rate C1 rate schedule, and all applicable third party (i.e. TransCanada) transportation charges on upstream pipelines from Parkway to the customer's delivery area.

(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.

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



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MONTHLY RATES AND CHARGES

APPLICABLE TO ALL SERVICES - ALL ZONES (1)

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
<u>MONTHLY CHARGE</u>		\$884.46
<u>DELIVERY CHARGES</u> (cents per month per m ³)		
Monthly Demand Charge for first 70,000 m ³ of Contracted Daily Demand		28.6326
Monthly Demand Charge for all units over 70,000 m ³ of Contracted Daily Demand		16.8374
Commodity Charge for first 852,000 m ³ of gas volumes delivered		0.5649
Commodity Charge for all units over 852,000 m ³ of gas volumes delivered		0.4106

Notes:

- (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.

	Including Customer-Related GHG Obligation		Excluding Customer-Related GHG Obligation	
	Union <u>North West</u>	Union <u>North East</u>	Union <u>North West</u>	Union <u>North East</u>
<u>MONTHLY CHARGE</u>			\$884.46	\$884.46
<u>DELIVERY CHARGES</u>			<u>cents per m³</u>	<u>cents per m³</u>
Commodity Charge for each unit of gas volumes delivered			2.4476	2.4476

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	\$220.55
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BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES

Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement (\$/GJ/Month)	\$20.111
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Monthly Storage Demand- Price Adjustment for each unit of Contracted Daily Storage Withdrawal Entitlement: (\$/GJ/Month)	-
--	---

Commodity Charge for each unit of gas withdrawn from storage (\$/GJ)	\$0.206
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Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ)	\$0.867
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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.

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
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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

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



RATE 25 - LARGE VOLUME INTERRUPTIBLE SERVICE

ELIGIBILITY

Any customer in Union's North West and North East 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 TransCanada'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.

Transportation Service customers in the Union North East Zone may contract with Union for transportation service from Dawn to the customer's delivery area. The charges for the transportation service will consist of the Rate C1 Dawn-Parkway firm transportation rate and applicable fuel charges, in accordance with Union's Rate C1 rate schedule, and all applicable third party (i.e. TransCanada) transportation charges on upstream pipelines from Parkway to the customer's delivery area.

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)

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
<u>MONTHLY CHARGE</u>		\$306.75
<u>DELIVERY CHARGES</u>		<u>cents per m³</u>
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:		5.1705
<u>UNAUTHORIZED OVERRUN NON - COMPLIANCE RATE</u>		<u>cents per m³</u>
Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect.		232.8600

Notes:

- (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.



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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.

\$220.55

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

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

SERVICE AGREEMENT

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



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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

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

ELIGIBILITY

Any customer in Union's North West and North East 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.

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Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

**RATE 100 – LARGE VOLUME HIGH LOAD FACTOR FIRM SERVICE****ELIGIBILITY**

Any customer in Union's North West and North East 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 TransCanada'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.

Transportation Service customers in the Union North East Zone may contract with Union for transportation service from Dawn to the customer's delivery area. The charges for the transportation service will consist of the Rate C1 Dawn-Parkway firm transportation rate and applicable fuel charges, in accordance with Union's Rate C1 rate schedule, and all applicable third party (i.e. TransCanada) transportation charges on upstream pipelines from Parkway to the customer's delivery area.

(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.

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)

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
<u>MONTHLY CHARGE</u>		\$1,372.75
<u>DELIVERY CHARGES</u> (cents per Month per m ³ of Daily Contract Demand)		
Monthly Demand Charge for each unit of Contracted Daily Demand		15.1083
Commodity Charge for each unit of gas volumes delivered (cents/m ³)		0.2205

Notes:

- (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	Including Customer-Related <u>GHG Obligation</u>		Excluding Customer-Related <u>GHG Obligation</u>	
	Union <u>North West</u>	Union <u>North East</u>	Union <u>North West</u>	Union <u>North East</u>
<u>MONTHLY CHARGE</u>			\$1,372.75	\$1,372.75
<u>DELIVERY CHARGES (cents per m³)</u>				
Commodity Charge for each unit of gas volumes delivered			0.9301	0.9301

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 ZONESMONTHLY TRANSPORTATION ACCOUNT CHARGE

For customers that currently have installed or will require installing telemetering equipment	\$220.55
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BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES

Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement (\$/GJ/Month)	\$20.111
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Monthly Storage Demand- Price Adjustment for each unit of Contracted Daily Storage Withdrawal Entitlement: (\$/GJ/Month)	-
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Commodity Charge for each unit of gas withdrawn from storage (\$/GJ)	\$0.206
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Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ)	\$0.867
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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.

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
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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

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



Union Gas Limited
Union North
Gas Supply Charges

(A) Availability

Available to customers in Union's North West and North East Delivery Zones.

(B) Applicability:

To all sales customers served under Rate 01A, Rate 10, Rate 20, Rate 100 and Rate 25.

(C) Rates

<u>Utility Sales</u>	Union North West			Union North East	
	Previously Fort Frances Zone	Previously Western Zone	Previously Northern Zone	Previously Northern Zone	Previously Eastern Zone
<u>Rate 01A (cents / m³)</u>					
Storage	2.0589	2.0589	2.0589	6.6220	6.6220
Storage - Price Adjustment	-	-	-	-	-
Commodity and Fuel (1)	11.2718	11.3534	11.4797	11.4797	11.5800
Commodity and Fuel - Price Adjustment	(1.6907)	(1.6907)	(1.6907)	(1.6907)	(1.6907)
Transportation	6.7292	6.7292	6.7292	2.9655	2.9655
Transportation - Price Adjustment	0.3919	0.3919	0.3919	0.3919	0.3919
Total Gas Supply Charge	<u>18.7611</u>	<u>18.8427</u>	<u>18.9690</u>	<u>19.7684</u>	<u>19.8687</u>

Rate 10 (cents / m³)

Storage	1.5495	1.5495	1.5495	4.6762	4.6762
Storage - Price Adjustment	-	-	-	-	-
Commodity and Fuel (1)	11.2718	11.3534	11.4797	11.4797	11.5800
Commodity and Fuel - Price Adjustment	(1.6907)	(1.6907)	(1.6907)	(1.6907)	(1.6907)
Transportation	5.8929	5.8929	5.8929	2.7303	2.7303
Transportation - Price Adjustment	0.4196	0.4196	0.4196	0.4196	0.4196
Total Gas Supply Charge	<u>17.4431</u>	<u>17.5247</u>	<u>17.6510</u>	<u>17.6151</u>	<u>17.7154</u>

Notes:

- (1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1902 cents/m³.



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Schedule "A"
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Union Gas Limited
Union North
Gas Supply Charges

<u>Utility Sales</u>	Union North West			Union North East	
	Previously	Previously	Previously	Previously	Previously
	<u>Fort Frances Zone</u>	<u>Western Zone</u>	<u>Northern Zone</u>	<u>Northern Zone</u>	<u>Eastern Zone</u>
<u>Rate 20 (cents / m³)</u>					
Commodity and Fuel (1)	11.0091	11.0888	11.2120	11.2120	11.3100
Commodity and Fuel - Price Adjustment	(1.6907)	(1.6907)	(1.6907)	(1.6907)	(1.6907)
Commodity Transportation - Charge 1	3.5625	3.5625	3.5625	2.6079	2.6079
Transportation 1 - Price Adjustment	(0.0806)	(0.0806)	(0.0806)	(0.0806)	(0.0806)
Commodity Transportation - Charge 2	-	-	-	-	-
Monthly Gas Supply Demand	55.8485	55.8485	55.8485	49.7267	49.7267
Gas Supply Demand - Price Adjustment	-	-	-	-	-
Commissioning and Decommissioning Rate	6.5222	6.5222	6.5222	5.3560	5.3560

Rate 100 (cents / m³)

Commodity and Fuel (1)	11.0091	11.0888	11.2120	11.2120	11.3100
Commodity and Fuel - Price Adjustment	(1.6907)	(1.6907)	(1.6907)	(1.6907)	(1.6907)
Commodity Transportation - Charge 1	6.2885	6.2885	6.2885	9.0613	9.0613
Commodity Transportation - Charge 2	-	-	-	-	-
Monthly Gas Supply Demand	112.0994	112.0994	112.0994	158.4424	158.4424
Commissioning and Decommissioning Rate	7.9600	7.9600	7.9600	11.3249	11.3249

Rate 25 (cents / m³)

Gas Supply Charge:

Interruptible Service

Minimum

Maximum

1.4848

1.4848

1.4848

1.4848

1.4848

675.9484

675.9484

675.9484

675.9484

675.9484

Natural Gas Liquefaction Service (\$ / GJ) (2)

Gas Supply Charge:

Interruptible Service

Minimum

Maximum

0.3919

178.3976

Notes:

- (1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1902 cents/m³.
- (2) Billing in energy (\$/GJ) will only apply to the Natural Gas Liquefaction Service.

Effective:

January 1, 2017

Chatham, Ontario

O.E.B. Order # EB-2016-0245

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2017-01-01
Schedule "A"

Gas Supply Charges

(A) Availability:

Available to customers in Union's Southern Delivery Zone.

(B) Applicability:

To all sales customers served under Rate M1, Rate M2, Rate M4, Rate M5A, Rate M7, Rate M9, Rate M10 and storage and transportation customers taking supplemental services under Rate T1, Rate T2 and Rate T3.

(C) Rates:

cents / m³

Utility Sales

Commodity and Fuel	11.5698 (1)
Commodity and Fuel - Price Adjustment	(0.6779)
Transportation	4.2031
Total Gas Supply Commodity Charge	<u>15.0950</u>

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract	4.8595
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Storage and Transportation Supplemental Services - Rate T1, Rate T2 & Rate T3

\$/GJ

Monthly demand charges:	
Firm gas supply service	59.279
Firm backstop gas	1.692
Commodity charges:	
Gas supply	2.932
Backstop gas	4.512
Reasonable Efforts Backstop Gas	5.470
Supplemental Inventory	Note (2)
Supplemental Gas Sales Service (cents / m ³)	18.8919
Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	2.738
Discretionary Gas Supply Service (DGSS)	Note (3)

Notes:

- (1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1902 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 a gas supply administration charge.

Effective: January 1, 2017
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Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



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.

		<u>Including Customer-Related GHG Obligation</u>	<u>Excluding Customer-Related GHG Obligation</u>
a)	Monthly Charge		\$21.00
b)	Delivery Charge		
	First 100 m ³		4.7406 ¢ per m ³
	Next 150 m ³		4.5002 ¢ per m ³
	All Over 250 m ³		3.8790 ¢ per m ³
	Delivery - Price Adjustment (All Volumes)		0.4365 ¢ per m ³
c)	Storage Charge (if applicable)		0.7153 ¢ per m ³
	Storage - Price Adjustment (All Volumes)		- ¢ 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.

Notes:

- (1) Includes a temporary charge of 0.2283, and 0.2082 cents/m³ expiring March 31, 2017.

(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

(E) Delayed Payment

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.



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

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Overrun Delivery Charge		5.4559 ¢ per m ³

(H) Bundled Direct Purchase Delivery

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

(I) Company Policy Relating to Terms of Service

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

<u>Zone</u>	Assumed Atmospheric Pressure <u>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

January 1, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



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.

		Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
a)	Monthly Charge		\$70.00
b)	Delivery Charge		
	First 1 000 m ³		4.7134 ¢ per m ³
	Next 6 000 m ³		4.6259 ¢ per m ³
	Next 13 000 m ³		4.4396 ¢ per m ³
	All Over 20 000 m ³		4.1211 ¢ per m ³
	Delivery – Price Adjustment (All Volumes) (1)		0.4836 ¢ per m ³
c)	Storage Charge (if applicable)		0.6252 ¢ per m ³
	Storage - Price Adjustment (All Volumes)		- ¢ 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.

Notes:

- (1) Includes a temporary charge of 0.1629, and 0.3207 cents/m³ expiring March 31, 2017.

(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.

(E) Delayed Payment

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.



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

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Overrun Delivery Charge		5.3386 ¢ per m ³

(H) Bundled Direct Purchase Delivery

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

(I) Company Policy Relating to Terms of Service

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

<u>Zone</u>	Assumed Atmospheric Pressure <u>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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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 2 400 m³ and 60 000 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.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
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		56.8027 ¢ per m ³
Next 19 700 m ³ of daily contracted demand		25.4689 ¢ per m ³
All Over 28 150 m ³ of daily contracted demand		21.3974 ¢ per m ³
(ii) A Monthly Delivery Commodity Charge		
First 422 250 m ³ delivered per month		1.4240 ¢ per m ³
Next volume equal to 15 days use of daily contracted demand		1.4240 ¢ per m ³
For remainder of volumes delivered in the month		0.6061 ¢ per m ³
Delivery- Price Adjustment (All Volumes)		- ¢ 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"		
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 at the identified authorized overrun delivery charge and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m ³ for all volumes purchased.		
Unauthorized overrun gas taken in any month shall be paid for at the identified unauthorized overrun delivery charge for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m ³ for all gas supply volumes purchased.		
	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Authorized Overrun Delivery Charge		3.2915 ¢ per m ³
Unauthorized Overrun Delivery Charge		5.4559 ¢ per m ³



3. Firm 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 firm 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 the identified firm minimum annual delivery charge and, if applicable a gas supply commodity charge provided in Schedule "A".

Firm Minimum Annual Delivery Charge	1.6142 ¢ per m ³
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In the event that the contract period exceeds one year the annual minimum volume will be prorated for any part year.

4. Interruptible Service

Union may agree, in its sole discretion, to combine a firm service with an interruptible service provided that the amount of interruptible volume to be delivered and agreed upon by Union and the customer shall be no less than 350,000 m³ per year.

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:

	Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation
a) (i) Monthly Delivery Commodity Charge		
<u>Daily Contracted Demand Level (CD)</u>		
2 400 m ³ ≤ CD < 17 000 m ³		3.0313 ¢ per m ³
17 000 m ³ ≤ CD < 30 000 m ³		2.9014 ¢ per m ³
30 000 m ³ ≤ CD < 50 000 m ³		2.8331 ¢ per m ³
50 000 m ³ ≤ CD ≤ 60 000 m ³		2.7852 ¢ per m ³

Delivery - Price Adjustment (All Volumes)	- ¢ per m ³
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(ii) Days Use of Interruptible Contract Demand

The price determined under Paragraph 4(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	\$654.15 per month
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- b) 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 350 000 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 the identified interruptible minimum annual delivery charge, 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.

Interruptible Minimum Annual Delivery Charge	3.2215 ¢ per m ³
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- c) 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 identified unauthorized overrun delivery charge and the total gas supply charge for utility sales provided in Schedule "A" per m³ for all gas supply volumes purchased.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Unauthorized Overrun Delivery Charge		5.4559 ¢ per m ³

Unauthorized Overrun Non-Compliance Rate:

Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect shall be paid for at the rate of 232.8600 ¢ per m³ (\$60 per GJ) for the delivery.

(D) Delayed Payment

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

(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.

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Chatham, Ontario

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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 2 400 m³ and 60 000 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:

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
a) (i) Monthly Delivery Commodity Charge		
<u>Daily Contracted Demand Level (CD)</u>		
2 400 m ³ ≤ CD < 17 000 m ³		3.0313 ¢ per m ³
17 000 m ³ ≤ CD < 30 000 m ³		2.9014 ¢ per m ³
30 000 m ³ ≤ CD < 50 000 m ³		2.8331 ¢ per m ³
50 000 m ³ ≤ CD ≤ 60 000 m ³		2.7852 ¢ per m ³
Delivery- Price Adjustment (All Volumes)		- ¢ per m ³
(ii) Days Use of Interruptible Contract Demand		
The price determined under Paragraph 1(a) of "Rates" will be reduced by the amount based on the number of Days Use of Contracted Demand as scheduled below:		
For 75 days use of contracted demand		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		\$654.15 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 350 000 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 the identified interruptible minimum annual delivery charge, 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.

Interruptible Minimum Annual Delivery Charge	3.2215 ¢ per m ³
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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 identified unauthorized overrun delivery charge and the total gas supply charge for utility sales provided in Schedule "A" per m³ for all gas supply volumes purchased.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Unauthorized Overrun Delivery Charge		5.4559 ¢ per m ³

Unauthorized Overrun Non-Compliance Rate:

Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect shall be paid for at the rate of 232.8600 ¢ per m³ (\$60 per GJ) for the delivery.

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 31.7959 ¢ 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 31.7959 ¢ per m³ of daily contracted demand and a delivery commodity price adjustment of 0.0000 ¢ per m³.
- c) The interruptible commodity charge will be established under Clause 1 of this schedule.



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(D) Delayed Payment

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

(E) Direct Purchase

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

(F) Bundled Direct Purchase Delivery

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

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

Effective

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Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



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 60 000 m³; and
- b) who has site specific energy measuring equipment that will be used in determining energy balances.

(C) Rates

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

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
1. Bills will be rendered monthly and shall be the total of:		
(i) A Monthly Demand Charge		
A negotiated Monthly Demand Charge for each m ³ of daily contracted firm demand up to		30.8246 ¢ per m ³
(ii) A Monthly Delivery Commodity Charge		
(1) A Monthly Firm Delivery Commodity Charge for all firm volumes of and a Delivery - Price Adjustment of		0.4496 ¢ per m ³ - ¢ per m ³
(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 and a Delivery - Price Adjustment of		5.6298 ¢ per m ³ - ¢ per m ³
(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 and a Delivery - Price Adjustment of		5.3857 ¢ per m ³ - ¢ 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) 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 m ³ for all the gas supply volumes purchased (3).		
<u>Unauthorized Overrun Non-Compliance Rate:</u> Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect shall be paid for at the rate of 232.8600 ¢ per m ³ (\$60 per GJ) for the delivery.		



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 at the identified commissioning and decommissioning rate and the total gas supply charge for utility sales provided in Schedule "A" per m³, if applicable.

Including
Customer-Related
GHG Obligation

Excluding
Customer-Related
GHG Obligation

Commissioning and Decommissioning Rate

4.0758 ¢ per m³

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

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

(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.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
1.		
(i) A Monthly Demand Charge of established daily demand determined in accordance with the service contract, such demand charge to be computed on a calendar month basis and a pro-rata 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.		22.3154 ¢ per m ³
(ii) A Delivery Commodity Charge for gas delivered of and a Delivery - Price Adjustment of		0.2703 ¢ per m ³ - ¢ 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".		

(D) Delayed Payment

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

(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.



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(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 at the identified authorized overrun delivery charge. 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 at the identified unauthorized overrun delivery charge.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Authorized Overrun Delivery Charge		1.0040 ¢ per m ³
Unauthorized Overrun Delivery Charge		36.0000 ¢ per m ³

(G) Bundled Direct Purchase Delivery

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

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

Effective

January 1, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



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.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
1. A Delivery Commodity Charge of		6.8119 ¢ per m ³
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

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

(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 identified unauthorized overrun delivery charge 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.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Unauthorized Overrun Delivery Charge		5.4559 ¢ per m ³

(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.

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	\$1.692	
Backstop Gas Commodity Charge On all quantities supplied by Union to the Ontario Point(s) of Receipt		\$4.512
c) Reasonable Efforts Backstop Gas Paid on all quantities of gas supplied by Union to the customer's Point(s) of Consumption		\$5.470
d) Banked Gas Purchase T-service		Note (1)
e) Failure to Deliver Applied to all quantities not delivered to Union in the event the customer's supply fails		\$2.738
f) Short Term Storage / Balancing Service (2) Maximum		\$6.000
g) Discretionary Gas Supply Service ("DGSS")		Note (3)
h) Parkway Delivery Commitment Incentive ("PDCI")		\$0.149



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 qualifying annual transportation volume for combined firm and interruptible service is at least 2 500 000 m³ or greater and has a daily firm contracted demand up to 140,870 m³; 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 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:

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.011			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory	\$1.561			
Customer provides deliverability Inventory (4)	\$1.186			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.186			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.186			



	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	For Customers Providing Their Own Compressor Fuel	
			Fuel Ratio <u>Ratio</u>	Commodity Charge <u>Rate/GJ</u>
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.028	0.406%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.028	0.406%	\$0.008
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. Annual Firm Storage Space

The maximum storage space available to a customer at the rates specified herein is determined by one of the following storage allocation methodologies:

3.1 Aggregate Excess

Aggregate excess is the difference between the customer's total 151-day winter consumption (November 1 through March 31) and the customer's average daily consumption (Daily Contract Quantity) for the contract year multiplied by 151 days of winter. This calculation will be done using two years of historical data (with 25% weighting for each year) and one year of forecast data (with 50% weighting). If a customer is new, or an existing customer is undergoing a significant change in operations, the allocation will be based on forecast consumption only, as negotiated between Union and the customer. Once sufficient historical information is available for the customer, the standard calculation will be done. At each contract renewal, the aggregate excess calculation will be performed to set the new space allocation.

3.2 Obligated daily contract quantity multiple of 15

Obligated daily contract quantity is the firm daily quantity of gas which the customer must deliver to Union. The 15 x obligated daily contract quantity calculation will be done using the daily contract quantity for the upcoming contract year. At each contract renewal, the 15 x obligated daily contract quantity calculation will be performed to set the new space allocation.

Customers may contract for less than their maximum entitlement of firm storage space.



4. Annual Injection/Withdrawal Right

The maximum level of deliverability available to a customer at the rates specified herein is determined by one of the following methodologies:

4.1 The greater of obligated daily contract quantity or firm daily contract demand less obligated daily contract quantity.

Customers may contract for less than their maximum entitlement of deliverability. A customer may contract up to this maximum entitlement with a combination of firm and interruptible deliverability as specified in Section (C) Storage Service.

5. Additional storage space or deliverability, in excess of the allocated entitlements per Notes 3 and 4, may be available at market prices.

6. Storage Space and Withdrawal Rights are not assignable to any other party without the prior written consent of Union.

7. Deliverability Inventory being defined as 20% of annual storage space.

8. 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	Union Providing Compressor Fuel		Fuel Ratio (5)	For Customers Providing Their Own Compressor Fuel	
		Commodity Charge			Commodity Charge	
		Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation		Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation
		<u>Rate/m³/mo</u>	<u>Rate/m³</u>		<u>Rate/m³</u>	<u>Rate/m³</u>
a) Annual Firm Transportation Demand						
Applied to the Firm Daily Contract Demand						
First 28,150 m ³ per month	35.4376 ¢					
Next 112,720 m ³ per month	24.4833 ¢					
b) Firm Transportation Commodity						
Paid on all firm quantities redelivered to the customer's Point(s) of Consumption						
Commodity Charge (All volumes)			0.1823 ¢	0.305%		0.1245 ¢
c) Interruptible Transportation Commodity						
Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption						
Maximum			5.6298 ¢	0.305%		5.5720 ¢

Notes:

- 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.
- In negotiating the rate to be charged for the transportation of gas under Interruptible Transportation, the matters that are to be considered include:
 - The amount of the interruptible transportation for which customer is willing to contract,
 - The anticipated load factor for the interruptible transportation quantities,
 - Interruptible or curtailment provisions, and
 - Competition.
- 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.
- 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.
- 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.

Firm or Interruptible Service

	Union Providing Compressor Fuel		Fuel Ratio	For Customers Providing Their Own Compressor Fuel	
	Commodity Charge			Commodity Charge	
	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>		Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Storage Injections		\$0.101/GJ	0.861%		\$0.059/GJ
Storage Withdrawals		\$0.101/GJ	0.861%		\$0.059/GJ
Transportation		1.3474 ¢/m³	0.305%		1.2896 ¢/m³

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 the identified unauthorized overrun charge, as appropriate.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Unauthorized Overrun Storage Injections and Withdrawals Charge		5.4559 ¢ per m ³ or \$1.406 per GJ
Unauthorized Overrun Transportation Charge		5.4559 ¢ per m ³ or \$1.406 per GJ

Unauthorized Overrun Non-Compliance Rate:

Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect shall be paid for at the rate of 232.8600 ¢ per m³ (\$60 per GJ) for the transportation service.



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 Rate/GJ
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	\$1,905.94
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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

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. Additional Service Information

Additional information on Union's T1 service offering can be found at:
www.uniongas.com/business/account-services/unionline/contracts-rates/T1-service-features

The additional information consists of, but is not limited to, the following:

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

5. Parkway Delivery Commitment Incentive ("PDCI")

For all Parkway Delivery Obligation ("PDO") volumes delivered to Union.	<u>Rate/GJ</u>
PDCI	\$0.149

(D) Delayed Payment

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

Effective

January 1, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



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) who has a daily firm contracted demand of at least 140 870 m³. Firm and/or interruptible daily contracted demand of less than 140,870 m³ cannot be combined for the purposes of qualifying for this rate class; 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 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:

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.011			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory	\$1.561			
Customer provides deliverability Inventory (4)	\$1.186			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.186			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.186			



	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	For Customers Providing Their Own Compressor Fuel	
			Fuel Ratio <u>Ratio</u>	Commodity Charge <u>Rate/GJ</u>
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.028	0.406%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.028	0.406%	\$0.008
g) Short Term Storage / Balancing Service Maximum		\$6.000		
h) Daily Variance Account Interruptible Injections/Withdrawals Paid on all quantities withdrawn from and injected into the Daily Variance Account up to the Maximum Injection/Withdrawal Quantity		\$0.101	0.861%	\$0.059

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. Annual Firm Storage Space

The maximum storage space available to a customer at the rates specified herein is determined by one of the following storage allocation methodologies:

3.1 Aggregate Excess

Aggregate excess is the difference between the customer's total 151-day winter consumption (November 1 through March 31) and the customer's average daily consumption (Daily Contract Quantity) for the contract year multiplied by 151 days of winter. This calculation will be done using two years of historical data (with 25% weighting for each year) and one year of forecast data (with 50% weighting). If a customer is new, or an existing customer is undergoing a significant change in operations, the allocation will be based on forecast consumption only, as negotiated between Union and the customer. Once sufficient historical information is available for the customer, the standard calculation will be done. At each contract renewal, the aggregate excess calculation will be performed to set the new space allocation.

3.2 Obligated daily contract quantity multiple of 15

Obligated daily contract quantity is the firm daily quantity of gas which the customer must deliver to Union. The 15 x obligated daily contract quantity calculation will be done using the daily contract quantity for the upcoming contract year. At each contract renewal, the 15 x obligated daily contract quantity calculation will be performed to set the new space allocation.

3.3 For new, large (daily firm transportation demand requirements in excess of 1,200,000 m³/day) gas fired power generation customers, storage space is determined by peak hourly consumption x 24 x 4 days. Should the customer elect firm deliverability less than their maximum entitlement (see Note 4.2), the maximum storage space available at the rates specified herein is 10 x firm storage deliverability contracted, not to exceed peak hourly consumption x 24 x 4 days.

3.4 Contract Demand multiple of 10

For customers with non-obligated supply and who are not eligible for Section 3.3 above, the maximum storage space is determined as 9 x firm daily Contract Demand and the Daily Variance Account maximum storage space is determined as 1 x firm daily Contract Demand.

Customers may contract for less than their maximum entitlement of firm storage space.



4. Annual Injection/Withdrawal Right

The maximum level of deliverability available to a customer at the rates specified herein is determined by one of the following methodologies:

4.1 The greater of obligated daily contract quantity or firm daily contract demand less obligated daily contract quantity.

4.2 For new, large (daily firm transportation demand requirements in excess of 1,200,000 m³/day) gas fired power generation customers, the maximum entitlement of firm storage deliverability is 24 times the customer's peak hourly consumption, with 1.2% firm deliverability available at the rates specified

4.3 For customers with non-obligated supply and are not eligible for Section 4.2 above, the firm storage deliverability is determined as 1.2% of firm storage space, excluding the firm storage space associated with the Daily Variance Account. For the Daily Variance Account, the storage deliverability is available on an interruptible basis up to the customer's firm contracted demand.

Customers may contract for less than their maximum entitlement of deliverability. A customer may contract up to this maximum entitlement with a combination of firm and interruptible deliverability as specified in Section (C) Storage Service.

5. Additional storage space or deliverability, in excess of the allocated entitlements per Notes 3 and 4, may be available at market prices.

6. Storage Space and Withdrawal Rights are not assignable to any other party without the prior written consent of Union.

7. Deliverability Inventory being defined as 20% of annual storage space.

8. 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	Union Providing Compressor Fuel		For Customers Providing Their Own Compressor Fuel	
		Commodity Charge		Commodity Charge	
		Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation	Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation
	<u>Rate/m³/mo</u>	<u>Rate/m³</u>	<u>Rate/m³</u>	<u>Rate/m³</u>	<u>Rate/m³</u>
a) Annual Firm Transportation Demand					
Applied to the Firm Daily Contract Demand					
First 140,870 m ³ per month	26.4455 ¢				
All over 140,870 m ³ per month	13.9884 ¢				
b) Firm Transportation Commodity					
Paid on all firm quantities redelivered to the customer's Point(s) of Consumption					
Commodity Charge (All volumes)			0.0880 ¢	0.283%	0.0343 ¢
c) Interruptible Transportation Commodity					
Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption					
Maximum			5.6298 ¢	0.283%	5.5761 ¢

Notes:

- 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.
- 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.
- In negotiating the rate to be charged for the transportation of gas under Interruptible Transportation, the matters that are to be considered include:
 - The amount of the interruptible transportation for which customer is willing to contract,
 - The anticipated load factor for the interruptible transportation quantities,
 - Interruptible or curtailment provisions, and
 - Competition.
- 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.
- 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. Authorized Overrun is not applicable to the Daily Variance Account.

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. The Authorized Overrun rates are not applicable to the Daily Variance Account.

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

Firm or Interruptible Service

	Union Providing Compressor Fuel		Fuel Ratio	For Customers Providing Their Own Compressor Fuel	
	Commodity Charge			Commodity Charge	
	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>		Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Storage Injections		\$0.101/GJ	0.861%		\$0.059/GJ
Storage Withdrawals		\$0.101/GJ	0.861%		\$0.059/GJ
Transportation		0.9574 ¢/m³	0.283%		0.9037 ¢/m³

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 the identified unauthorized overrun charge, as appropriate. For the Daily Variance Account, this unauthorized storage overrun rate will be charged on all quantities in excess of the Daily Variance Account maximum injection/withdrawal quantity.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Unauthorized Overrun Storage Injections and Withdrawals Charge		5.4559 ¢ per m ³ or \$1.406 per GJ
Unauthorized Overrun Transportation Charge		5.4559 ¢ per m ³ or \$1.406 per GJ

Unauthorized Overrun Non-Compliance Rate:

Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect shall be paid for at the rate of 232.8600 ¢ per m³ (\$60 per GJ) for the transportation service.



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 Rate/GJ
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	\$5,513.81
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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

The delivery options available to customers are detailed at:
www.uniongas.com/business/account-services/unionline/contracts-rates/T1-service-features

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 \$0.070/GJ/day/month multiplied by the non-obligated daily contract quantity.

5. Additional Service Information

Additional information on Union's T2 service offering can be found at:
www.uniongas.com/business/account-services/unionline/contracts-rates/T1-service-features

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.

6. Parkway Delivery Commitment Incentive ("PDCI")

For all Parkway Delivery Obligation ("PDO") volumes delivered to Union.

Rate/GJ

PDCI

\$0.149

(D) Delayed Payment

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.



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:

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.011			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory	\$1.561			
Customer provides deliverability Inventory (4)	\$1.186			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.186			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.186			



	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	For Customers Providing Their Own Compressor Fuel Fuel <u>Ratio</u>	Commodity Charge <u>Rate/GJ</u>
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.028	0.406%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.028	0.406%	\$0.008
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. Annual Firm Storage Space

The maximum storage space available to a customer at the rates specified herein is determined by one of the following storage allocation methodologies:

3.1 Aggregate Excess

Aggregate excess is the difference between the customer's total 151-day winter consumption (November 1 through March 31) and the customer's average daily consumption (Daily Contract Quantity) for the contract year multiplied by 151 days of winter. This calculation will be done using two years of historical data (with 25% weighting for each year) and one year of forecast data (with 50% weighting). If a customer is new, or an existing customer is undergoing a significant change in operations, the allocation will be based on forecast consumption only, as negotiated between Union and the customer. Once sufficient historical information is available for the customer, the standard calculation will be done. At each contract renewal, the aggregate excess calculation will be performed to set the new space allocation.

3.2 Obligated daily contract quantity multiple of 15

Obligated daily contract quantity is the firm daily quantity of gas which the customer must deliver to Union. The 15 x obligated daily contract quantity calculation will be done using the daily contract quantity for the upcoming contract year. At each contract renewal, the 15 x obligated daily contract quantity calculation will be performed to set the new space allocation.

Customers may contract for less than their maximum entitlement of firm storage space.

4. Annual Injection/Withdrawal Right

The maximum level of deliverability available to a customer at the rates specified herein is determined to be the greater of obligated daily contract quantity or firm daily contract demand less obligated daily contract quantity.

Customers may contract for less than their maximum entitlement of deliverability. A customer may contract up to this maximum entitlement with a combination of firm and interruptible deliverability as specified in Section (C) Storage Service.



5. Additional storage space or deliverability, in excess of the allocated entitlements per Notes 3 and 4, may be available at market prices.
6. Storage Space and Withdrawal Rights are not assignable to any other party without the prior written consent of Union.
7. Deliverability Inventory being defined as 20% of annual storage space.
8. 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	Union Providing Compressor Fuel		For Customers Providing Their Own Compressor Fuel	
		Commodity Charge		Commodity Charge	
		Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation	Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation
		<u>Rate/m³/mo</u>	<u>Rate/m³</u>	<u>Rate/m³</u>	<u>Rate/m³</u>
a) Annual Firm Transportation Demand (1) Applied to the Firm Daily Contract Demand	16.7213 ¢				
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the Customer's Point(s) of Redelivery			0.1629 ¢	0.380%	0.0909 ¢

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 Compressor Fuel		For Customers Providing Their Own Compressor Fuel		
	Commodity Charge		Fuel Ratio	Commodity Charge	
	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>		Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Storage Injections		\$0.101/GJ	0.861%		\$0.059/GJ
Storage Withdrawals		\$0.101/GJ	0.861%		\$0.059/GJ
Transportation		0.7126 ¢/m³	0.380%		0.6406 ¢/m³

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 the identified unauthorized overrun charge, as appropriate.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Unauthorized Overrun Storage Injections and Withdrawals Charge		36.0000 ¢ per m ³ or \$9.276 per GJ
Unauthorized Overrun Transportation Charge		36.0000 ¢ per m ³ or \$9.276 per GJ

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 / Withdrawal 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:

	Monthly Charge
City of Kitchener	\$ 19,968.19
NRG	\$ 3,065.32
Six Nations	\$ 1,021.77

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.

4. Parkway Delivery Commitment Incentive ("PDCI")

For all Parkway Delivery Obligation ("PDO") volumes delivered to Union.	<u>Rate/GJ</u>
PDCI	\$0.149

(D) Delayed Payment

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been

**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 M1 or 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	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	\$0.023		
b) Injection Commodity		0.406%	\$0.026
c) Withdrawal Commodity		0.406%	\$0.026
ii) Standard Peaking Service (SPS)			
a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space	\$0.114		
b) Injection Commodity		0.406%	\$0.026
c) Withdrawal Commodity		0.861%	\$0.026



uniongas

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	Demand Charge <u>Rate/GJ/mo</u>	Fuel <u>Ratio</u>	Commodity Charge <u>Rate/GJ</u>
iii) Supplemental Service			
a) Incremental Firm Injection Right: (5) Applied to the contracted Maximum Incremental Firm Injection Right	\$1.030		
b) Incremental Firm Withdrawal Right: (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right	\$1.030		
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

	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
Injection	0.861%	\$0.060
Withdrawal	0.861%	\$0.060

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.
2. **Parkway Delivery Commitment Incentive ("PDCI")**

For all Parkway Delivery Obligation ("PDO") volumes delivered to Union.	<u>Rate/GJ</u>
PDCI	\$0.149

(D) Delayed Payment

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

Effective

January 1, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

TRANSPORTATION RATES**(A) Applicability**

The charges under this schedule shall be applicable to a Shipper who enters into a Transportation Service Contract with Union.

Applicable Points

Dawn as a receipt point: Dawn (TCPL), Dawn (Facilities), Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE).

Dawn as a delivery point: Dawn (Facilities).

(B) Services

Transportation Service under this rate schedule shall be for transportation on Union's Dawn - Parkway facilities.

(C) Rates

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.

	Monthly Demand Charges (applied to daily contract demand) Rate/GJ	Fuel and Commodity Charges		
		Union Supplied Fuel Fuel and Commodity Charge Rate/GJ	Shipper Supplied Fuel	
			Fuel Ratio %	Commodity Charge Rate/GJ
			AND	
<u>Firm Transportation (1)</u>				
Dawn to Parkway (Cons) / Lisgar	\$3.402	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".	\$0.000
Dawn to Parkway (TCPL / EGT)	\$3.402			\$0.000
Dawn to Kirkwall	\$2.865			\$0.000
Kirkwall to Parkway	\$0.537			\$0.000
<u>M12-X Firm Transportation</u>		Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".	
Between Dawn, Kirkwall and Parkway	\$4.239			
<u>Limited Firm/Interruptible Transportation (1)</u>				
Dawn to Parkway (Cons) / Lisgar – Maximum	\$8.165	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".	\$0.000
Dawn to Parkway (TCPL / EGT) – Maximum	\$8.165			\$0.000
Dawn to Kirkwall – Maximum	\$8.165			\$0.000
Parkway (TCPL / EGT) to Parkway (Cons) / Lisgar (2)	n/a			\$0.000
		n/a	0.157%	

Authorized Overrun (3)

Authorized overrun rates will be payable on all quantities in excess of Union's obligation on any day. The overrun charges payable will be calculated at the following rates. Overrun will be authorized at Union's sole discretion.

	<u>Fuel and Commodity Charges</u>		
	Union Supplied Fuel	Shipper Supplied Fuel	
	Fuel and Commodity Charge Rate/GJ	Fuel Ratio %	Commodity Charge Rate/GJ
Transportation Overrun			
Dawn to Parkway (Cons) / Lisgar	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".	\$0.112
Dawn to Parkway (TCPL / EGT)			\$0.112
Dawn to Kirkwall			\$0.094
Kirkwall to Parkway			\$0.018
Parkway (TCPL) Overrun (4)	n/a	0.704%	n/a
M12-X Firm Transportation			
Dawn to Kirkwall / Parkway (Cons) / Lisgar	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".	\$0.139
Dawn to Parkway (TCPL / EGT)			\$0.139
Kirkwall to Parkway			\$0.139
Parkway to Dawn / Kirkwall			\$0.139
Kirkwall to Dawn			\$0.139

(C) Rates (Cont'd)Unauthorized Overrun

Authorized Overrun rates will be payable on all quantities up to 2% in excess of Union's contractual obligation.

The Unauthorized Overrun shall be the higher of the reported daily spot price of gas at either Dawn, Parkway, Niagara or Iroquois in the month of or the month following the month in which the overrun occurred plus 25% for all usage on any day in excess of 102% of Union's contractual obligation.

Nomination Variances

Where Union and the shipper have entered into a Limited Balancing Agreement ("LBA"), the rate for unauthorized parking or drafting which results from nomination variances shall equal the "Balancing Fee" rate as described under Article XXII of TransCanada PipeLines Transportation Tariff.

Notes for Section (C) Rates:

- (1) The annual transportation commodity charge is calculated by application of the YCRR Formula, as per Section (D). The annual transportation fuel required is calculated by application of the YCR Formula, as per Section (D).
- (2) This rate is for westerly transportation within the Parkway yard, from Parkway (TCPL) or Parkway (EGT) to Parkway (Cons) or Lisgar.
- (3) For purposes of applying the YCRR Formula or YCR Formula (Section (D)) to transportation overrun quantities, the transportation commodity revenue will be deemed to be equal to the commodity charge of the applicable service as detailed in Section (B).
- (4) This ratio will be applied to all gas quantities for which Union is obligated to deliver to Parkway (Cons) or Lisgar and has agreed to deliver to Parkway (TCPL) or Parkway (EGT) on an interruptible basis. This will be in addition to any rate or ratio paid for transportation easterly to Parkway (Cons) or Lisgar.
- (5) A demand charge of \$0.070/GJ/day/month will be applicable for customers contracting for firm all day transportation service in addition to the demand charges appearing on this schedule for firm transportation service to either Kirkwall or Parkway

(D) Transportation Commodity

The annual fuel charge in kind or in dollars for transportation service in any contract year shall be equal to the sum of the application of the following equation applied monthly for the 12 months April through March (The "YCRR" or "YCR" Formula). An appropriate adjustment in the fuel charges will be made in May for the previous 12 months ending March 31st to obtain the annual fuel charges as calculated using the applicable "YCRR" or "YCR" Formula. At Union's sole discretion Union may make more frequent adjustments than once per year. The YCRR and YCR adjustments must be paid/remitted to/from Shippers at Dawn within one billing cycle after invoicing.



(D) Transportation Commodity (Cont'd)

YCR =
$$\sum_{1}^{4} [(0.001570 \times (QT1 + QT3)) + (DSFx(QT1 + QT3)) + F_{ST}] \text{ For June 1 to Sept. 30}$$

plus

$$\sum_{5}^{12} [0.001570 \times (QT1 + Q3)) + (DWFxQT1) + F_{WT}] \text{ For Oct. 1 to May 31}$$

YCRR =
$$\sum_{1}^{4} [(0.001570 \times (QT1 + QT3)) + (DSFx(QT1 + QT3)) + F_{ST}] \times R \text{ For June 1 to Sept. 30}$$

plus

$$\sum_{5}^{12} [(0.001570 \times (QT1 + QT3)) + (DWFxQT1) + F_{WT}] \times R \text{ For Oct. 1 to May 31}$$

where: DSF = 0.00000 for Dawn summer fuel requirements
DWF = 0.0020 for Dawn winter fuel requirements

in which:

YCR Yearly Commodity Required

The sum of 12 separate monthly calculations of Commodity Quantities required for the period from April through March.

YCRR Yearly Commodity Revenue Required

The sum of 12 separate monthly calculations of Commodity Revenue required for the period April through March.

QT1 Monthly quantities in GJ transported easterly hereunder received at Dawn at not less than 4 850 kPa but less than 5 860 kPa (compression required at Dawn).

QT3 Monthly quantities in GJ transported westerly hereunder received at the Parkway Delivery Point.

F_{WT} The individual Shipper's monthly share of compressor fuel used in GJ which was required at Union's Lobo, Bright, Trafalgar and Parkway Compressor Stations ("Lobo", "Bright", "Trafalgar" and "Parkway") to transport the same Shipper's QT1 monthly quantities easterly.

Lobo, Bright, Trafalgar and Parkway compressor fuel required by each Shipper will be calculated each month.

The monthly Lobo and Bright compressor fuel will be allocated to each Shipper in the same proportion as the Shipper's monthly quantities transported is to the monthly transported quantity for all users including Union.

The monthly Parkway and Trafalgar compressor fuel used will be allocated to each Shipper in the same proportion as the monthly quantity transported to Parkway (TCPL) for each user is to the total monthly quantity transported for all users including Union.



(D) Transportation Commodity (Cont'd)

F_{ST} The individual Shipper's monthly share of compressor fuel used in GJ which was required at Union's Lobo, Bright, Trafalgar and Parkway compressor stations to transport the same Shipper's quantity on the Trafalgar system.

Lobo, Bright, Trafalgar and Parkway compressor fuel required by each Shipper will be calculated each month.

R Union's weighted average cost of gas in \$/GJ.

Notes

(i) In the case of Easterly flow, direct deliveries by TCPL at Parkway to Union or on behalf of Union to Union's Transportation Shippers will be allocated to supply Union's markets on the Dawn-Parkway facilities starting at Parkway and proceeding westerly to successive laterals until exhausted.

(E) Provision for Compressor Fuel

For a Shipper that has elected to provide its own compressor fuel.

Transportation Fuel

On a daily basis, the Shipper will provide Union at the delivery point and delivery pressure as specified in the contract, a quantity (the "Transportation Fuel Quantity") representing the Shipper's share of compressor fuel and unaccounted for gas for transportation service on Union's system.

The Transportation Fuel Quantity will be determined on a daily basis, as follows:

Transportation Fuel Quantity = Transportation Quantity x Transportation Fuel Ratio.

In the event that the actual quantity of fuel supplied by the Shipper was different from the actual fuel quantity as calculated using the YCR formula, an adjustment will be made in May for the previous 12 months ending March 31st.

Nominations

The Shipper will be required to nominate its Transportation Fuel Quantity in addition to its normal nominations for transportation services.

(F) Terms of Service

The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A" for contracts in effect before October 1, 2010. The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A 2010" for contracts in effect on or after October 1, 2010.

(G) Nominations

Nominations under this rate schedule shall be in accordance with the attached Schedule "B" for contracts in effect before October 1, 2010. Nominations under this rate schedule shall be in accordance with the attached Schedule "B 2010" for contracts in effect on or after October 1, 2010.

(H) Monthly Fuel Rates and Ratios

Monthly fuel rates and ratios under this rate schedule shall be in accordance with Schedule "C".

(I) Receipt and Delivery Points and Pressures

Receipt and Delivery Points and Pressures under this rate schedule shall be in accordance with Schedule "D 2010" for contracts in effect on or after October 1, 2010.

**RATE M12
GENERAL TERMS & CONDITIONS**

I. DEFINITIONS

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms & Conditions and in any contract into which these General Terms & Conditions are incorporated, shall be construed to have the following meanings:

1. "Contract" shall refer to the Contract to which these General Terms & Conditions shall apply, and into which they are incorporated;
2. "cubic metre" shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;
3. "day" shall mean a period of twenty-four (24) consecutive hours beginning at 9:00 a.m. Central Standard time. The reference date for any day shall be the calendar date upon which the twenty-four (24) hour period shall commence;
4. "delivery" shall mean any gas that is delivered by Union into Shipper's possession, or to the possession of Shipper's agent;
5. "firm" shall mean service not subject to curtailment or interruption except under Articles XI and XII of this Schedule "A";
6. "gas" shall mean gas as defined in the Ontario Energy Board Act, 1998, S.O. 1998, c.15, Sch. B, as amended, supplemented or re-enacted from time to time;
7. "gross heating value" shall mean the total heat expressed in megajoules per cubic metre (MJ/m³) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;
8. "interruptible service" shall mean service subject to curtailment or interruption, after notice, at any time;
9. "Interconnecting Pipeline" shall mean a pipeline that directly connects to the Union pipeline system;
10. "joule" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term "megajoule" (MJ) shall mean 1,000,000 joules. The term "gigajoule" (GJ) shall mean 1,000,000,000 joules;
11. "limited interruptible service" shall mean gas service subject to interruption or curtailment on a limited number of days as specified in the Contract;
12. "m³" shall mean cubic metre of gas and "10³m³" shall mean 1,000 cubic metres of gas;
13. "month" shall mean the period beginning at 9:00 a.m. Central Standard time on the first day of a calendar month and ending at 9:00 a.m. Central Standard time on the first day of the following calendar month;
14. "OEB" means the Ontario Energy Board;
15. "pascal" (Pa) shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term "kilopascal" (kPa) shall mean 1,000 pascals;
16. "receipt" shall mean any gas that is delivered into Union's possession, or the possession of Union's agent;
17. "Shipper" shall have the meaning as defined in the Contract and shall also include Shipper's agent(s);

SCHEDULE "A"

18. "TCPL" means TransCanada PipeLines Limited;
19. "cricondenth therm hydrocarbon dewpoint" shall mean the highest hydrocarbon dewpoint temperature on the phase envelope;
20. "hydrocarbon dewpoint" shall mean temperature at a specific pressure where hydrocarbon vapour condensation begins;
21. "specific gravity" shall mean density of the gas divided by density of air, with both at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;
22. "Wobbe Number" shall mean gross heating value of the gas divided by the square root of its specific gravity.

II. GAS QUALITY

1. Natural Gas: The minimum gross heating value of the gas delivered to/by Union hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Union hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Union may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Union may be a commingled supply from Union's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons, except methane, may be removed prior to delivery to Shipper. Further, Union may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning and other processes.
2. Freedom from objectionable matter: The gas to be delivered to/by Union hereunder,
 - a. shall be commercially free from bacteria, sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to or interference with the proper operation of the lines, regulators, meters or other appliances through which it flows,
 - b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas nor more than four hundred and sixty (460) milligrams of total sulphur per cubic metre of gas,
 - c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
 - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
 - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
 - f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
 - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
 - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
 - i. shall not have a cricondenth therm hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
 - j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas.

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3. Non-conforming Gas: In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.
4. Quality of Gas Received: The quality of the gas to be received by Union hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II, but, Union will also accept gas of a quality as set out in any other Interconnecting Pipeline's general terms and conditions, provided that all Interconnecting Pipelines accept such quality of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in Union's M12 Rate Schedule.

III. MEASUREMENTS

1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Union shall be a megajoule or a gigajoule. The unit of gas transported or stored by Union shall be a megajoule or a gigajoule. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m³) or one thousand cubic metres (10³m³) at Union's discretion.
2. Determination of Volume and Energy:
 - a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
 - b. The supercompressibility factor shall be determined in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all as amended from time to time.
 - c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VII herein.
 - d. Upon request by Union, Shipper shall obtain measurement of the total quantity of gas received by Union hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Union and the Interconnecting Pipeline.

IV. RECEIPT POINT AND DELIVERY POINT

1. Unless otherwise specified in the Contract, the point or points of receipt for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection specified in the Contract, where Union takes possession of the gas.
2. Unless otherwise specified in the Contract, the point or points of delivery for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection as specified in the Contract where Shipper takes possession of the gas.

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

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VI. FACILITIES ON SHIPPER'S PROPERTY

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Except under those conditions where Union is delivering to TCPL for TCPL or Shipper at Union's Parkway Point of Delivery, or to an Interconnecting Pipeline, or where otherwise specified in the Contract, the following will apply:

1. Construction and Maintenance: Union, at its own expense may construct, maintain and operate on Shipper's property at the delivery point a measuring station properly equipped with a meter or meters and any other necessary measuring equipment for properly measuring the gas redelivered under the Contract. Shipper will grant to Union a lease and/or rights-of-way over property of Shipper as required by Union to install such facilities and to connect same to Union's pipeline.
2. Entry: Union, its servants, agents and each of them may at any reasonable time on notice (except in cases of emergency) to Shipper or his duly authorized representative enter Shipper's property for the purpose of constructing, maintaining, removing, operating and/or repairing station equipment.
3. Property: The said station and equipment will be and remain the property of Union notwithstanding it is constructed on and attached to the realty of Shipper, and Union may at its own expense remove it upon termination of the Contract and will do so if so requested by Shipper.

VII. MEASURING EQUIPMENT

1. Metering by Union: Union will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.
2. Metering by Others: In the event that all or any gas delivered to/by Union hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline, then Union and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Union on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Union hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's gas tariff as approved by their regulatory body.
3. Check Measuring Equipment: Shipper may install, maintain and operate, at the redelivery point, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Union's measuring equipment at or near the delivery point, and shall be installed, maintained and operated in conformity with the same standards and specifications applicable to Union's metering facilities.
4. Rights of Parties: The measuring equipment installed by either party, together with any building erected by it for such equipment, shall be and remain its property. However, Union and Shipper shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of deliveries of gas to/by Union under the Contract. Either party will give the other party reasonable notice of its intention to carry out the acts herein specified. The records from such measuring equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within ten (10) days after receipt thereof.
5. Calibration and Test of Measuring Equipment: The accuracy of Union's measuring equipment shall be verified by Union at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Union shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either party notifies the other that it desires a special test of any measuring equipment, the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Shipper, shall be borne by Shipper if the measuring equipment tested is found to be in error by not more than two per cent (2%). If, upon test, any measuring equipment is found to be in error by not more than two per cent (2%), previous recordings of such equipment shall be considered accurate in computing redeliveries of gas, but such equipment shall be adjusted at once to record as near to absolute accuracy as possible. If the test conducted shows a percentage of inaccuracy greater than two percent (2%), the financial adjustment, if any, shall be calculated in accordance with the Act and Regulations, as may be amended from time to time and in accordance with any successor statutes and regulations.

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6. Preservation of Metering Records: Union and Shipper shall each preserve for a period of at least six (6) years all test data, and other relevant records.
7. Error in Metering or Meter Failure: In the event of an error in metering or a meter failure, (such error or failure being determined through check measurement by Union or any other available method), then Shipper shall enforce its rights as Shipper with the Interconnecting Pipeline(s) to remedy such error or failure including enforcing any inspection and/or verification rights and procedures.

VIII. BILLING

1. Monthly Billing Date: Union shall render bills on or before the 10th day of each month for all services furnished during the preceding month. Such charges may be based on estimated quantities, if actual quantities are unavailable in time to prepare the billing. Union shall provide, in a succeeding month's billing, an adjustment based on any difference between actual quantities and estimated quantities, without any interest charge. If presentation of a bill to Shipper is delayed after the 10th day of the month, then the time of payment shall be extended accordingly, unless Shipper is responsible for such delay.
2. Right of Examination: Both Union and Shipper shall have the right to examine at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provisions of the Contract.

IX. PAYMENTS

1. Monthly Payments: Shipper shall pay the invoiced amount directly into Union's bank account as directed on the invoice on or before the twentieth (20th) day of each month. If the payment date is not a business day, then payment must be received in Union's account on the first business day preceding the twentieth (20th) day of the month.
2. Remedies for Non-payment: Should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due,
 - a. Shipper shall pay to Union interest on the unpaid portion of the bill accruing at a rate per annum equal to the minimum commercial lending rate of Union's principal banker in effect from time to time from the due date until the date of payment.
 - b. If such failure to pay continues for thirty (30) days after payment is due, Union, in addition to any other remedy it may have under the Contract, may suspend service(s) until such amount is paid. Notwithstanding such suspension, all demand charges shall continue to accrue hereunder as if such suspension were not in place.

If Shipper in good faith disputes the amount of any such bill or part thereof Shipper shall pay to Union such amounts as it concedes to be correct. At any time thereafter, within twenty (20) days of a demand made by Union, Shipper shall furnish financial assurances satisfactory to Union, guaranteeing payment to Union of the amount ultimately found due upon such bill after a final determination. Such a final determination may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case. Union shall not be entitled to suspend service(s) because of such non-payment unless and until default occurs in the conditions of such financial assurances or default occurs in payment of any other amount due to Union hereunder.

Notwithstanding the foregoing paragraph(s), Shipper is not relieved from the obligation to continue its deliveries of gas to Union under the terms of any agreement, where Shipper has contracted to deliver specified quantities of gas to Union.

3. Billing Adjustments: If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such

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overcharge or undercharge, Union shall refund the amount of any such overcharge and interest shall accrue from and including the first day of such overcharge as paid to the date of refund and shall be calculated but not compounded at a rate per annum determined each day during the calculation period to be equal to the minimum commercial lending rate of Union's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Union renders a bill to Shipper based upon measurement estimates, the required adjustment to reflect actual measurement shall be made on the bill next following the determination of such actual measurement, without any charge of interest. In the event an error is discovered in the amount billed in any statement rendered by Union, such error shall be adjusted by Union. Such overcharge, undercharge or error shall be adjusted by Union on the bill next following its determination (where the term "bill" next following shall mean a bill rendered at least fourteen (14) days after the day of its determination), provided that claim therefore shall have been made within six (6) years from the date of the incorrect billing. In the event any refund is issued with Shipper's gas bill, the aforesaid date of refund shall be deemed to be the date of the issue of bill.

X. ARBITRATION

If and when any dispute, difference or question shall arise between the parties hereto touching the Contract or anything herein contained, or the construction hereof, or the rights, duties or liabilities of the parties in relation to any matter hereunder, the matter in dispute shall be submitted and referred to arbitration within ten (10) days after written request of either party. Upon such request each party shall appoint an arbitrator, and the two so appointed shall appoint a third. A majority decision of the arbitrators shall be final and binding upon both parties. In all other respects the provisions of the Arbitration Act of the Province of Ontario, or any act passed in amendment thereof or substitution therefore, shall apply to each such submission. Operations under the Contract shall continue, without prejudice, during any such arbitration and the costs attributable to such arbitration shall be shared equally by the parties hereto.

XI. FORCE MAJEURE

1. The term "**force majeure**" as used herein shall mean acts of God, strikes, lockouts or any other industrial disturbance, acts of the public enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority (civil or military), any act or omission that is excused by any event or occurrence of the character herein defined as constituting force majeure, any act or omission by parties not controlled by the party having the difficulty and any other similar cases not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.
2. In the event that either the Shipper or Union is rendered unable, in whole or in part, by force majeure, to perform or comply with any obligation or condition of the Contract, such party shall give notice and full particulars of such force majeure in writing delivered by hand, fax or other direct written electronic means to the other party as soon as possible after the occurrence of the cause relied on and subject to the provision of this Article.
3. Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances prevail: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension; the failure was caused by the party claiming suspension where such party failed to remedy the condition by making all reasonable efforts (short of litigation, if such remedy would require litigation); the party claiming suspension failed to resume the performance of such condition obligations with reasonable dispatch; the failure was caused by lack of funds; the party claiming suspension did not, as soon as possible after determining, or within a period within which it should acting reasonably have determined, that the occurrence was in the nature of force majeure and would affect its ability to observe or perform any of its conditions or obligations under the Contract, give to the other party the notice required hereunder.
4. The party claiming suspension shall likewise give notice as soon as possible after the force majeure condition is remedied, to the extent that the same has been remedied, and that such party has resumed or is then in a position to resume the performance of the obligations and conditions of the Contract.

SCHEDULE "A"

5. An event of force majeure on Union's system will excuse the failure to deliver gas by Union or the failure to accept gas by Union hereunder, and both parties shall be excused from performance of their obligations hereunder, except for payment obligations, to the extent of and for the duration of the force majeure.
6. Upstream or Downstream Force Majeure: An event of force majeure upstream or downstream of Union's system shall not relieve Shipper of any payment obligations.
7. Delay of Firm Transportation Services: Despite Article XI herein, if Union is prevented, by reason of an event of force majeure on Union's system from delivering gas on the Day or Days upon which Union has accepted gas from Shipper, Union shall thereafter make all reasonable efforts to deliver such quantities as soon as practicable and on such Day or Days as are agreed to by Shipper and Union. If Union accepts such gas on this basis, Shipper shall not receive any demand charge relief as contemplated under Article XI herein.
8. Demand Charge Relief for Firm Transportation Services: Despite Article XI herein, if on any Day Union fails to accept gas from Shipper by reason of an event of force majeure on Union's system and fails to deliver the quantity of gas nominated hereunder by Shipper up to the firm Contract Demand for that Contract, then for that Day the Monthly demand charge shall be reduced by an amount equal to the applicable Daily Demand Rate, as defined in this paragraph, multiplied by the difference between the quantity of gas actually delivered by Union during such Day and the quantity of gas which Shipper in good faith nominated on such Day. The term "**Daily Demand Rate**" shall mean the Monthly demand charge or equivalent pursuant to the M12 Rate Schedule divided by the number of days in the month for which such rate is being calculated.
9. If, due to the occurrence of an event of force majeure as outlined above, the capacity for gas deliveries by Union is impaired, it will be necessary for Union to curtail Shipper's gas receipts to Union hereunder, via proration based on utilization of such facilities for the Day. This prorating shall be determined by multiplying the capability of such facilities as available downstream of the impairment on the Day, by a fraction where the numerator is Shipper's nominated firm quantity and the denominator is the total of all such nominated firm quantities for nominated services and planned consumption for in-franchise customers on the Day. For the purposes of this Article XI, firm services shall mean all firm services provided by Union to in-franchise customers and ex-franchise shippers.

XII. DEFAULT AND TERMINATION

In case of the breach or non-observance or non-performance on the part of either party hereto of any covenant, proviso, condition, restriction or stipulation contained in the Contract (but not including herein failure to take or make delivery in whole or in part of the gas delivered to/by Union hereunder occasioned by any of the reasons provided for in Article XI hereof) which has not been waived by the other party, then and in every such case and as often as the same may happen, the Non-defaulting party may give written notice to the Defaulting party requiring it to remedy such default and in the event of the Defaulting party failing to remedy the same within a period of thirty (30) days from receipt of such notice, the Non-defaulting party may at its sole option declare the Contract to be terminated and thereupon the Contract shall be terminated and be null and void for all purposes other than and except as to any liability of the parties under the same incurred before and subsisting as of termination. The right hereby conferred upon each party shall be in addition to, and not in derogation of or in substitution for, any other right or remedy which the parties respectively at law or in equity shall or may possess.

XIII. MODIFICATION

Subject to Union's M12 Rate Schedule, Schedule A, Article XV and the ability of Union to amend the M12 Rate Schedule with the approval of the OEB, no amendment or modification of the Contract shall be effective unless the same shall be in writing and signed by each of the Shipper and Union.

XIV. NON-WAIVER AND FUTURE DEFAULT

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XV. LAWS, REGULATIONS AND ORDERS

The Contract and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules and regulations of any competent legislative body, or duly constituted authority now or hereafter having jurisdiction and the Contract shall be varied and amended to comply with or conform to any valid order or direction of any board, tribunal or administrative agency which affects any of the provisions of the Contract.

**RATE M12
GENERAL TERMS & CONDITIONS**

I. DEFINITIONS

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms & Conditions and in any contract into which these General Terms & Conditions are incorporated, shall be construed to have the following meanings:

"Authorized Overrun" shall mean the amount by which Shipper's Authorized Quantity exceeds the Contract Demand;

"Available Capacity" shall mean at any time, Union's remaining available capacity to provide Transportation Services;

"Business Day" shall mean any day, other than Saturday, Sunday or any days on which national banks in the Province of Ontario are authorized to close;

"Contract" shall refer to the Contract to which these General Terms & Conditions shall apply, and into which they are incorporated;

"Contract Year" shall mean a period of three hundred and sixty-five (365) consecutive days; provided however, that any such period which contains a date of February 29 shall consist of three hundred and sixty-six (366) consecutive days, commencing on November 1 of each year; except for the first Contract Year which shall commence on the Commencement Date and end on the first October 31 that follows such date;

"cricondenthem hydrocarbon dewpoint" shall mean the highest hydrocarbon dewpoint temperature on the phase envelope;

"cubic metre" shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;

"Day" shall mean a period of twenty-four (24) consecutive hours beginning at 10:00 a.m. Eastern Clock Time. The reference date for any Day shall be the calendar date upon which the twenty-four (24) hour period shall commence;

"delivery" shall mean any gas that is delivered by Union into Shipper's possession, or to the possession of Shipper's agent;

"Eastern Clock Time" shall mean the local clock time in the Eastern Time Zone on any Day;

"Expansion Facilities" shall mean any new facilities to be constructed by Union in order to provide Transportation Services;

"firm" shall mean service not subject to curtailment or interruption except under Articles XI, XII and XVIII herein;

"gas" shall mean gas as defined in the Ontario Energy Board Act, 1998, S.O. 1998, c.15, Sch. B, as amended, supplemented or re-enacted from time to time;

"gross heating value" shall mean the total heat expressed in megajoules per cubic metre (MJ/m³) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;

"hydrocarbon dewpoint" shall mean temperature at a specific pressure where hydrocarbon vapour condensation begins;

"Interruptible Service HUB Contract" shall mean a contract between Shipper and Union under which Union provides interruptible HUB service;

"interruptible service" or **"Interruptible"** shall mean service subject to curtailment or interruption, after notice, at any time;

"Interconnecting Pipeline" shall mean a pipeline that directly connects to the Union pipeline system;

"joule" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term **"megajoule"** (MJ) shall mean 1,000,000 joules. The term **"gigajoule"** (GJ) shall mean 1,000,000,000 joules;

"Loaned Quantities" shall mean those quantities of gas loaned to Shipper under the Facilitating Agreement;

"m³" shall mean cubic metre of gas and **"10³m³"** shall mean 1,000 cubic metres of gas;

"Month" shall mean the period beginning at 10:00 a.m. Eastern Clock Time on the first day of a calendar month and ending at 10:00 a.m. Eastern Clock Time on the first day of the following calendar month;

"NAESB" shall mean North American Energy Standards Board;

"OEB" means the Ontario Energy Board;

"Open Season" or **"open season"** shall mean an open access auction or bidding process held by Union as a method of allocating capacity;

"pascal" (Pa) shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term **"kilopascal"** (kPa) shall mean 1,000 pascals;

"receipt" shall mean any gas that is delivered into Union's possession, or the possession of Union's agent;

"Shipper" shall have the meaning as defined in the Contract, and shall also include Shipper's agent(s);

"specific gravity" shall mean density of the gas divided by density of air, with both at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;

"Taxes" shall mean any tax (other than tax on income or tax on property), duty, royalty, levy, license, fee or charge not included in the charges and rates as per the applicable rate schedule (including but not limited to charges under any form of cap and trade, carbon tax, or similar system) and that is levied, assessed or made by any governmental authority on the gas itself, or the act, right, or privilege of producing, severing, gathering, storing, transporting, handling, selling or delivering gas under the Contract;

"TCPL" means TransCanada PipeLines Limited;

"Wobbe Number" shall mean gross heating value of the gas divided by the square root of its specific gravity.

II. GAS QUALITY

1. **Natural Gas:** The minimum gross heating value of the gas delivered to/by Union hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Union hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Union may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Union may be a commingled supply from Union's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons, except methane, may be removed prior to delivery to Shipper. Further, Union may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning and other processes.
2. **Freedom from objectionable matter:** The gas to be delivered to/by Union hereunder,
 - a. shall be commercially free from bacteria, sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to, or interference with, the proper operation of the lines, regulators, meters or other appliances through which it flows,

- b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas, nor more than four hundred and sixty (460) milligrams of total sulphur per cubic metre of gas,
 - c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
 - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
 - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
 - f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
 - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
 - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
 - i. shall not have a cricondentherm hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
 - j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas.
3. Non-conforming Gas: In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.
4. Quality of Gas Received: The quality of the gas to be received by Union hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II, but, Union will also accept gas of a quality as set out in any other Interconnecting Pipeline's general terms and conditions, provided that all Interconnecting Pipelines accept such quality of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in Union's M12 Rate Schedule.

III. MEASUREMENTS

1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Union shall be a megajoule or a gigajoule. The unit of gas transported or stored by Union shall be a megajoule or a gigajoule. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m³) or one thousand cubic metres (10³m³) at Union's discretion.
2. Determination of Volume and Energy:
- a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
 - b. The supercompressibility factor shall be determined in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all as amended from time to time.
 - c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VII herein.
 - d. Upon request by Union, Shipper shall obtain measurement of the total quantity of gas received by Union hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Union and the Interconnecting Pipeline.

IV. RECEIPT POINT AND DELIVERY POINT

1. Unless otherwise specified in the Contract, the point or points of receipt and point or points of delivery for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection specified in the Contract, where possession of the gas changes from one party to the other, and as per Schedule "D 2010".

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

1. Possession of Gas: Union accepts no responsibility for any gas prior to such gas being delivered to Union at the Receipt Point or after its delivery by Union at the Delivery Point. As between the parties hereto, Union shall be deemed to be in control and possession of and responsible for all such gas from the time that such gas enters Union's system until such gas is delivered to Shipper.
2. Liability: Shipper agrees that Union is not a common carrier and is not an insurer of Shipper's gas, and that Union shall not be liable to Shipper or any third party for loss of gas in Union's possession, except to the extent such loss is caused entirely by Union's negligence or wilful misconduct.

VI. FACILITIES ON SHIPPER'S PROPERTY

Except under those conditions where Union is delivering to TCPL for TCPL or Shipper at Parkway (TCPL), or to an Interconnecting Pipeline, or where otherwise specified in the Contract, the following will apply:

1. Construction and Maintenance: Union, at its own expense may construct, maintain and operate on Shipper's property at the delivery point a measuring station properly equipped with a meter or meters and any other necessary measuring equipment for properly measuring the gas redelivered under the Contract. Shipper will grant to Union a lease and/or rights-of-way over property of Shipper as required by Union to install such facilities and to connect same to Union's pipeline.
2. Entry: Union, its servants, agents and each of them may at any reasonable time on notice (except in cases of emergency) to Shipper or his duly authorized representative enter Shipper's property for the purpose of constructing, maintaining, removing, operating and/or repairing station equipment.
3. Property: The said station and equipment will be and remain the property of Union notwithstanding it is constructed on and attached to the realty of Shipper, and Union may at its own expense remove it upon termination of the Contract and will do so if so requested by Shipper.

VII. MEASURING EQUIPMENT

1. Metering by Union: Union will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.
2. Metering by Others: In the event that all or any gas delivered to/by Union hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline, then Union and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Union on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Union hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's gas tariff as approved by its regulatory body.
3. Check Measuring Equipment: Shipper may install, maintain and operate, at the redelivery point, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Union's measuring equipment at or near the delivery point, and shall be installed, maintained and operated in conformity with the same standards and specifications applicable to Union's metering facilities.

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4. Rights of Parties: The measuring equipment installed by either party, together with any building erected by it for such equipment, shall be and remain its property. However, Union and Shipper shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of deliveries of gas to/by Union under the Contract. Either party will give the other party reasonable notice of its intention to carry out the acts herein specified. The records from such measuring equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within ten (10) days after receipt thereof.
5. Calibration and Test of Measuring Equipment: The accuracy of Union's measuring equipment shall be verified by Union at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Union shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either party notifies the other that it desires a special test of any measuring equipment, the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Shipper, shall be borne by Shipper if the measuring equipment tested is found to be in error by not more than two per cent (2%). If, upon test, any measuring equipment is found to be in error by not more than two per cent (2%), previous recordings of such equipment shall be considered accurate in computing receipts and deliveries of gas, but such equipment shall be adjusted at once to record as near to absolute accuracy as possible. If the test conducted shows a percentage of inaccuracy greater than two percent (2%), the financial adjustment, if any, shall be calculated in accordance with the Act and Regulations, as may be amended from time to time and in accordance with any successor statutes and regulations.
6. Preservation of Metering Records: Union and Shipper shall each preserve for a period of at least six (6) years all test data, and other relevant records.
7. Error in Metering or Meter Failure: In the event of an error in metering or a meter failure, (such error or failure being determined through check measurement by Union or any other available method), then Shipper shall enforce its rights as Shipper with the Interconnecting Pipeline(s) to remedy such error or failure including enforcing any inspection and/or verification rights and procedures.

VIII. BILLING

1. Monthly Billing Date: Union shall render bills on or before the tenth (10th) day of each month for all Transportation Services furnished during the preceding Month. Such charges may be based on estimated quantities, if actual quantities are unavailable in time to prepare the billing. Union shall provide, in a succeeding Month's billing, an adjustment based on any difference between actual quantities and estimated quantities, without any interest charge. If presentation of a bill to Shipper is delayed after the tenth (10th) day of the month, then the time of payment shall be extended accordingly, unless Shipper is responsible for such delay.
2. Right of Examination: Both Union and Shipper shall have the right to examine at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provisions of the Contract.
3. Amendment of Statements: For the purpose of completing a final determination of the actual quantities of gas handled in any of the Transportation Services to Shipper, the parties shall have the right to amend their statement for a period equal to the time during which the Interconnecting Pipeline retains the right to amend their statements, which period shall not exceed three (3) years from the date of termination of the Contract.

IX. PAYMENTS

1. Monthly Payments: Shipper shall pay the invoiced amount directly into Union's bank account as directed on the invoice on or before the twentieth (20th) day of each month. If the payment date is not a Business Day, then payment must be received in Union's account on the first Business Day preceding the twentieth (20th) day of the month.
2. Remedies for Non-payment: Should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due,

- a. Shipper shall pay to Union interest on the unpaid portion of the bill accruing at a rate per annum equal to the minimum commercial lending rate of Union's principal banker in effect from time to time from the due date until the date of payment; and,
- b. If such failure to pay continues for thirty (30) days after payment is due, Union, in addition to any other remedy it may have under the Contract, may suspend Services until such amount is paid. Notwithstanding such suspension, all demand charges shall continue to accrue hereunder as if such suspension were not in place.

If Shipper in good faith disputes the amount of any such bill or part thereof Shipper shall pay to Union such amounts as it concedes to be correct. At any time thereafter, within twenty (20) days of a demand made by Union, Shipper shall furnish financial assurances satisfactory to Union, guaranteeing payment to Union of the amount ultimately found due upon such bill after a final determination. Such a final determination may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case. Union shall not be entitled to suspend Services because of such non-payment unless and until default occurs in the conditions of such financial assurances or default occurs in payment of any other amount due to Union hereunder.

Notwithstanding the foregoing, Shipper is not relieved from the obligation to continue its deliveries of gas to Union under the terms of any agreement, where Shipper has contracted to deliver specified quantities of gas to Union.

3. Billing Adjustments: If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, Union shall refund the amount of any such overcharge and interest shall accrue from and including the first day of such overcharge as paid to the date of refund and shall be calculated but not compounded at a rate per annum determined each day during the calculation period to be equal to the minimum commercial lending rate of Union's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Union renders a bill to Shipper based upon measurement estimates, the required adjustment to reflect actual measurement shall be made on the bill next following the determination of such actual measurement, without any charge of interest. In the event an error is discovered in the amount billed in any statement rendered by Union, such error shall be adjusted by Union. Such overcharge, undercharge or error shall be adjusted by Union on the bill next following its determination (where the term "**bill next following**" shall mean a bill rendered at least fourteen (14) days after the day of its determination), provided that claim therefore shall have been made within three (3) years from the date of the incorrect billing. In the event any refund is issued with Shipper's bill, the aforesaid date of refund shall be deemed to be the date of the issue of bill.
4. Taxes: In addition to the charges and rates as per the applicable rate schedules and price schedules, Shipper shall pay all Taxes which are imposed currently or subsequent to the execution of the Contract by any legal authority having jurisdiction and any amount in lieu of such Taxes paid or payable by Union.
5. Set Off: If either party shall, at any time, be in arrears under any of its payment obligations to the other party under the Contract, then the party not in arrears shall be entitled to reduce the amount payable by it to the other party in arrears under the Contract, or any other contract, by an amount equal to the amount of such arrears or other indebtedness to the other party. In addition to the foregoing remedy, Union may, upon forty-eight (48) hours verbal notice, to be followed by written notice, take possession of any or all of Shipper's gas under the Contract or any enhancement to the Contract, which shall be deemed to have been assigned to Union, to reduce such arrears or other indebtedness to Union.

X. ARBITRATION

If and when any dispute, difference or question shall arise between the parties hereto touching the Contract or anything herein contained, or the construction hereof, or the rights, duties or liabilities of the parties in relation to any matter hereunder, the matter in dispute shall be submitted and referred to arbitration within ten (10) days after written request of either party. Upon such request each party shall appoint an arbitrator, and the two so appointed shall appoint a third. A majority decision of the arbitrators shall be final and binding upon both parties. In all other respects the provisions of the Arbitration Act, 1991, or any act passed in amendment thereof or substitution therefore, shall apply to each such submission. Operations under the Contract shall continue, without prejudice, during any such arbitration and the costs attributable to such arbitration shall be shared equally by the parties hereto.

XI. FORCE MAJEURE

1. Definition: The term "**force majeure**" as used herein shall mean acts of God, strikes, lockouts or any other industrial disturbance, acts of the public enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority (civil or military), any act or omission that is excused by any event or occurrence of the character herein defined as constituting force majeure, any act or omission by parties not controlled by the party having the difficulty and any other similar cases not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.
2. Notice: In the event that either the Shipper or Union is rendered unable, in whole or in part, by force majeure, to perform or comply with any obligation or condition of the Contract, such party shall give notice and full particulars of such force majeure in writing delivered by hand, fax or other direct written electronic means to the other party as soon as possible after the occurrence of the cause relied on and subject to the provision of this Article.
3. Exclusions: Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances prevail: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension; the failure was caused by the party claiming suspension where such party failed to remedy the condition by making all reasonable efforts (short of litigation, if such remedy would require litigation); the party claiming suspension failed to resume the performance of such condition obligations with reasonable dispatch; the failure was caused by lack of funds; the party claiming suspension did not, as soon as possible after determining, or within a period within which it should acting reasonably have determined, that the occurrence was in the nature of force majeure and would affect its ability to observe or perform any of its conditions or obligations under the Contract, give to the other party the notice required hereunder.
4. Notice of Remedy: The party claiming suspension shall likewise give notice as soon as possible after the force majeure condition is remedied, to the extent that the same has been remedied, and that such party has resumed or is then in a position to resume the performance of the obligations and conditions of the Contract.
5. Obligation to Perform: An event of force majeure on Union's system will excuse the failure to deliver gas by Union or the failure to accept gas by Union hereunder, and both parties shall be excused from performance of their obligations hereunder, except for payment obligations, to the extent of and for the duration of the force majeure.
6. Upstream or Downstream Force Majeure: An event of force majeure upstream or downstream of Union's system shall not relieve Shipper of any payment obligations.
7. Delay of Firm Transportation Services: Despite Article XI herein, if Union is prevented, by reason of an event of force majeure on Union's system from delivering gas on the Day or Days upon which Union has accepted gas from Shipper, Union shall thereafter make all reasonable efforts to deliver such quantities as soon as practicable and on such Day or Days as are agreed to by Shipper and Union. If Union accepts such gas on this basis, Shipper shall not receive any demand charge relief as contemplated under Article XI herein.
8. Demand Charge Relief for Firm Transportation Services: Despite Article XI herein, if on any Day Union fails to accept gas from Shipper by reason of an event of force majeure on Union's system and fails to deliver the quantity of gas nominated hereunder by Shipper up to the firm Contract Demand for that Contract, then for that Day the Monthly demand charge shall be reduced by an amount equal to the applicable Daily Demand Rate, as defined in this paragraph, multiplied by the difference between the quantity of gas actually delivered by Union during such Day and the quantity of gas which Shipper in good faith nominated on such Day. The term "**Daily Demand Rate**" shall mean the Monthly demand charge or equivalent pursuant to the M12 Rate Schedule divided by the number of days in the month for which such rate is being calculated.
9. Proration of Firm Transportation Service: If, due to the occurrence of an event of force majeure as outlined above, the capacity for gas deliveries by Union is impaired, it will be necessary for Union to curtail Shipper's gas receipts to Union hereunder, via proration based on utilization of such facilities for the Day. This prorating shall be determined by

multiplying the capability of such facilities as available downstream of the impairment on the Day, by a fraction where the numerator is Shipper's nominated firm quantity and the denominator is the total of all such nominated firm quantities for nominated services and planned consumption for in-franchise customers on the Day. For the purposes of this Article XI, firm services shall mean all firm services provided by Union to in-franchise customers and ex-franchise shippers.

XII. DEFAULT AND TERMINATION

In case of the breach or non-observance or non-performance on the part of either party hereto of any covenant, proviso, condition, restriction or stipulation contained in the Contract (but not including herein failure to take or make delivery in whole or in part of the gas delivered to/by Union hereunder occasioned by any of the reasons provided for in Article XI herein) which has not been waived by the other party, then and in every such case and as often as the same may happen, the non-defaulting party may give written notice to the defaulting party requiring it to remedy such default and in the event of the defaulting party failing to remedy the same within a period of thirty (30) days from receipt of such notice, the non-defaulting party may at its sole option declare the Contract to be terminated and thereupon the Contract shall be terminated and be null and void for all purposes other than and except as to any liability of the parties under the same incurred before and subsisting as of termination. The right hereby conferred upon each party shall be in addition to, and not in derogation of or in substitution for, any other right or remedy which the parties respectively at law or in equity shall or may possess.

XIII. AMENDMENT

Subject to Article XV herein and the ability of Union to amend the applicable rate schedules and price schedules, with the approval of the OEB (if required), no amendment or modification of the Contract shall be effective unless the same shall be in writing and signed by each of the Shipper and Union.

XIV. NON-WAIVER AND FUTURE DEFAULT

No waiver of any provision of the Contract shall be effective unless the same shall be in writing and signed by the party entitled to the benefit of such provision and then such waiver shall be effective only in the specific instance and for the specified purpose for which it was given. No failure on the part of Shipper or Union to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy under the Contract shall operate as a waiver thereof.

XV. LAWS, REGULATIONS AND ORDERS

The Contract and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules and regulations of any competent legislative body, or duly constituted authority now or hereafter having jurisdiction and the Contract shall be varied and amended to comply with or conform to any valid order or direction of any board, tribunal or administrative agency which affects any of the provisions of the Contract.

XVI. ALLOCATION OF CAPACITY

1. Requests for Transportation Service: A potential shipper may request firm transportation service on Union's system at any time. Any request for firm M12 transportation service must include: potential shipper's legal name, Receipt Point(s), Delivery Point(s), Commencement Date, Initial Term, Contract Demand and proposed payment. This is applicable for M12 service requests for firm transportation service with minimum terms of ten (10) years where Expansion Facilities are required or a minimum term of five (5) years for use of existing capacity.
2. Expansion Facilities: If requests for firm transportation services cannot be met through existing capacity such that the only way to satisfy the requests for transportation service would require the construction of Expansion Facilities which create new capacity, Union shall allocate any such new capacity by open season, subject to the terms of the open season, and these General Terms and Conditions.

3. Open Seasons: If requests for long-term firm transportation service can be met through existing facilities upon which long-term capacity is becoming available, Union shall allocate such long-term capacity by open season, subject to the terms of the open season, and these General Terms and Conditions. "**Long-term**", for the purposes of this Article XVI, means, in the case of a transportation service, a service that has a term of one year or greater.
4. Awarding Open Season Capacity: Capacity requests received during an open season shall be awarded starting with those bids with the highest economic value. If the economic values of two or more independent bids are equal, then service shall be allocated on a pro-rata basis. The economic value shall be based on the net present value which shall be calculated based on the proposed per-unit rate and the proposed term of the contract and without regard to the proposed Contract Demand ("**NPV**").
5. Available Capacity Previously Offered in Open Season: Union may at any time allocate capacity to respond to any M12 transportation service request through an open season. If a potential shipper requests M12 transportation service that can be provided through Available Capacity that was previously offered by Union in an open season but was not awarded, then:
 - a. Any such request must conform to the requirements of Section 1 of this Article XVI;
 - b. Union shall allocate capacity to serve such request pursuant to this Section 5, and subject to these General Terms and Conditions and Union's standard form M12 transportation contract;
 - c. Union may reject a request for M12 transportation service for any of the following reasons:
 - i) if there is insufficient Available Capacity to fully meet the request, but if that is the only reason for rejecting the request for service, Union must offer to supply the Available Capacity to the potential shipper;
 - ii) if the proposed monthly payment is less than Union's Monthly demand charge plus fuel requirements for the applicable service;
 - iii) if prior to Union accepting the request for transportation service Union receives a request for transportation service from one or more other potential shippers and there is, as a result, insufficient Available Capacity to service all the requests for service, in which case Union shall follow the procedure in Section 5 d hereof; -
 - iv) if Union does not provide the type of transportation service requested; or
 - v) if all of the conditions precedent specified in Article XXI Sections 1 and 2 herein have not been satisfied or waived.
 - d. Union will advise the potential shipper in writing whether Union accepts or rejects the request for service, subject to Article XVI 5 c, within 5 calendar days of receiving a request for M12 transportation service. If Union rejects a request for service, Union shall inform the potential shipper of the reasons why its request is being rejected; and
 - e. If Union has insufficient Available Capacity to service all pending requests for transportation service Union may:
 - i) Reject all the pending requests for transportation service and conduct an open season; or
 - ii) Union shall inform all the potential shippers who have submitted a pending request for transportation service that it does not have sufficient capacity to service all pending requests for service, and Union shall provide all such potential shippers with an equal opportunity to submit a revised request for service. Union shall then allocate the Available Capacity to the request for transportation service with the highest economic value to Union. If the economic values of two or more requests are equal, then service shall be allocated on a pro-rata basis. The economic value of any request shall be based on the NPV.

XVII. RENEWALS

Contracts with an Initial Term of five (5) years or greater will continue in full force and effect beyond the Initial Term, automatically renewing for a period of one (1) year, and every one (1) year thereafter. Shipper may reduce the Contract Demand or terminate the Contract with notice in writing by Shipper at least two (2) years prior to the expiration thereof.

XVIII. SERVICE CURTAILMENT

1. Right to Curtail: Union shall have the right to curtail or not to schedule part or all of Transportation Services, in whole or in part, on all or a portion of its pipeline system at any time for reasons of Force Majeure or when, in Union sole discretion, acting reasonably, capacity or operating conditions so require or it is desirable or necessary to make modifications, repairs or operating changes to its pipeline system. Union shall provide Shipper such notice of such curtailment as is reasonable under the circumstances. If due to any cause whatsoever Union is unable to receive or deliver the quantities of Gas which Shipper has requested, then Union shall order curtailment by all Shippers affected and to the extent necessary to remove the effect of the disability. Union has a priority of service policy to determine the order of service curtailment. In order to place services on the priority of service list, Union considers the following business principles: appropriate level of access to core services, customer commitment, encouraging appropriate contracting, materiality, price and term, and promoting and enabling in-franchise consumption.

The Priority ranking for all services utilizing Union Gas' storage, transmission and distribution system as applied to both in-franchise and ex-franchise services are as follows; with number 1 having the highest priority and the last interrupted.

1. Firm In-franchise Transportation and Distribution services and firm Ex-franchise services (Note 1)
2. In-franchise Interruptible Distribution services
3. C1/M12 IT Transport and IT Exchanges with Take or Pay rates
4. Balancing (Hub Activity) < = 100 GJ/d; Balancing (Direct Purchase) < = 500 GJ/d; In-franchise distribution authorized overrun (Note 3)
5. C1/M12 IT Transport and IT Exchanges at premium rates
6. C1/M12 Overrun < = 20% of CD (Note 4)
7. Balancing (Direct Purchase) > 500 GJ/d
8. Balancing (Hub Activity) > 100 GJ/d; C1/M12 IT Transport and IT Exchanges
9. C1/M12 Overrun > 20% of CD
10. C1/M12 IT Transport and IT Exchanges at a discount
11. Late Nominations

Notes:

1. Nominated services must be nominated on the NAESB Timely Nomination Cycle otherwise they are considered to be late nomination and are therefore interruptible.
 2. Higher value or more reliable IT is contemplated in the service and contract, when purchase at market competitive prices.
 3. Captures the majority of customers that use Direct Purchase balancing transactions.
 4. Captures the majority of customers that use overrun.
2. Capacity Procedures: Union reserves the right to change its procedures for sharing interruptible capacity and will provide Shipper with two (2) months prior notice of any such change.
 3. Maintenance: Union's facilities from time to time may require maintenance or construction. If such maintenance or construction is required, and in Union's sole opinion, acting reasonably, such maintenance or construction may impact Union's ability to meet Shipper's requirements, Union shall provide at least ten (10) days notice to Shipper, except in the case of an emergency. In the event the maintenance impacts Union's ability to meet Shipper's requirements, Union shall not be liable for any damages and shall not be deemed in breach of the Contract. To the extent that Union's ability to accept and/or deliver Shipper's gas is impaired, the Monthly demand charge shall be reduced in accordance with Article XI Section 8 and available capacity allocated in accordance with Article XI Section 9 herein.

Union shall use reasonable efforts to determine a mutually acceptable period during which such maintenance or construction will occur and also to limit the extent and duration of any impairments. Union will endeavour to schedule and complete the maintenance and construction, which would normally be expected to impact on Union's ability to meet Shipper's requirements, during the period from April 1 through to November 1.

XIX. SHIPPER'S REPRESENTATIONS AND WARRANTIES

1. Shipper's Warranty: Shipper warrants that it will, if required, maintain, or have maintained on its behalf, all external approvals including the governmental, regulatory, import/export permits and other approvals or authorizations that are required from any federal, state or provincial authorities for the gas quantities to be handled under the Contract. Shipper further warrants that it shall maintain in effect the Facilitating Agreements.
2. Financial Representations: Shipper represents and warrants that the financial assurances (including the Initial Financial Assurances and Security) (if any) shall remain in place throughout the term hereof, unless Shipper and Union agree otherwise. Shipper shall notify Union in the event of any change to the financial assurances throughout the term hereof. Should Union have reasonable grounds to believe that Shipper will not be able to perform or continue to perform any of its obligations under the Contract as a result of one of the following events ("**Material Event**");
 - a. Shipper is in default, which default has not been remedied, of the Contract or is in default of any other material contract with Union or another party; or,
 - b. Shipper's corporate or debt rating falls below investment grade according to at least one nationally recognized rating agency; or,
 - c. Shipper ceases to be rated by a nationally recognized agency; or,
 - d. Shipper has exceeded credit available as determined by Union from time to time,

then Shipper shall within fourteen (14) days of receipt of written notice by Union, obtain and provide to Union a letter of credit or other security in the form and amount reasonably required by Union (the "**Security**"). The Security plus the Initial Financial Assurances shall not exceed twelve (12) months of Monthly demand charges (in accordance with Article IX herein) multiplied by Contract Demand. In the event that Shipper does not provide to Union such Security within such fourteen (14) day period, Union may deem a default under the Default and Termination provisions of Article XII herein.

In the event that Shipper in good faith, reasonably believes that it should be entitled to reduce the amount of or value of the Security previously provided, it may request such a reduction from Union and to the extent that the Material Event has been mitigated or eliminated, Union shall return all or a portion of the Security to Shipper within fourteen (14) Business Days after receipt of the request.

XX. MISCELLANEOUS PROVISIONS

1. Permanent Assignment: Shipper may assign the Contract to a third party ("Assignee"), up to the Contract Demand, (the "Capacity Assigned"). Such assignment shall require the prior written consent of Union and release of obligations by Union for the Capacity Assigned from the date of assignment. Such consent and release shall not be unreasonably withheld and shall be conditional upon the Assignee providing, amongst other things, financial assurances as per Article XXI herein. Any such assignment will be for the full rights, obligations and remaining term of the Contract as relates to the Capacity Assigned.
2. Temporary Assignment: Shipper may, upon notice to Union, assign all or a part of its service entitlement under the Contract (the "Assigned Quantity") and the corresponding rights and obligations to an Assignee on a temporary basis for not less than one calendar month. Such assignment shall not be unreasonably withheld and shall be conditional upon the Assignee executing the Facilitating Agreement as per Article XXI herein. Notwithstanding such assignment, Shipper shall remain obligated to Union to perform and observe the covenants and obligations contained herein in regard to the Assigned Quantity to the extent that Assignee fails to do so.
3. Title to Gas: Shipper represents and warrants to Union that Shipper shall have good and marketable title to, or legal authority to deliver to Union, all gas delivered to Union hereunder. Furthermore, Shipper hereby agrees to indemnify and save Union harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of claims of any or all third parties to such gas or on account of Taxes, or other charges thereon.

XXI. PRECONDITIONS TO TRANSPORTATION SERVICES

1. Union Conditions: The obligations of Union to provide Transportation Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Union and which may be waived or extended in whole or in part in the manner provided in the Contract:
 - a. Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required to provide the Transportation Services; and,
 - b. Union shall have obtained all internal approvals that are necessary or appropriate to provide the transportation Services; and,
 - c. Union shall have received from Shipper the requisite financial assurances reasonably necessary to ensure Shipper's ability to honour the provisions of the Contract (the "**Initial Financial Assurances**"). The Initial Financial Assurances, if required, will be as determined solely by Union; and,
 - d. Shipper and Union shall have entered into the Interruptible Service HUB Contract or equivalent (the "**Facilitating Agreement**") with Union.
2. Shipper Conditions: The obligations of Shipper hereunder are subject to the following conditions precedent, which are for the sole benefit of Shipper and which may be waived or extended in whole or in part in the manner provided in the Contract:
 - a. Shipper shall, as required, have entered into the necessary contracts with Union and/or others to facilitate the Transportation Services contemplated herein, including contracts for upstream and downstream transportation, and shall specifically have an executed and valid Facilitating Agreement; and shall, as required, have entered into the necessary contracts to purchase the gas quantities handled under the Contract; and,
 - b. Shipper shall have obtained, in form and substance satisfactory to Shipper, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required from federal, state, or provincial authorities for the gas quantities handled under the Contract; and,
 - c. Shipper shall have obtained all internal approvals that are necessary or appropriate for the Shipper to execute the Contract.
3. Satisfaction of Conditions: Union and Shipper shall each use due diligence and reasonable efforts to satisfy and fulfil the conditions precedent specified in this Article XXI Section 1 a, c, and d and Section 2 a and b. Each party shall notify the other forthwith in writing of the satisfaction or waiver of each condition precedent for such party's benefit. If a party concludes that it will not be able to satisfy a condition precedent that is for its benefit, such party may, upon written notice to the other party, terminate the Contract and upon the giving of such notice, the Contract shall be of no further force and effect and each of the parties shall be released from all further obligations thereunder.
4. Non-Satisfaction of Conditions: If any of the conditions precedent in this Article XXI Section 1 c or Section 2 are not satisfied or waived by the party entitled to the benefit of that condition by the Conditions Date as such term is defined in the Contract, then either party may, upon written notice to the other party, terminate the Contract and upon the giving of such notice, the Contract shall be of no further force and effect and each of the parties shall be released from all further obligations hereunder, provided that any rights or remedies that a party may have for breaches of the Contract prior to such termination and any liability a party may have incurred before such termination shall not thereby be released.

**RATE M12
NOMINATIONS**

- a) For Services provided either under this rate schedule or referenced to this rate schedule:
- i) For Services required on any day Shipper shall provide Union with details regarding the quantity it desires to be handled at the applicable Receipt Point(s) and/or Delivery Point(s), and such additional information as Union determines to be necessary (a "**Nomination**").
 - ii) All Nominations shall be submitted by electronic means via *Unionline*. Union, in its sole discretion, may amend or modify the nominating procedures or *Unionline* at any time. Nominations shall be submitted so as to be received by Union in accordance with timelines established by Union, which reflect the NAESB standard nomination cycles. Union will accept all Nominations on each of the nomination cycles. Nominations made after the applicable deadline shall not be accepted except at the sole discretion of Union. The nomination cycle timelines are posted on Union's website and the nomination deadlines are provided in *Unionline*.
 - iii) For customers electing firm all day transportation service, nominations shall be provided to Union's Gas Management Services as outlined in the F24 –T Agreement.
- b) Union shall determine whether or not all or any portion of the Nomination will be accepted. In the event Union determines that it will not accept such Nomination, Union shall advise Shipper of the reduced quantity (the "**Quantity Available**") for Services at the applicable points as outlined in each nomination cycle. After receiving such advice from Union but no later than one half hour after the Quantities Available deadline as outlined in each nomination cycle, Shipper shall provide a "**Revised Nomination**" to Union which shall be no greater than the Quantity Available. If such Revised Nomination is not provided within the time allowed as required above or such Revised Nomination is greater than the Quantity Available, then the Revised Nomination shall be deemed to be the Quantity Available. If the Revised Nomination (delivered within the time allowed as required above) is less than the Quantity Available, then such lesser amount shall be the Revised Nomination.
- c) That portion of a Shipper's Nomination or Revised Nomination, as set out in (a) and (b), above, which Union shall accept for Services hereunder, shall be known as Shipper's "**Authorized Quantity**".
- d) If on any day the actual quantities handled by Union, for each of the Services authorized, exceed Shipper's Authorized Quantity, and such excess was caused by either Shipper's incorrect nomination or by its delivering or receiving too much gas, then the amount by which the actual quantities handled for each of the Services exceed Shipper's Authorized Quantity, such excess shall be deemed "**Unauthorized Overrun**".
- e) The daily quantity of gas nominated by Shipper will be delivered by Shipper at rates of flow that are as nearly constant as possible, however, Union shall use reasonable efforts to take receipt of gas on any day at an hourly rate of flow up to one twentieth (1/20) of the quantity received for that day. Union shall have the right to limit Services when on any day the cumulative hourly imbalance between receipts and deliveries exceeds one twentieth (1/20) of the quantity handled for that day, for each applicable Service.
- f) A nomination for a daily quantity of gas on any day shall remain in effect and apply to subsequent days unless and until Union receives a new nomination from Shipper or unless Union gives Shipper written notice that it is not acceptable in accordance with either (a) or (b) of this schedule.
- g) Except for periods of gas or quantity balancing as provided in the Contract, nominations by Shipper for deliveries to Union and redeliveries by Union shall be the same delivery of gas by Union either to Shipper or a Shipper's Account with Union.

**RATE M12
NOMINATIONS**

1. For Transportation Services required on any Day under the Contract, Shipper shall provide Union with details regarding the quantity of Gas it desires to be handled at the applicable Receipt Point(s) and/or Delivery Point(s), and such additional information as Union determines to be necessary (a "**Nomination**").
2. All Nominations shall be submitted by electronic means via *Unionline*. Union, in its sole discretion, may amend or modify the nominating procedures or *Unionline* at any time. Nominations shall be submitted so as to be received by Union in accordance with timelines established by Union, which reflect the NAESB standard nomination cycles. Union will accept all Nominations on each of the nomination cycles. Nominations made after the applicable deadline shall not be accepted except at the sole discretion of Union. The nomination cycle timelines are posted on Union's website and the nomination deadlines are provided in *Unionline*.
3. Union shall determine whether or not all or any portion of the Nomination will be scheduled at each nomination cycle. With respect to each nomination cycle, in the event Union determines that it will not schedule such Nomination, Union shall advise Shipper of the reduced quantity (the "**Quantities Available**") for Transportation Services at the applicable points as outlined in each nomination cycle. After receiving such advice from Union, but no later than one half hour after the Quantities Available deadline as outlined in each nomination cycle, Shipper shall provide a revised nomination ("**Revised Nomination**") to Union which shall be no greater than the Quantity Available. If such Revised Nomination is not provided within the time allowed as required above or such Revised Nomination is greater than the Quantities Available, then the Revised Nomination shall be deemed to be the Quantities Available. If the Revised Nomination (delivered with the time allowed as required above) is less than the Quantity Available, then such lesser amount shall be the Revised Nomination.
4. For Shippers electing firm all day transportation service, nominations shall be provided to Union's Gas Management Services as outlined in the F24 –T Agreement.
5. For Transportation Services requiring Shipper to provide compressor fuel in kind, the nominated fuel requirements will be calculated by rounding to the nearest whole GJ.
6. All Timely Nominations shall have rollover options. Specifically, Shippers shall have the ability to nominate for several days, months or years, provided the Nomination start date and end date are both within the term of the Transportation Agreement.
7. Nominations received after the nomination deadline shall, if accepted by Union, be scheduled after Nominations received before the nomination deadline.
8. All Services are required to be nominated in whole Gigajoules (GJ).
9. To the extent Union is unable to complete a Nomination confirmation due to inaccurate, untimely or incomplete data involving an Interconnecting Pipeline entity, Union shall undertake reasonable efforts to confirm the transaction on a non-discriminatory basis until such time that the transaction is adequately verified by the parties, or until such time that Union determines that the Nomination is invalid at which time the Union shall reject the Nomination.
10. That portion of a Shipper's Nomination or Revised Nomination, as set out in paragraphs 1 and 3 above, which Union shall schedule for Transportation Services hereunder, shall be known as Shipper's "**Authorized Quantity**".
11. If on any day the actual quantities handled by Union, for each of the Transportation Services authorized, exceed Shipper's Authorized Quantity, and such excess was caused by either Shipper's incorrect nomination or by its delivering or receiving too much gas, then the amount by which the actual quantities handled for each of the Transportation

SCHEDULE "B 2010"

Services exceed Shipper's Authorized Quantity shall be deemed "**Unauthorized Overrun**".

12. The daily quantity of gas nominated by Shipper will be delivered by Shipper at rates of flow that are as nearly constant as possible, however, Union shall use reasonable efforts to take receipt of gas on any day at an hourly rate of flow up to one twentieth (1/20th) of the quantity received for that day. Union shall have the right to limit Transportation Services when on any day the cumulative hourly imbalance between receipts and deliveries exceeds one twentieth (1/20th) of the quantity handled for that day, for each applicable Transportation Service.
13. The parties hereto recognize that with respect to Transportation Services, on any day, receipts of gas by Union and deliveries of gas by Union may not always be exactly equal, but each party shall cooperate with the other in order to balance as nearly as possible the quantities transacted on a daily basis, and any imbalances arising shall be allocated to the Facilitating Agreement and shall be subject to the respective terms and charges contained therein, and shall be resolved in a timely manner.
14. Shipper may designate via *Unionline* access request form, a third party as agent for purposes of providing a Nomination, and for giving and receiving notices related to Nominations, and Union shall only accept nominations from the agent. Any such designation, if acceptable to Union, shall be effective following the receipt and processing of the written notice and will remain in effect until revoked in writing by Shipper.

UNION GAS LIMITED

M12 Monthly Transportation Fuel Ratios and Fuel and Commodity Rates

Firm or Interruptible Transportation Commodity

Effective January 1, 2017

Month	VT1 Easterly Dawn to Parkway (TCPL), Parkway (EGT) With Dawn Compression		VT1 Easterly Dawn to Kirkwall, Lisgar, Parkway (Consumers) With Dawn Compression		VT3 Westerly Parkway to Kirkwall, Dawn	
	Fuel Ratio	Fuel and Commodity Rate	Fuel Ratio	Fuel and Commodity Rate	Fuel Ratio	Fuel and Commodity Rate
	(%)	(\$/GJ)	(%)	(\$/GJ)	(%)	(\$/GJ)
April	0.862	0.042	0.545	0.027	0.157	0.008
May	0.612	0.030	0.370	0.018	0.157	0.008
June	0.508	0.025	0.271	0.013	0.398	0.019
July	0.494	0.024	0.259	0.013	0.396	0.019
August	0.393	0.019	0.158	0.008	0.396	0.019
September	0.389	0.019	0.158	0.008	0.392	0.019
October	0.739	0.036	0.464	0.023	0.157	0.008
November	0.882	0.043	0.622	0.030	0.157	0.008
December	0.995	0.049	0.733	0.036	0.157	0.008
January	1.147	0.056	0.870	0.042	0.157	0.008
February	1.089	0.053	0.820	0.040	0.157	0.008
March	1.018	0.050	0.736	0.036	0.157	0.008

Month	M12-X Easterly Kirkwall to Parkway (TCPL), Parkway (EGT)		M12-X Easterly Kirkwall to Lisgar, Parkway (Consumers)		M12-X Westerly Parkway to Kirkwall, Dawn	
	Fuel Ratio	Fuel and Commodity Rate	Fuel Ratio	Fuel and Commodity Rate	Fuel Ratio	Fuel and Commodity Rate
	(%)	(\$/GJ)	(%)	(\$/GJ)	(%)	(\$/GJ)
April	0.474	0.023	0.157	0.008	0.293	0.014
May	0.399	0.019	0.157	0.008	0.293	0.014
June	0.394	0.019	0.157	0.008	0.293	0.014
July	0.392	0.019	0.157	0.008	0.293	0.014
August	0.392	0.019	0.157	0.008	0.293	0.014
September	0.388	0.019	0.157	0.008	0.293	0.014
October	0.432	0.021	0.157	0.008	0.293	0.014
November	0.418	0.020	0.157	0.008	0.157	0.008
December	0.420	0.020	0.157	0.008	0.157	0.008
January	0.434	0.021	0.157	0.008	0.157	0.008
February	0.426	0.021	0.157	0.008	0.157	0.008
March	0.439	0.021	0.157	0.008	0.157	0.008

UNION GAS LIMITED

M12 Monthly Transportation Authorized Overrun Fuel Ratios and Fuel and Commodity Rates

Firm or Interruptible Transportation Commodity

Effective January 1, 2017

Month	VT1 Easterly Dawn to Parkway (TCPL), Parkway (EGT) With Dawn Compression		VT1 Easterly Dawn to Kirkwall, Lisgar, Parkway (Consumers) With Dawn Compression		VT3 Westerly Parkway to Kirkwall, Dawn	
	Fuel Ratio	Fuel and Commodity Rate	Fuel Ratio	Fuel and Commodity Rate	Fuel Ratio	Fuel and Commodity Rate
	(%)	(\$/GJ)	(%)	(\$/GJ)	(%)	(\$/GJ)
April	1.479	0.184	1.162	0.151	0.774	0.150
May	1.228	0.172	0.987	0.142	0.774	0.150
June	1.125	0.167	0.888	0.138	1.015	0.161
July	1.111	0.166	0.876	0.137	1.013	0.161
August	1.010	0.161	0.775	0.132	1.013	0.161
September	1.005	0.161	0.775	0.132	1.009	0.161
October	1.356	0.178	1.081	0.147	0.774	0.150
November	1.499	0.185	1.239	0.155	0.774	0.150
December	1.612	0.191	1.350	0.160	0.774	0.150
January	1.764	0.198	1.486	0.167	0.774	0.150
February	1.706	0.195	1.437	0.164	0.774	0.150
March	1.635	0.192	1.353	0.160	0.774	0.150

Month	M12-X Easterly Kirkwall to Parkway (TCPL), Parkway (EGT)		M12-X Easterly Kirkwall to Lisgar, Parkway (Consumers)		M12-X Westerly Parkway to Kirkwall, Dawn	
	Fuel Ratio	Fuel and Commodity Rate	Fuel Ratio	Fuel and Commodity Rate	Fuel Ratio	Fuel and Commodity Rate
	(%)	(\$/GJ)	(%)	(\$/GJ)	(%)	(\$/GJ)
April	1.091	0.193	0.774	0.177	0.910	0.184
May	1.016	0.189	0.774	0.177	0.910	0.184
June	1.011	0.189	0.774	0.177	0.910	0.184
July	1.009	0.189	0.774	0.177	0.910	0.184
August	1.009	0.189	0.774	0.177	0.910	0.184
September	1.005	0.188	0.774	0.177	0.910	0.184
October	1.049	0.191	0.774	0.177	0.910	0.184
November	1.035	0.190	0.774	0.177	0.774	0.177
December	1.037	0.190	0.774	0.177	0.774	0.177
January	1.051	0.191	0.774	0.177	0.774	0.177
February	1.043	0.190	0.774	0.177	0.774	0.177
March	1.056	0.191	0.774	0.177	0.774	0.177

**RATE M12
RECEIPT AND DELIVERY POINTS AND PRESSURES**

1. Receipt and Delivery Points:

The following defines each Receipt Point and/or Delivery Point, as indicated (R= Receipt Point; D= Delivery Point)

R,D	<u>DAWN (FACILITIES):</u>	Union's Compressor Station site situated in the northwest corner of Lot Twenty-Five (25), Concession II, in the Township of Dawn-Euphemia, in the County of Lambton. This point is applicable for quantities of gas that have been previously transported or stored under other contracts that Shipper may have in place with Union.
R	<u>DAWN (TCPL):</u>	At the junction of Union's and TCPL's facilities, at or adjacent to Dawn (Facilities).
R	<u>DAWN (TECUMSEH):</u>	At the junction of Union's and Enbridge Gas Distribution Inc.'s (Enbridge) Tecumseh Gas Storage's facilities, at or adjacent to Dawn (Facilities).
R	<u>DAWN (TSLE):</u>	At the junction of Union's and Enbridge Gas Distribution Inc.'s (" Enbridge ") NPS 16 Tecumseh Sombra Line Extension facilities; at or adjacent to Dawn (Facilities).
R	<u>DAWN (VECTOR):</u>	At the junction of Union's and Vector Pipeline Limited Partnership (" Vector ") facilities, at or adjacent to Dawn (Facilities).
R,D	<u>PARKWAY (TCPL):</u>	At the junction of Union's and TCPL's facilities, at or adjacent to Union's facilities situated in the Part Lot 9 and Part Lot 10, Concession IX, New Survey, Town of Milton, Regional Municipality of Halton (now part of City of Mississauga).
R,D	<u>KIRKWALL:</u>	At the junction of Union's and TCPL's facilities at or adjacent to Union's facilities situated in Part Lot Twenty-Five (25), Concession 7, Town of Flamborough.
D	<u>PARKWAY (CONSUMERS):</u>	At the junction of Union's and Enbridge's facilities, at or adjacent to Union's facilities situated in Part Lot 9 and Part Lot 10, Concession IX, New Survey, Town of Milton, Regional Municipality of Halton (now part of City of Mississauga).
D	<u>PARKWAY (EGT):</u>	At the junction of Union's and Enbridge's facilities, at or adjacent to Union's facilities situated in Part Lot 9 and Part Lot 10, Concession IX, New Survey, Town of Milton, Regional Municipality of Halton (now part of City of Mississauga).
D	<u>LISGAR:</u>	At the junction of the facilities of Union and Enbridge situated at 6620 Winston Churchill Boulevard, City of Mississauga.

2. Receipt and Delivery Pressures:

(a) All Gas tendered by or on behalf of Shipper to Union shall be tendered at the Receipt Point(s) at Union's prevailing pressure at that Receipt Point, or at such pressure as per operating agreements between Union and the applicable Interconnecting Pipeline as amended or restated from time to time.

(b) All Gas tendered by or on behalf of Union to Shipper shall be tendered at the Delivery Point(s) at Union's prevailing pressure at that Delivery Point or at such pressure as per agreements between Union and the applicable Interconnecting Pipeline as amended or restated from time to time.

(c) Under no circumstances shall Union be obligated to receive or deliver gas hereunder at pressures exceeding the maximum allowable operating pressures prescribed under any applicable governmental regulations; nor shall Union be required to make any physical deliveries or to accept any physical receipts which its existing facilities cannot accommodate.

TRANSPORTATION OF LOCALLY PRODUCED GAS**(A) Applicability**

The charges under this rate schedule shall be applicable to a customer who enters into a contract with Union for gas received at a local production point to be transported to Dawn.

Applicable Points

Dawn as a delivery point: Dawn (Facilities).

(B) 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.

Demand Commodity

	Demand Charge <u>Rate/Month</u>	Commodity Charge <u>Rate/GJ</u>	Union Supplied Fuel Fuel and Commodity Charge <u>Rate/GJ</u>	Fuel <u>Ratio %</u>	AND	Shipper Supplied Fuel Commodity Charge <u>Rate/GJ</u>
1. Monthly fixed charge per Customer Station	\$952.72					
2. Transmission Commodity Charge		\$0.035				
3. Delivery Commodity Charge			\$0.008	0.157%		\$0.000

These charges are in addition to the transportation, storage and/or balancing charges which shall be paid for under Rate M12 or Rate C1, or other services that may be negotiated.

4. Overrun Services

Authorized Overrun

Authorized overrun will be payable on all quantities transported in excess of Union's obligation on any day. The overrun charges payable will be calculated at the identified authorized overrun charge. Overrun will be authorized at Union's sole discretion.

	Union Supplied Fuel Fuel and Commodity Charge <u>Rate/GJ</u>	Fuel <u>Ratio %</u>	AND	Shipper Supplied Fuel Commodity Charge <u>Rate/GJ</u>
Authorized Overrun Charge	\$0.077	0.157%		\$0.069

Unauthorized Overrun

Authorized Overrun rates payable on all volumes up to 2% in excess of Union's contractual obligation.

The Unauthorized Overrun rate during the November 1 to April 15 period will be \$50 per GJ for all usage on any day in excess of 102% of Union's contractual obligation. The Unauthorized Overrun rate during the April 16 to October 31 period will be \$9.373 per GJ for all usage on any day in excess of 102% of Union's contractual obligation.

(C) Terms of Service

General Terms & Conditions applicable to this rate shall be in accordance with the attached Schedule "A" in effect before January 1, 2013. The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A 2013" for contracts in effect on or after January 1, 2013.

Effective

January 1, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

**GENERAL TERMS & CONDITIONS
M13 TRANSPORTATION AGREEMENT**

SCHEDULE "A"

I. DEFINITIONS

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms & Conditions and in any contract into which these General Terms & Conditions are incorporated, shall be construed to have the following meanings:

1. "Banking Day" shall mean a day on which the general offices of the Canadian Imperial Bank of Commerce, 99 King St. W., Chatham, Ontario are open for business;
2. "business day" shall mean a day on which the general offices of Union in Chatham, Ontario are open for business;
3. "Contract" shall refer to the Contract to which these General Terms & Conditions shall apply, and into which they are incorporated;
4. "contract year" shall mean a period of three hundred and sixty-five (365) consecutive days, beginning on the day agreed upon by Union and Shipper as set forth in the Contract, or on any anniversary of such date; provided, however, that any such period which contains a date of February 29 shall consist of three hundred and sixty-six (366) consecutive days;
5. "day" shall mean a period of twenty-four (24) consecutive hours beginning at 9:00 a.m. Central Standard time. The reference date for any day shall be the calendar date upon which the twenty-four (24) hour period shall commence;
6. "month" shall mean the period beginning at 9:00 a.m. Central Standard time on the first day of a calendar month and ending at 9:00 a.m. Central Standard time on the first day of the following calendar month;
7. "firm" shall mean service not subject to curtailment or interruption except under Articles XI and XII of this Schedule "B";
8. "interruptible service" shall mean service subject to curtailment or interruption, after notice, at any time;
9. "gas" shall mean gas as defined in the Ontario Energy Board Act, R.S.O. 1980, c. 332, as amended, supplemented or reenacted from time to time;
10. "cubic metre" shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;
11. "m³" shall mean cubic metre of gas and "10³m³" shall mean 1,000 cubic metres of gas;
12. "pascal" (Pa) shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term "kilopascal" (kPa) shall mean 1,000 pascals;
13. "joule" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term "megajoule" (MJ) shall mean 1,000,000 joules. The term "gigajoule" (GJ) shall mean 1,000,000,000 joules;
14. "gross heating value" shall mean the total heat expressed in megajoules per cubic metre (MJ/m³) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;
15. "Shipper" shall have the meaning as defined in the Contract and shall also include Shipper's agent(s);
16. "subsidiary" shall mean a company in which more than fifty (50) per cent of the issued share capital (having full voting rights under all circumstances) is owned or controlled directly or indirectly by another company, by one or more subsidiaries of such other company, or by such other company and one or more of its subsidiaries;

17. "TCPL" means TransCanada PipeLines Limited;
18. "NOVA" means NOVA Gas Transmission Ltd;
19. "Panhandle" means CMS Panhandle Eastern Pipeline Company;
20. "MichCon" means Michigan Consolidated Gas Company;
21. "SCPL" means St. Clair Pipelines (1996) Ltd.;
22. "OEB" means the Ontario Energy Board;
23. "NEB" means the National Energy Board (Canada);
 - i. "GLGT" means Great Lakes Gas Transmission Company;
 - ii. "CMS" means CMS Gas Transmission and Storage Company; and,
 - iii. "Consumers" means The Consumers' Gas Company, Limited.
24. "cricondenthm hydrocarbon dewpoint" shall mean the highest hydrocarbon dewpoint temperature on the phase envelope;
25. "hydrocarbon dewpoint" shall mean temperature at a specific pressure where hydrocarbon vapour condensation begins;
26. "specific gravity" shall mean density of the gas divided by density of air, with both at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute; and,
27. "Wobbe Number" shall mean gross heating value of the gas divided by the square root of its specific gravity.

II. GAS QUALITY

1. Natural Gas: The minimum gross heating value of the gas delivered to/by Union hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Union hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Union may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Union may be a commingled supply from Union's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons, except methane, may be removed prior to delivery to Shipper. Further, Union may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning and other processes.
2. Freedom from objectionable matter: The gas to be delivered to Union at the Receipt Point(s) hereunder,
 - a. shall be commercially free from bacteria, sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to, or interference with, the proper operation of the lines, regulators, meters or other appliances through which it flows,
 - b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas, nor more than one hundred (100) milligrams of total sulphur per cubic metre of gas,
 - c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
 - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
 - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,

- f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
- g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
- h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
- i. shall not have a cricondenthem hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
- j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas,
- k. shall not exceed forty-three degrees Celsius (43°C), and,
- l. shall not be odourized by Shipper.

3. Non-conforming Gas:

- a. In the event that the quality of the gas does not conform or if Union, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so directed by Union acting reasonably, forthwith carry out, at Shipper's cost, whatever field testing of the gas quality as may be required to ensure that the quality requirements set out herein are met, and to provide Union with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Union may conduct such test and Shipper shall reimburse Union for all costs incurred by Union for such testing.
- b. If Shipper's gas fails at any time to conform to the requirements of this Article II, Union, in addition to its other remedies, may refuse to accept delivery of gas at the Receipt Points hereunder until such deficiency has been remedied by Shipper. Each Party agrees to notify the other verbally, followed by written notification, of any such deficiency of quality.

4. Quality of Gas Received: The quality of the gas to be received by Union at the Receipt Point(s) hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II, but, Union will use reasonable efforts to accept gas of a quality that may deviate from the quality standards set out therein.

5. Quality of Gas at Dawn: The quality of the gas to be delivered to Union at Dawn (Facilities) or the gas to be delivered by Union to Shipper at Dawn (Facilities) hereunder is to be of a merchantable quality and in accordance with the quality standards and measurement standards as set out by Union in this Article II, except that total sulphur limit shall be not more than four hundred and sixty (460) milligrams per cubic metre of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.

III. MEASUREMENTS

1. Service Unit: The unit of the gas delivered to Union shall be a quantity of 10³m³. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m³) or one thousand cubic metres (10³m³) at Union's discretion.

2. Determination of Volume and Energy:

- a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
- b. The supercompressibility factor shall be determined in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all

as amended from time to time.

- c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VI herein.

IV. POINT OF RECEIPT AND POINT OF DELIVERY

1. Unless otherwise specified in the Contract, the point or points of receipt for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection specified in the Contract, where Union takes possession of the gas. Whenever the phrase "receipt point" appears herein, it shall mean Point of Receipt as defined in this Article IV.
2. Unless otherwise specified in the Contract, the point or points of delivery for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection as specified in the Contract, where Shipper takes possession of the gas. Whenever the phrase "delivery point" shall appear herein, it shall mean Point of Delivery as defined in this Article IV.

V. FACILITIES ON CUSTOMER'S PROPERTY

N/A.

VI. MEASURING EQUIPMENT

1. Metering by Union: Union will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.
2. Metering by Others: In the event that all or any gas received or delivered hereunder is measured by a meter that is owned and operated by an upstream or downstream transporter (the "Transporter") whose facilities may or may not interconnect with Union's, then Union and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas received or delivered on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Union pursuant to this Article VII, Section 2 shall be in accordance with the general terms and conditions as incorporated in that Transporter's gas tariff as approved by Transporter's regulatory body.
3. Check Measuring Equipment: Shipper may install, maintain and operate, at the Receipt Point, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Union's measuring equipment at or near the Receipt Point, and shall be installed, maintained and operated in conformity with the same standards and specifications applicable to Union's metering facilities.
4. Calibration and Test of Measuring Equipment: The accuracy of Union's measuring equipment shall be verified by Union at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Union shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either party notifies the other that it desires a special test of any measuring equipment, the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Shipper, shall be borne by Shipper if the measuring equipment tested is found to be in error by not more than two per cent (2%). If, upon test, any measuring equipment is found to be in error by not more than two per cent (2%), previous recordings of such equipment shall be considered accurate in computing receipts of gas, but such equipment shall be adjusted at once to record as near to absolute accuracy as possible. If the test conducted shows a percentage of inaccuracy greater than two percent (2%), the financial adjustment, if any, shall be calculated in accordance with the Act and Regulations, as may be amended from time to time and in accordance with any successor statutes and regulations.
5. Preservation of Metering Records: Union and Shipper shall each preserve for a period of at least six (6) years all test data, and other relevant records.

VII. BILLING

1. Monthly Billing Date: Union shall render bills on or before the 10th day of each month for all services furnished during the preceding month. Such charges may be based on estimated quantities, if actual quantities are unavailable in time to prepare the billing. Union shall provide, in a succeeding month's billing, an adjustment based on any difference between actual quantities and estimated quantities. If presentation of a bill to Shipper is delayed after the 10th day of the month, then the time of payment shall be extended accordingly, unless Shipper is responsible for such delay.
2. Right of Examination: Both Union and Shipper shall have the right to examine at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provisions of the Contract.

VIII. PAYMENTS

1. Monthly Payments: Shipper shall pay the invoiced amount directly into Union's bank account as directed on the invoice on or before the twentieth (20th) day of each month. If the payment date is not a business day, then payment must be received in Union's account on the first business day preceding the twentieth (20th) day of the month.
2. Remedies for Non-payment: Should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due, Shipper shall pay to Union interest on the unpaid portion of the bill accruing at a rate per annum equal to the minimum commercial lending rate of Union's principal banker in effect from time to time from the due date until the date of payment. If such failure to pay continues for thirty (30) days after payment is due, Union, in addition to any other remedy it may have under the Contract may suspend service(s) until such amount is paid, provided however, that if Shipper, in good faith shall dispute the amount of any such bill or part thereof and shall pay to Union such amounts as it concedes to be correct and at any time thereafter within twenty (20) days of a demand made by Union shall furnish good and sufficient surety bond satisfactory to Union, guaranteeing payment to Union of the amount ultimately found due upon such bill after a final determination which may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case, then Union shall not be entitled to suspend service(s) because of such non-payment unless and until default be made in the conditions of such bond or in payment for any further service(s) to Shipper hereunder.
3. Billing Adjustments: If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, Union shall refund the amount of any such overcharge and interest shall accrue from and including the first day of such overcharge as paid to the date of refund and shall be calculated but not compounded at a rate per annum determined each day during the calculation period to be equal to the minimum commercial lending rate of Union's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Union renders a bill to Shipper based upon measurement estimates, the required adjustment to reflect actual measurement shall be made on the bill next following the determination of such actual measurement, without any charge of interest. In the event an error is discovered in the amount billed in any statement rendered by Union, such error shall be adjusted by Union. Such overcharge, undercharge or error shall be adjusted by Union on the bill next following its determination (where the term "bill" next following shall mean a bill rendered at least fourteen (14) days after the day of its determination), provided that claim therefore shall have been made within six (6) years from the date of the incorrect billing. In the event any refund is issued with Shipper's bill, the aforesaid date of refund shall be deemed to be the date of the issue of invoice.

IX. ARBITRATION

If and when any dispute, difference or question shall arise between the parties hereto touching the Contract or anything herein contained, or the construction hereof, or the rights, duties or liabilities of the parties in relation to any matter hereunder, the matter in dispute shall be submitted and referred to arbitration within ten (10) days after written request of either party. Upon such request each party shall appoint an arbitrator, and the two so appointed shall appoint a third. A majority decision of the arbitrators shall be final and binding upon both parties. In all other respects the provisions of the Arbitration Act of the Province of Ontario, or any act passed in amendment thereof or substitution therefore, shall apply to each such submission. Operations under this Contract shall continue, without prejudice, during any such arbitration and the costs attributable to such arbitration shall be shared equally by the parties hereto.

X. FORCE MAJEURE

N/A

XI. DEFAULT AND TERMINATION

N/A

XII. MODIFICATION

N/A

XIII. NONWAIVER AND FUTURE DEFAULT

N/A

XIV. LAWS, REGULATIONS AND ORDERS

The Contract and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules and regulations of any competent legislative body, or duly constituted authority now or hereafter having jurisdiction and the Contract shall be varied and amended to comply with or conform to any valid order or direction of any board, tribunal or administrative agency which affects any of the provisions of the Contract.

**RATE M13
GENERAL TERMS & CONDITIONS**

I. DEFINITIONS

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms & Conditions and in any contract into which these General Terms & Conditions are incorporated, shall be construed to have the following meanings:

"Aid to Construction" shall include any and all costs, expenses, amounts, damages, obligations, or other liabilities (whether of a capital or operating nature, and whether incurred before or after the date of the Contract) actually paid by Union (including amounts paid to affiliates for services rendered in accordance with the Affiliate Relationships Code as established by the OEB) in connection with or in respect of satisfying the conditions precedent set out in Article XXI herein (including without limitation the cost of construction, installation and connection of any required meter station as described in Article IX, Section 6, the obtaining of all governmental, regulatory and other third party approvals, and the obtaining of rights of way) whether resulting from Union's negligence or not, except for any costs that have arisen from the gross negligence, fraud, or wilful misconduct of Union;

"Average Local Producer Heat" ("ALPH") shall mean the heat content value as set by Union, and shall be determined by volumetrically averaging the gross heat content of all produced gas delivered to the Union system by Ontario Local Producers. The ALPH shall be expressed in GJ/10³m³ and may be adjusted from time to time by Union;

"Business Day" shall mean any day, other than Saturday, Sunday or any days on which national banks in the Province of Ontario are authorized to close;

"Contract" shall refer to the Contract to which these General Terms & Conditions shall apply, and into which they are incorporated;

"Contract Year" shall mean a period of three hundred and sixty-five (365) consecutive days; provided however, that any such period which contains a date of February 29 shall consist of three hundred and sixty-six (366) consecutive days, commencing on November 1 of each year; except for the first Contract Year which shall commence on the Commencement Date and end on the first October 31 that follows such date;

"cricondenthem hydrocarbon dewpoint" shall mean the highest hydrocarbon dewpoint temperature on the phase envelope;

"cubic metre" shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;

"Dawn Quantity" shall mean the total daily quantity of gas in GJ delivered at Dawn (Facilities), which is equal to the total energy of all gas supplied daily to Union at the Receipt Point(s). The Dawn Quantity shall be calculated utilizing the following factor equation: Dawn Quantity = Produced Volume x ALPH;

"Day" shall mean a period of twenty-four (24) consecutive hours beginning at 10:00 a.m. Eastern Clock Time. The reference date for any Day shall be the calendar date upon which the twenty-four (24) hour period shall commence;

"Delivery Point" shall mean the point where Union shall deliver the Dawn Quantity and/or Market Quantity to Shipper and as further defined in Schedule 1 of the Contract;

"Distribution Demand" shall mean the varying demand for the supply of gas, as determined by Union, on Union's pipeline and distribution system for users of gas who are supplied or delivered gas by Union's pipeline and distribution system;

"Eastern Clock Time" shall mean the local clock time in the Eastern Time Zone on any Day;

"firm" shall mean service not subject to curtailment or interruption except under Articles XI, XII and XVIII herein;

"Firm Daily Variability Demand" shall mean the established quantity set forth in Schedule 2 of the Contract, which is the

permitted difference between the Dawn Quantity and the Market Quantity;

"**gas**" shall mean gas as defined in the Ontario Energy Board Act, 1998, S.O. 1998, c.15, Sch. B, as amended, supplemented or re-enacted from time to time;

"**gross heating value**" shall mean the total heat expressed in megajoules per cubic metre (MJ/m³) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;

"**hydrocarbon dewpoint**" shall mean temperature at a specific pressure where hydrocarbon vapour condensation begins;

"**Interruptible Service HUB Contract**" shall mean a contract between Shipper and Union under which Union provides interruptible HUB service;

"**Interconnecting Pipeline**" shall mean a pipeline that directly connects to the Union pipeline and distribution system;

"**joule**" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term "**megajoule**" (MJ) shall mean 1,000,000 joules. The term "**gigajoule**" (GJ) shall mean 1,000,000,000 joules;

"**m³**" shall mean cubic metre of gas and "**10³m³**" shall mean 1,000 cubic metres of gas;

"**MAOP**" shall mean the maximum allowable operating pressure of Union's pipeline and distribution system and as further defined in Schedule 1 of the Contract;

"**Market Quantity**" shall mean the daily quantity in GJ nominated for Name Change Service that Day by Shipper at Dawn (Facilities);

"**Maximum Daily Quantity**" shall mean the maximum quantity of gas Shipper may deliver to Union at a Receipt Point on any Day, as further defined in Schedule 1;

"**Month**" shall mean the period beginning at 10:00 a.m. Eastern Clock Time on the first day of a calendar month and ending at 10:00 a.m. Eastern Clock Time on the first day of the following calendar month;

"**Name Change Service**" shall mean an interruptible administrative service whereby Union acknowledges for Shipper a change in title of a gas quantity from Shipper to a third party at the Delivery Point;

"**OEB**" means the Ontario Energy Board;

"**pascal**" ("**Pa**") shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term "**kilopascal**" ("**kPa**") shall mean 1,000 pascals;

"**Produced Volume**" shall mean the aggregate of all actual volumes of gas in 10³m³, delivered by Shipper to Union at all Receipt Points on any Day;

"**Producer Balancing Account**" shall mean the gas balance held by Union for Shipper, or owed by Shipper to Union, at the Delivery Point. Where the Producer Balancing Account is zero or a positive number, the account is in a credit position, and where the Producer Balancing Account is less than zero, the account is in a debit position;

"**Producer Balancing Service**" shall mean a Service whereby Union either calculates a credit or debit to the Producer Balancing Account by subtracting the Market Quantity from the Dawn Quantity. Where such amount is greater than zero, Union will credit the Producer Balancing Account, or where such amount is less than zero, Union will debit the Producer Balancing Account. This Service shall be performed on a retroactive basis on the terms and conditions contained in Schedule 2 of the Contract, as may be revised from time to time by Union;

"**Receipt Point**" shall mean the point(s) where Union shall receive gas from Shipper;

"Sales Agreement" shall mean the Ontario Gas Purchase Agreement(s) entered into between Shipper and Union;

"Shipper" shall have the meaning as defined in the Contract, and shall also include Shipper's agent(s);

"specific gravity" shall mean density of the gas divided by density of air, with both at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;

"System Capacity" shall mean the volumetric capacity that exists from time to time within Union's pipeline and distribution system which determines Union's ability to accept volumes of gas into Union's pipeline and distribution system hereunder. System Capacity shall be determined by Union and such determination, in addition to the physical characteristics of Union's pipeline and distribution system Distribution Demand, shall also include consideration of Union's local Distribution Demand, Union's total system Distribution Demand, availability of Union's gas storage capacity, and other gas being purchased and/or delivered into Union's pipeline and distribution system;

"Taxes" shall mean any tax (other than tax on income or tax on property), duty, royalty, levy, license, fee or charge not included in the charges and rates as per the applicable rate schedule (including but not limited to charges under any form of cap and trade, carbon tax, or similar system) and that is levied, assessed or made by any governmental authority on the gas itself, or the act, right, or privilege of producing, severing, gathering, storing, transporting, handling, selling or delivering gas under the Contract;

"Wobbe Number" shall mean gross heating value of the gas divided by the square root of its specific gravity.

II. GAS QUALITY

1. **Natural Gas:** The minimum gross heating value of the gas delivered to/by Union hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Union hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Union may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Union may be a commingled supply from Union's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons, except methane, may be removed prior to delivery to Shipper. Further, Union may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning and other processes.
2. **Freedom from objectionable matter:** The gas to be delivered to Union at the Receipt Point(s) hereunder,
 - a. shall be commercially free from bacteria, sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to, or interference with, the proper operation of the lines, regulators, meters or other appliances through which it flows,
 - b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas, nor more than one hundred (100) milligrams of total sulphur per cubic metre of gas,
 - c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
 - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
 - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
 - f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
 - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
 - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
 - i. shall not have a cricondenthem hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
 - j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one point

forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas,

- k. shall not exceed forty-three degrees Celsius (43°C), and,
- l. shall not be odourized by Shipper.

3. **Non-conforming Gas:**

- a. In the event that the quality of the gas does not conform or if Union, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so directed by Union acting reasonably, forthwith carry out, at Shipper's cost, whatever field testing of the gas quality as may be required to ensure that the quality requirements set out herein are met, and to provide Union with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Union may conduct such test and Shipper shall reimburse Union for all costs incurred by Union for such testing.
- b. If Shipper's gas fails at any time to conform to the requirements of this Article II, Union, in addition to its other remedies, may refuse to accept delivery of gas at the Receipt Points hereunder until such deficiency has been remedied by Shipper. Each Party agrees to notify the other verbally, followed by written notification, of any such deficiency of quality.

4. **Quality of Gas Received:** The quality of the gas to be received by Union at the Receipt Point(s) hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II, but, Union will use reasonable efforts to accept gas of a quality that may deviate from the quality standards set out therein.

5. **Quality of Gas at Dawn:** The quality of the gas to be delivered to Union at Dawn (Facilities) or the gas to be delivered by Union to Shipper at Dawn (Facilities) hereunder is to be of a merchantable quality and in accordance with the quality standards and measurement standards as set out by Union in this Article II, except that total sulphur limit shall be not more than four hundred and sixty (460) milligrams per cubic metre of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.

III. MEASUREMENTS

1. **Service Unit:** The unit of the gas delivered to Union shall be a quantity of 10³m³. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m³) or one thousand cubic metres (10³m³) at Union's discretion.

2. **Determination of Volume and Energy:**

- a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
- b. The supercompressibility factor shall be determined in accordance with either the "**Manual for Determination of Supercompressibility Factors for Natural Gas**" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all as amended from time to time.
- c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VII herein.

IV. RECEIPT POINT AND DELIVERY POINT

The point(s) of receipt and point of delivery for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection specified in Schedule 1 of the Contract, where possession of the gas changes from one party to the other.

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

1. Possession of Gas: Union accepts no responsibility for any gas prior to such gas being delivered to Union at the Receipt Point or after its delivery by Union at the Delivery Point. As between the parties hereto, Union shall be deemed to be in control and possession of and responsible for all such gas from the time that such gas enters Union's system until such gas is delivered to Shipper.
2. Liability: Shipper agrees that Union is not a common carrier and is not an insurer of Shipper's gas, and that Union shall not be liable to Shipper or any third party for loss of gas in Union's possession, except to the extent such loss is caused entirely by Union's negligence or wilful misconduct.

VI. FACILITIES ON SHIPPER'S PROPERTY

1. Meter Station: Union shall provide, at the Receipt Point(s), according to the terms hereunder, the meter station required to receive and measure the Produced Volume of gas received by Union from Shipper. Shipper agrees, if requested by Union, to provide Union with sufficient detailed information regarding Shipper's current and expected operations in order to aid Union in Union's design of the meter station.
2. Union Obligations: Pursuant to Article VI. Section 1 herein, Union shall purchase, install and maintain, at the Receipt Point(s):
 - a. a meter and any associated recording gauges as are necessary; and,
 - b. a suitable gas odourizing injection facility where Union deems such facility to be necessary.
3. Union Equipment: All equipment installed by Union at the Receipt Point(s) shall remain the property of Union at all times, notwithstanding the fact that it may be affixed to Shipper's property. Union shall be entitled to remove said equipment at any time within a period of sixty (60) days from any termination or expiry of the Contract. Shipper shall take all necessary steps to ensure Union may enter onto the Receipt Point(s) to remove such equipment for a period of sixty (60) days after termination or expiry of the Contract or the Sales Agreement.
4. Shipper Obligations: Upon Union's request Shipper shall, at Shipper's own cost and expense:
 - a. obtain a registered lease or freehold ownership at the Receipt Point(s) sufficient to provide Union with free uninterrupted access to, from, under and above the Receipt Point(s), for a term (and extended terms) identical to the Contract, plus sixty (60) days, and shall provide Union with a bona fide copy of such lease agreement prior to Union commencing the construction of the meter station;
 - b. furnish, install, set, and maintain suitable pressure and volume control equipment and such additional equipment as required on Shipper's delivery system, to protect against the overpressuring of Union's facilities, and to limit the daily flow of gas to the corresponding Maximum Daily Quantity applicable to the Receipt Point(s);
 - c. supply, install and maintain a gravel or cut stone covering on each Receipt Point and shall maintain such Receipt Point(s) in a safe and workmanlike manner; and,
 - d. install and maintain a fence satisfactory to Union around the perimeter of each Receipt Point which will adequately secure and protect Union's equipment therein.
5. Maintenance Costs: Shipper shall within thirty (30) days of the delivery of an invoice by Union, reimburse Union for any actual costs reasonably incurred by Union for any repair, replacement, relocation, or upgrading of any meter station

requested by Shipper, or as required by law, or by duly constituted regulatory body, or through good engineering practice. Union shall be responsible for any costs incurred by Union to correct an error made by Union.

VII. MEASURING EQUIPMENT

1. Metering by Union: Union will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.
2. Metering by Others: In the event that all or any gas received or delivered hereunder is measured by a meter that is owned and operated by an upstream or downstream transporter (the "Transporter") whose facilities may or may not interconnect with Union's, then Union and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas received or delivered on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Union pursuant to this Article VII, Section 2 shall be in accordance with the general terms and conditions as incorporated in that Transporter's gas tariff as approved by Transporter's regulatory body.
3. Check Measuring Equipment: Shipper may install, maintain and operate, at the Receipt Point, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Union's measuring equipment at or near the Receipt Point, and shall be installed, maintained and operated in conformity with the same standards and specifications applicable to Union's metering facilities.
4. Calibration and Test of Measuring Equipment: The accuracy of Union's measuring equipment shall be verified by Union at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Union shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either party notifies the other that it desires a special test of any measuring equipment, the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Shipper, shall be borne by Shipper if the measuring equipment tested is found to be in error by not more than two per cent (2%). If, upon test, any measuring equipment is found to be in error by not more than two per cent (2%), previous recordings of such equipment shall be considered accurate in computing receipts of gas, but such equipment shall be adjusted at once to record as near to absolute accuracy as possible. If the test conducted shows a percentage of inaccuracy greater than two percent (2%), the financial adjustment, if any, shall be calculated in accordance with the Act and Regulations, as may be amended from time to time and in accordance with any successor statutes and regulations.
5. Preservation of Metering Records: Union and Shipper shall each preserve for a period of at least six (6) years all test data, and other relevant records.

VIII. BILLING

1. Monthly Billing Date: Union shall render bills on or before the tenth (10th) day of each month for all Services furnished during the preceding Month. Such charges may be based on estimated quantities, if actual quantities are unavailable in time to prepare the billing. Union shall provide, in a succeeding Month's billing, an adjustment based on any difference between actual quantities and estimated quantities, without any interest charge. If presentation of a bill to Shipper is delayed after the tenth (10th) day of the month, then the time of payment shall be extended accordingly, unless Shipper is responsible for such delay.
2. Right of Examination: Both Union and Shipper shall have the right to examine at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provisions of the Contract.
3. Amendment of Statements: For the purpose of completing a final determination of the actual quantities of gas handled in any of the Services to Shipper, the parties shall have the right to amend their statement for a period equal to the time during which the companies, that transport the gas contemplated herein for Union and Shipper, retain the right to amend their statements, which period shall not exceed three (3) years from the date of termination of the Contract.

IX. PAYMENTS

1. Monthly Payments: Shipper shall pay the invoiced amount directly into Union's bank account as directed on the invoice on or before the twentieth (20th) day of each month. If the payment date is not a Business Day, then payment must be received in Union's account on the first Business Day preceding the twentieth (20th) day of the month.
2. Remedies for Non-payment: Should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due,
 - a. Shipper shall pay to Union interest on the unpaid portion of the bill accruing at a rate per annum equal to the minimum commercial lending rate of Union's principal banker in effect from time to time from the due date until the date of payment; and,
 - b. If such failure to pay continues for thirty (30) days after payment is due, Union, in addition to any other remedy it may have under the Contract, may suspend Services until such amount is paid. Notwithstanding such suspension, all demand charges shall continue to accrue hereunder as if such suspension were not in place.

If Shipper in good faith disputes the amount of any such bill or part thereof Shipper shall pay to Union such amounts as it concedes to be correct. At any time thereafter, within twenty (20) days of a demand made by Union, Shipper shall furnish financial assurances satisfactory to Union, guaranteeing payment to Union of the amount ultimately found due upon such bill after a final determination. Such a final determination may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case. Union shall not be entitled to suspend Services because of such non-payment unless and until default occurs in the conditions of such financial assurances or default occurs in payment of any other amount due to Union hereunder.

Notwithstanding the foregoing, Shipper is not relieved from the obligation to continue its deliveries of gas to Union under the terms of any agreement, where Shipper has contracted to deliver specified quantities of gas to Union.

3. Billing Adjustments: If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, Union shall refund the amount of any such overcharge and interest shall accrue from and including the first day of such overcharge as paid to the date of refund and shall be calculated but not compounded at a rate per annum determined each day during the calculation period to be equal to the minimum commercial lending rate of Union's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Union renders a bill to Shipper based upon measurement estimates, the required adjustment to reflect actual measurement shall be made on the bill next following the determination of such actual measurement, without any charge of interest. In the event an error is discovered in the amount billed in any statement rendered by Union, such error shall be adjusted by Union. Such overcharge, undercharge or error shall be adjusted by Union on the bill next following its determination (where the term "**bill next following**" shall mean a bill rendered at least fourteen (14) days after the day of its determination), provided that claim therefore shall have been made within three (3) years from the date of the incorrect billing. In the event any refund is issued with Shipper's bill, the aforesaid date of refund shall be deemed to be the date of the issue of bill.
4. Taxes: In addition to the charges and rates as per the applicable rate schedules and price schedules, Shipper shall pay all Taxes which are imposed currently or subsequent to the execution of the Contract by any legal authority having jurisdiction and any amount in lieu of such Taxes paid or payable by Union.
5. Set Off: If either party shall, at any time, be in arrears under any of its payment obligations to the other party under the Contract, then the party not in arrears shall be entitled to reduce the amount payable by it to the other party in arrears under the Contract, or any other contract, by an amount equal to the amount of such arrears or other indebtedness to the other party. In addition to the foregoing remedy, Union may, upon forty-eight (48) hours verbal notice, to be followed by written notice, take possession of any or all of Shipper's gas under the Contract, which shall be deemed to have been assigned to Union, to reduce such arrears or other indebtedness to Union.
6. Station and Connection Costs: In the event that a meter station must be constructed and/or installed in order to give effect to the Contract, Shipper agrees to pay Union for a portion, as determined by Union, of Union's actual cost, as hereinafter defined, for constructing and installing such station. Shipper also agrees to pay the actual costs to connect such station to Union's pipeline and distribution system. Union shall advise Shipper as to the need for a meter station and shall provide Shipper with an estimate of the Aid to Construction. Such Aid to Construction shall include the costs of all pipe, fittings and materials, third party labour costs and Union's direct labour, labour saving devices, vehicles and

mobile equipment, but shall exclude the purchase costs of gas pressure control equipment and gas meters installed by Union.

X. ARBITRATION

If and when any dispute, difference or question shall arise between the parties hereto touching the Contract or anything herein contained, or the construction hereof, or the rights, duties or liabilities of the parties in relation to any matter hereunder, the matter in dispute shall be submitted and referred to arbitration within ten (10) days after written request of either party. Upon such request each party shall appoint an arbitrator, and the two so appointed shall appoint a third. A majority decision of the arbitrators shall be final and binding upon both parties. In all other respects the provisions of the Arbitration Act, 1991, or any act passed in amendment thereof or substitution therefore, shall apply to each such submission. Operations under the Contract shall continue, without prejudice, during any such arbitration and the costs attributable to such arbitration shall be shared equally by the parties hereto.

XI. FORCE MAJEURE

1. Definition: The term "**force majeure**" as used herein shall mean acts of God, strikes, lockouts or any other industrial disturbance, acts of the public enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority (civil or military), any act or omission that is excused by any event or occurrence of the character herein defined as constituting force majeure, any act or omission by parties not controlled by the party having the difficulty and any other similar cases not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.
2. Notice: In the event that either the Shipper or Union is rendered unable, in whole or in part, by force majeure, to perform or comply with any obligation or condition of the Contract, such party shall give notice and full particulars of such force majeure in writing delivered by hand, fax or other direct written electronic means to the other party as soon as possible after the occurrence of the cause relied on and subject to the provision of this Article.
3. Exclusions: Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances prevail: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension; the failure was caused by the party claiming suspension where such party failed to remedy the condition by making all reasonable efforts (short of litigation, if such remedy would require litigation); the party claiming suspension failed to resume the performance of such condition obligations with reasonable dispatch; the failure was caused by lack of funds; the party claiming suspension did not, as soon as possible after determining, or within a period within which it should acting reasonably have determined, that the occurrence was in the nature of force majeure and would affect its ability to observe or perform any of its conditions or obligations under the Contract, give to the other party the notice required hereunder.
4. Notice of Remedy: The party claiming suspension shall likewise give notice as soon as possible after the force majeure condition is remedied, to the extent that the same has been remedied, and that such party has resumed or is then in a position to resume the performance of the obligations and conditions of the Contract.
5. Obligation to Perform: An event of force majeure on Union's system will excuse the failure to deliver gas by Union or the failure to accept gas by Union hereunder, and both parties shall be excused from performance of their obligations hereunder, except for payment obligations, to the extent of and for the duration of the force majeure.
6. Upstream or Downstream Force Majeure: An event of force majeure upstream or downstream of Union's system shall not relieve Shipper of any payment obligations.
7. Delay of Services: Despite Article XI herein, if Union is prevented, by reason of an event of force majeure on Union's system from delivering gas on the Day or Days upon which Union has accepted gas from Shipper, Union shall thereafter make all reasonable efforts to deliver such quantities as soon as practicable and on such Day or Days as are agreed to

by Shipper and Union. If Union accepts such gas on this basis, Shipper shall not receive any demand charge relief as contemplated under Article XI herein.

8. **Firm Daily Variability Demand Charge Relief:** Despite Article XI herein, if on any Day Union fails to accept gas from Shipper by reason of an event of force majeure on Union's system and fails to deliver the quantity of gas nominated hereunder by Shipper up to the Firm Daily Variability Demand for that Contract, then for that Day the Monthly charge shall be reduced by an amount equal to the applicable Firm Daily Variability Demand Rate, as defined in this paragraph, multiplied by the difference between the quantity of gas actually delivered by Union during such Day and the quantity of gas which Shipper in good faith nominated on such Day. The term "**Firm Daily Variability Demand Rate**" shall mean the monthly Firm Daily Variability Demand charge as provided in Schedule 2 of the Contract, divided by the number of days in the month for which such rate is being calculated.

XII. DEFAULT AND TERMINATION

In case of the breach or non-observance or non-performance on the part of either party hereto of any covenant, proviso, condition, restriction or stipulation contained in the Contract (but not including herein failure to take or make delivery in whole or in part of the gas delivered to/by Union hereunder occasioned by any of the reasons provided for in Article XI herein) which has not been waived by the other party, then and in every such case and as often as the same may happen, the non-defaulting party may give written notice to the defaulting party requiring it to remedy such default and in the event of the defaulting party failing to remedy the same within a period of thirty (30) days from receipt of such notice, the non-defaulting party may at its sole option declare the Contract to be terminated and thereupon the Contract shall be terminated and be null and void for all purposes other than and except as to any liability of the parties under the same incurred before and subsisting as of termination. The right hereby conferred upon each party shall be in addition to, and not in derogation of or in substitution for, any other right or remedy which the parties respectively at law or in equity shall or may possess.

In the event that the Contract is terminated pursuant to this Article XII, the parties hereto agree that they shall continue to be bound only by the terms and conditions set forth in the Contract but only for the purpose of determining the actual quantities in Shipper's Producer Balancing Account with such determination being subject to Article X. Such extended period of time shall not exceed one (1) year from the date of termination of the Contract.

XIII. AMENDMENT

Subject to Article XV herein and the ability of Union to amend the applicable rate schedules and price schedules, with the approval of the OEB (if required), no amendment or modification of the Contract shall be effective unless the same shall be in writing and signed by each of the Shipper and Union.

XIV. NON-WAIVER AND FUTURE DEFAULT

No waiver of any provision of the Contract shall be effective unless the same shall be in writing and signed by the party entitled to the benefit of such provision and then such waiver shall be effective only in the specific instance and for the specified purpose for which it was given. No failure on the part of Shipper or Union to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy under the Contract shall operate as a waiver thereof.

XV. LAWS, REGULATIONS AND ORDERS

The Contract and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules and regulations of any competent legislative body, or duly constituted authority now or hereafter having jurisdiction and the Contract shall be varied and amended to comply with or conform to any valid order or direction of any board, tribunal or administrative agency which affects any of the provisions of the Contract.

XVI. RESERVED FOR FUTURE USE

N/A

XVII. RENEWALS

The Contract will continue in full force and effect beyond the Initial Term, automatically renewing for a period of one (1) year, and every one (1) year thereafter, subject to notice in writing by either party of termination at least three (3) months prior to the expiration thereof.

XVIII. SERVICE CURTAILMENT

1. Verbal Notice: Excepting instances of emergency, Shipper and Union agree to give at least twenty-four (24) hours verbal notice before a planned curtailment of receipt or delivery, shut-down or start-up.
2. Emergency: Shipper shall complete and maintain a plan which depicts all of the Shipper's gas production facilities including all emergency shut off valves and emergency equipment and provide a copy to Union upon Union's request. Shipper shall provide to Union the names and telephone numbers of those persons whom Union may contact in the event of an emergency situation arising within the Shipper's facilities.
3. Emergency Notice: In the event that Union is notified by a third party or if Union becomes aware of an emergency situation in which Shipper's gas production site, pipeline or associated equipment is involved, Union shall immediately notify Shipper or Shipper's representative of such emergency condition.
4. Right to Modify: Union shall have the right, at all times, to reconstruct or modify Union's pipeline and distribution system and the pressure carried therein, notwithstanding that such reconstruction or modification may reduce the System Capacity available to receive Shipper's gas, or Shipper's ability to deliver gas to Union. Should Union expect any such reconstruction or modification to reduce the delivery or receipt of gas by either party, Union will, where able, provide Shipper with six (6) months' notice or as much notice as is reasonably practical in the circumstances. Union shall use reasonable efforts to assist the Shipper in meeting its Market Quantity in these circumstances.

XIX. SHIPPER'S REPRESENTATIONS AND WARRANTIES

1. Shipper's Warranty: Shipper warrants that it will, if required, maintain, or have maintained on its behalf, all external approvals including the governmental, regulatory, import/export permits and other approvals or authorizations that are required from any federal, state or provincial authorities for the gas quantities to be handled under the Contract. Shipper further warrants that it shall maintain in effect the Facilitating Agreements.
2. Financial Representations: Shipper represents and warrants that the financial assurances (including the Initial Financial Assurances and Security), if any, shall remain in place throughout the term hereof unless Shipper and Union agree otherwise. Shipper shall notify Union in the event of any change to the financial assurances (including the Initial Financial Assurances and Security), if any, throughout the term hereof. Should Union have reasonable grounds to believe that Shipper will not be able to perform or continue to perform any of its obligations under the Contract for any reason (a "**Material Event**"), then Shipper shall within fourteen (14) days of receipt of written notice by Union, obtain and provide to Union a letter of credit or other security in the form and amount reasonably required by Union (the "**Security**"). In the event that Shipper does not provide to Union such Security, Union may deem a default in accordance with the provisions of Article XII herein.

In the event that Shipper in good faith, reasonably believes that it should be entitled to reduce the amount of or value of the Security previously provided, it may request such a reduction from Union and to the extent that the Material Event has been mitigated or eliminated, Union shall return all or a portion of the Security to Shipper within fourteen (14) Business Days after receipt of the request.

3. Licence: Shipper represents and warrants to Union that Shipper possesses a licence to produce gas in the Province of Ontario.

XX. MISCELLANEOUS PROVISIONS

1. Assignment: Shipper may assign the Contract to a third party ("**Assignee**"), up to the Maximum Daily Quantity, (the "**Capacity Assigned**"). Such assignment shall require the prior written consent of Union and release of obligations by Union for the Capacity Assigned from the date of assignment. Such consent and release shall not be unreasonably withheld and shall be conditional upon the Assignee providing, amongst other things, financial assurances as per Article XXI herein. Any such assignment will be for the full rights, obligations and remaining term of the Contract as relates to the Capacity Assigned.
2. Title to Gas: Shipper represents and warrants to Union that Shipper shall have good and marketable title to, or legal authority to deliver to Union, all gas delivered to Union hereunder. Furthermore, Shipper hereby agrees to indemnify and save Union harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of claims of any or all third parties to such gas or on account of Taxes, or other charges thereon.

XXI. PRECONDITIONS TO SERVICES

1. Union Conditions: The obligations of Union to provide Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Union and which may be waived or extended in whole or in part in the manner provided in the Contract:
 - a. Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required to provide the Services; and,
 - b. Union shall have obtained all internal approvals that are necessary or appropriate to provide the Services; and,
 - c. Union shall have received from Shipper the requisite financial assurances reasonably necessary to ensure Shipper's ability to honour the provisions of the Contract (the "**Initial Financial Assurances**"). The Initial Financial Assurances, if required, will be as determined solely by Union; and,
 - d. Shipper and Union shall have entered into the Interruptible Service HUB Contract or equivalent (the "**Facilitating Agreement**") with Union; and,
 - e. Union shall, where applicable, have obtained all internal and external approvals including the governmental, regulatory and other approvals or authorizations required to construct any facilities necessary to provide the Services hereunder, which approvals and authorizations, if granted upon conditions, shall be conditions satisfactory to Union; and,
 - f. Union shall, where applicable, have completed and placed into service those facilities necessary to provide the Services hereunder; and,
 - g. Further to Article IX Section 6 herein, Shipper shall pay to Union a payment ("**First Prepayment**") towards the Aid to Construction at the time of the execution of this Agreement. Shipper shall pay a payment prior to installation of the meter station ("**Second Prepayment**"). The foregoing payments are specified in the attached Schedule 1 for the first meter station ("**Receipt Point #1**") to be installed under the Contract. Payments for additional meter stations will be handled by written mutual agreement between the parties. Shipper shall pay Union the difference if the actual Aid to Construction is more than the Prepayments, within thirty (30) days of the delivery of an invoice from Union on which the actual costs for construction and installation of facilities are stated. Union shall pay Shipper the difference if the actual Aid to Construction is less than the Prepayments. In the event Shipper terminates this Agreement prior to Union incurring any costs related to the construction, installation or connection of the meter station, Shipper's Prepayments shall be returned to Seller, without interest, within fifteen (15) days notice to Union of such termination by Shipper. In the event Union has incurred costs, as set out herein, relative to the construction, installation or connection of the meter station prior to being notified by Shipper of Shipper's intention to terminate the Agreement, Union shall deduct such actual costs from Union's return of Shipper's Prepayments. "**Prepayments**" shall mean the sum of the First Prepayment and the Second

Prepayment.

2. Shipper Conditions: The obligations of Shipper hereunder are subject to the following conditions precedent, which are for the sole benefit of Shipper and which may be waived or extended in whole or in part in the manner provided in the Contract:
 - a. Shipper shall, as required, have entered into the necessary contracts with Union and/or others to facilitate the Services contemplated herein, including contracts for upstream and downstream transportation, and shall specifically have an executed and valid Facilitating Agreement; and,
 - b. Shipper shall have obtained, in form and substance satisfactory to Shipper, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required from federal, state, or provincial authorities for the gas quantities handled under the Contract; and,
 - c. Shipper shall have obtained all internal approvals that are necessary or appropriate for the Shipper to execute the Contract; and,
 - d. Shipper shall have cancelled or renegotiated its Sales Agreement, on terms satisfactory to Union, as applicable.
3. Satisfaction of Conditions: Union and Shipper shall each use due diligence and reasonable efforts to satisfy and fulfil the conditions precedent specified in this Article XXI Section 1 a, c, d, e, f, g, and Section 2 a, b, and d. Each party shall notify the other forthwith in writing of the satisfaction or waiver of each condition precedent for such party's benefit. If a party concludes that it will not be able to satisfy a condition precedent that is for its benefit, such party may, upon written notice to the other party, terminate the Contract and upon the giving of such notice, the Contract shall be of no further force and effect and each of the parties shall be released from all further obligations thereunder.
4. Non-Satisfaction of Conditions: If any of the conditions precedent in this Article XXI Section 1 c or Section 2 are not satisfied or waived by the party entitled to the benefit of that condition by the Conditions Date as such term is defined in the Contract, or if any of the Shipper payments required under the condition precedent in this Article XXI Section 1 g have not been paid as required in such section, then either party may, upon written notice to the other party, terminate the Contract and upon the giving of such notice, the Contract shall be of no further force and effect and each of the parties shall be released from all further obligations hereunder, provided that any rights or remedies that a party may have for breaches of the Contract prior to such termination and any liability a party may have incurred before such termination shall not thereby be released.

STORAGE AND TRANSPORTATION SERVICES TRANSPORTATION CHARGES**(A) Availability**

The charges under this rate schedule shall be applicable for transportation service rendered by Union for all quantities transported to and from embedded storage pools located within Union's franchise area and served using Union's distribution and transmission assets.

Applicable Points

Dawn as a receipt point: Dawn (Facilities).
Dawn as a delivery point: Dawn (Facilities).

(B) 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) Charges Applicable to both Firm and/or Interruptible Transportation Services:

Monthly Fixed Charge per customer station (\$ per month) (1) \$1,515.67

Transmission Commodity Charge to Dawn (\$ per GJ) \$0.035

Transportation Fuel	Customers located East of Dawn	Customers located West of Dawn
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Fuel Charges to Dawn:

Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.008	\$0.008
Commodity Rate - Shipper supplied fuel (\$ per GJ)	\$0.000	\$0.000
Fuel Ratio - Shipper supplied fuel (%)	0.157%	0.157%

Fuel Charges to the Pool

Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.009	\$0.022
Commodity Rate - Shipper supplied fuel (\$ per GJ)	\$0.000	\$0.000
Fuel Ratio - Shipper supplied fuel (%)	0.186%	0.447%

b) Firm Transportation Demand Charges: (2)

Monthly Demand Charge applied to contract demand (\$ per GJ)	\$0.770	\$1.045
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Authorized Overrun:

The authorized overrun rate payable on all quantities transported in excess of Union's obligation any day shall be:

	Customers located East of Dawn	Customers located West of Dawn
Firm Transportation:		
Charges to Dawn		
Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.067	\$0.077
Commodity Rate - Shipper supplied fuel (\$ per GJ)	\$0.060	\$0.069
Fuel Ratio - Shipper supplied fuel (%)	0.157%	0.157%
Charges to the Pool		
Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.034	\$0.056
Commodity Rate - Shipper supplied fuel (\$ per GJ)	\$0.025	\$0.034
Fuel Ratio - Shipper supplied fuel (%)	0.186%	0.447%

Overrun will be authorized at Union's sole discretion.



uniongas

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Unauthorized Overrun

Authorized Overrun rates payable on all transported quantities up to 2% in excess of Union's contractual obligation.

The Unauthorized Overrun rate during the November 1 to April 15 period will be \$50 per GJ for all usage on any day in excess of 102% of Union's contractual obligation. The Unauthorized Overrun rate during the April 16 to October 31 period will be \$9.373 per GJ for all usage on any day in excess of 102% of Union's contractual obligation.

Charges aforesaid in respect of any given month in accordance with General Terms & Conditions shall be payable no later than the twenty-fifth day of the succeeding month.

Notes for Section (B) Rates:

- (1) The monthly fixed charge will be applied once per month per customer station regardless of service being firm, interruptible or a combination thereof.
- (2) Demand charges will be applicable to customers firm daily contracted demand or the firm portion of a combined firm and interruptible

(C) Terms of Service

The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A" for contracts in effect before October 1, 2010. The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A 2013" for contracts in effect on or after January 1, 2013.

Effective

January 1, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

SCHEDULE "A"

GENERAL TERMS & CONDITIONS M16 TRANSPORTATION AGREEMENT

I. DEFINITIONS

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms & Conditions and in any contract into which these General Terms & Conditions are incorporated, shall be construed to have the following meanings:

1. "Banking Day" shall mean a day on which the general offices of the Canadian Imperial Bank of Commerce, 99 King St. W., Chatham, Ontario are open for business;
2. "business day" shall mean a day on which the general offices of Union in Chatham, Ontario are open for business;
3. "Contract" shall refer to the Contract to which these General Terms & Conditions shall apply, and into which they are incorporated;
4. "contract year" shall mean a period of three hundred and sixty-five (365) consecutive days, beginning on the day agreed upon by Union and Shipper as set forth in the Contract, or on any anniversary of such date; provided, however, that any such period which contains a date of February 29 shall consist of three hundred and sixty-six (366) consecutive days;
5. "day" shall mean a period of twenty-four (24) consecutive hours beginning at 9:00 a.m. Central Standard time. The reference date for any day shall be the calendar date upon which the twenty-four (24) hour period shall commence;
6. "month" shall mean the period beginning at 9:00 a.m. Central Standard time on the first day of a calendar month and ending at 9:00 a.m. Central Standard time on the first day of the following calendar month;
7. "firm" shall mean service not subject to curtailment or interruption except under Articles XI and XII of this Schedule "B";
8. "interruptible service" shall mean service subject to curtailment or interruption, after notice, at any time;
9. "gas" shall mean gas as defined in the Ontario Energy Board Act, R.S.O. 1980, c. 332, as amended, supplemented or reenacted from time to time;
10. "cubic metre" shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;
11. "m³" shall mean cubic metre of gas and "10³m³" shall mean 1,000 cubic metres of gas;
12. "pascal" (Pa) shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term "kilopascal" (kPa) shall mean 1,000 pascals;
13. "joule" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term "megajoule" (MJ) shall mean 1,000,000 joules. The term "gigajoule" (GJ) shall mean 1,000,000,000 joules;
14. "gross heating value" shall mean the total heat expressed in megajoules per cubic metre (MJ/m³) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;
15. "Shipper" shall have the meaning as defined in the Contract, and shall also include Shipper's agent(s);
16. "subsidiary" means a company in which more than fifty (50) per cent of the issued share capital (having full voting

SCHEDULE "A"

rights under all circumstances) is owned or controlled directly or indirectly by another company, by one or more subsidiaries of such other company, or by such other company and one or more of its subsidiaries;

17. "TCPL" means TransCanada PipeLines Limited;
18. "NOVA" means Gas Transmission Ltd.;
19. "Panhandle" means CMS Panhandle Eastern Pipeline Company;
20. "MichCon" means Michigan Consolidated Gas Company;
21. "SCPL" means St. Clair Pipelines (1996) Ltd.;
22. "OEB" means the Ontario Energy Board;
23. "NEB" means the National Energy Board (Canada);
24. "GLGT" means Great Lakes Gas Transmission Company;
25. "CMS" means CMS Gas Transmission and Storage Company;
26. "Consumers" means The Consumers' Gas Company, Limited;
27. "cricondenthm hydrocarbon dewpoint" shall mean the highest hydrocarbon dewpoint temperature on the phase envelope;
28. "hydrocarbon dewpoint" shall mean temperature at a specific pressure where hydrocarbon vapour condensation begins;
29. "specific gravity" shall mean density of the gas divided by density of air, with both at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute; and,
30. "Wobbe Number" shall mean gross heating value of the gas divided by the square root of its specific gravity.

II. GAS QUALITY

1. Natural Gas: The minimum gross heating value of the gas delivered to/by Union hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Union hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Union may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Union may be a commingled supply from Union's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons, except methane, may be removed prior to delivery to Shipper. Further, Union may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning and other processes.
2. Freedom from objectionable matter: The gas to be delivered to Union at the Receipt Point(s) hereunder,
 - a. shall be commercially free from bacteria, sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to, or interference with, the proper operation of the lines, regulators, meters or other appliances through which it flows,
 - b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas, nor more than one hundred (100) milligrams of total sulphur per cubic metre of gas,
 - c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,

SCHEDULE "A"

- d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
 - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
 - f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
 - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
 - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
 - i. shall not have a cricondenthem hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
 - j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas,
 - k. shall not exceed forty-three degrees Celsius (43°C), and,
 - l. shall not be odourized by Shipper.
3. Non-conforming Gas:
- a. In the event that the quality of the gas does not conform or if Union, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so directed by Union acting reasonably, forthwith carry out, at Shipper's cost, whatever field testing of the gas quality as may be required to ensure that the quality requirements set out herein are met, and to provide Union with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Union may conduct such test and Shipper shall reimburse Union for all costs incurred by Union for such testing.
 - b. If Shipper's gas fails at any time to conform to the requirements of this Article II, Union, in addition to its other remedies, may refuse to accept delivery of gas at the Receipt Points hereunder until such deficiency has been remedied by Shipper. Each Party agrees to notify the other verbally, followed by written notification, of any such deficiency of quality.
 - c. With respect to Article II 2. h. herein, Union may accept the gas subject to Shipper's obligations under the Dehydration Contract, if applicable.
4. Quality of Gas Received: The quality of the gas to be received by Union at the Receipt Point(s) hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II.
5. Quality of Gas at Dawn: The quality of the gas to be delivered to Union at Dawn (Facilities) or the gas to be delivered by Union to Shipper at Dawn (Facilities) hereunder is to be of a merchantable quality and in accordance with the quality standards and measurement standards as set out by Union in this Article II, except that total sulphur limit shall be not more than four hundred and sixty (460) milligrams per cubic metre of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.
6. Odourization of Gas:
- a. Union may odourize or deliver odourized gas under the Contract,
 - b. Shipper shall if requested by Union monitor the mercaptan sulphur content of the gas delivered to Union under the Contract and shall provide at no cost to Union a continuous signal quantifying the mercaptan sulphur content in milligrams per cubic metre.

III. MEASUREMENTS

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1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Union shall be a megajoule or a gigajoule. The unit of gas transported or stored by Union shall be a megajoule or a gigajoule. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m³) or one thousand cubic metres (10³m³) at Union's discretion.
2. Determination of Volume and Energy:
 - a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
 - b. The supercompressibility factor shall be determined in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all as amended from time to time.
 - c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VII herein.
 - d. Upon request by Union, Shipper shall obtain measurement of the total quantity of gas received by Union hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Union and the Interconnecting Pipeline.

IV. POINT OF RECEIPT AND POINT OF DELIVERY

1. Unless otherwise specified in the Contract, the point or points of receipt for all gas to be covered thereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection specified in the Contract, where Union takes possession of the gas. Whenever the phrase "receipt point" appears herein, it shall mean Point of Receipt as defined in this Article IV.
2. Unless otherwise specified in the Contract, the point or points of delivery for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection as specified in the Contract, where Shipper takes possession of the gas. Whenever the phrase "delivery point" shall appear hereon, it shall mean Point of Delivery as defined in this Article IV.

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

N/A

VI. FACILITIES ON SHIPPER'S PROPERTY

N/A

VII. MEASURING EQUIPMENT

1. Metering by Union: Union will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.
2. Metering by Others: In the event that all or any gas delivered to/by Union hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline, then Union and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Union on behalf of the Shipper. The standard of

SCHEDULE "A"

measurement and tests for the gas delivered to/by Union hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's gas tariff as approved by its regulatory body.

3. Check Measuring Equipment: Shipper may install, maintain and operate, at the Custody Transfer Point, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Union's measuring equipment at or near the Custody Transfer Point, and shall be installed, maintained and operated in conformity with the same standards and specifications applicable to Union's metering facilities.
4. Rights of Parties: The measuring equipment installed by either party, together with any building erected by it for such equipment, shall be and remain its property. However, Union and Shipper shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of deliveries of gas to/by Union under the Contract. Either party will give the other party reasonable notice of its intention to carry out the acts herein specified. The records from such measuring equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within ten (10) days after receipt thereof.
5. Calibration and Test of Measuring Equipment: The accuracy of Union's measuring equipment shall be verified by Union at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Union shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either party notifies the other that it desires a special test of any measuring equipment, the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Shipper, shall be borne by Shipper if the measuring equipment tested is found to be in error by not more than two per cent (2%). If, upon test, any measuring equipment is found to be in error by not more than two per cent (2%), previous recordings of such equipment shall be considered accurate in computing receipts and deliveries of gas, but such equipment shall be adjusted at once to record as near to absolute accuracy as possible. If the test conducted shows a percentage of inaccuracy greater than two percent (2%), the financial adjustment, if any, shall be calculated in accordance with the Act and Regulations, as may be amended from time to time and in accordance with any successor statutes and regulations.
6. Preservation of Metering Records: Union and Shipper shall each preserve for a period of at least six (6) years all test data, and other relevant records.
7. Error in Metering or Meter Failure: In the event of an error in metering or a meter failure (such error or failure being determined through check measurement by Union or any other available method), then Shipper shall enforce its rights as Shipper with the Interconnecting Pipeline(s) to remedy such error or failure including enforcing any inspection and/or verification rights and procedures.

VIII. BILLING

1. Monthly Billing Date: Union shall render bills on or before the 10th day of each month for all services furnished during the preceding month. Such charges may be based on estimated quantities, if actual quantities are unavailable in time to prepare the billing. Union shall provide, in a succeeding month's billing, an adjustment based on any difference between actual quantities and estimated quantities. If presentation of a bill to Shipper is delayed after the 10th day of the month, then the time of payment shall be extended accordingly, unless Shipper is responsible for such delay.
2. Right of Examination: Both Union and Shipper shall have the right to examine at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provisions of the Contract.

IX. PAYMENTS

SCHEDULE "A"

1. **Monthly Payments:** Shipper shall pay the invoiced amount directly into Union's bank account as directed on the invoice on or before the twentieth (20th) day of each month. If the payment date is not a business day, then payment must be received in Union's account on the first business day preceding the twentieth (20th) day of the month.
2. **Remedies for Non-payment:** Should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due, Shipper shall pay to Union interest on the unpaid portion of the bill accruing at a rate per annum equal to the minimum commercial lending rate of Union's principal banker in effect from time to time from the due date until the date of payment. If such failure to pay continues for thirty (30) days after payment is due, Union, in addition to any other remedy it may have under the Contract may suspend service(s) until such amount is paid, provided however, that if Shipper, in good faith shall dispute the amount of any such bill or part thereof and shall pay to Union such amounts as it concedes to be correct and at any time thereafter within twenty (20) days of a demand made by Union shall furnish good and sufficient surety bond satisfactory to Union, guaranteeing payment to Union of the amount ultimately found due upon such bill after a final determination which may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case, then Union shall not be entitled to suspend service(s) because of such non-payment unless and until default be made in the conditions of such bond or in payment for any further service(s) to Shipper hereunder.

Notwithstanding the foregoing paragraph, this does not relieve Shipper from the obligation to continue its deliveries of gas under the terms of any agreement, where Shipper has contracted to deliver specified quantities of gas to Union.

3. **Billing Adjustments:** If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, Union shall refund the amount of any such overcharge and interest shall accrue from and including the first day of such overcharge as paid to the date of refund and shall be calculated but not compounded at a rate per annum determined each day during the calculation period to be equal to the minimum commercial lending rate of Union's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Union renders a bill to Shipper based upon measurement estimates, the required adjustment to reflect actual measurement shall be made on the bill next following the determination of such actual measurement, without any charge of interest. In the event an error is discovered in the amount billed in any statement rendered by Union, such error shall be adjusted by Union. Such overcharge, undercharge or error shall be adjusted by Union on the bill next following its determination (where the term "bill" next following shall mean a bill rendered at least fourteen (14) days after the day of its determination), provided that claim therefore shall have been made within six (6) years from the date of the incorrect billing. In the event any refund is issued with Shipper's bill, the aforesaid date of refund shall be deemed to be the date of the issue of invoice.

X. ARBITRATION

If and when any dispute, difference or question shall arise between the parties hereto touching the Contract or anything herein contained, or the construction hereof, or the rights, duties or liabilities of the parties in relation to any matter hereunder, the matter in dispute shall be submitted and referred to arbitration within ten (10) days after written request of either party. Upon such request each party shall appoint an arbitrator, and the two so appointed shall appoint a third. A majority decision of the arbitrators shall be final and binding upon both parties. In all other respects the provisions of the Arbitration Act of the Province of Ontario, or any act passed in amendment thereof or substitution therefore, shall apply to each such submission. Operations under the Contract shall continue, without prejudice, during any such arbitration and the costs attributable to such arbitration shall be shared equally by the parties hereto.

XI. FORCE MAJEURE

N/A

XII. DEFAULT AND TERMINATION

N/A

XIII. MODIFICATION

N/A

XIV. NONWAIVER AND FUTURE DEFAULT

N/A

XV. LAWS, REGULATIONS AND ORDERS

The Contract and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules and regulations of any competent legislative body, or duly constituted authority now or hereafter having jurisdiction and the Contract shall be varied and amended to comply with or conform to any valid order or direction of any board, tribunal or administrative agency which affects any of the provisions of the Contract.

**RATE M16
GENERAL TERMS & CONDITIONS**

I. DEFINITIONS

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms & Conditions and in any contract into which these General Terms & Conditions are incorporated, shall be construed to have the following meanings:

"Aid to Construction" shall include any and all costs, expenses, amounts, damages, obligations, or other liabilities (whether of a capital or operating nature, and whether incurred before or after the date of the Contract) actually paid by Union (including amounts paid to affiliates for services rendered in accordance with the Affiliate Relationships Code as established by the OEB) in connection with or in respect of satisfying the conditions precedent set out in Article XXI herein (including without limitation the construction and placing into service of the Union Expansion Facilities, the obtaining of all governmental, regulatory and other third party approvals, and the obtaining of rights of way) whether resulting from Union's negligence or not, except for any costs that have arisen from the gross negligence, fraud, or wilful misconduct of Union;

"Authorized Overrun" shall mean the amount by which Shipper's Authorized Quantity exceeds the firm and interruptible contract demands;

"Authorized Quantity" shall have the meaning given thereto in Schedule "B 2010" of the C1 Rate Schedule;

"Business Day" shall mean any day, other than Saturday, Sunday or any days on which national banks in the Province of Ontario are authorized to close;

"Contract" shall refer to the Contract to which these General Terms & Conditions shall apply, and into which they are incorporated;

"Contract Year" shall mean a period of three hundred and sixty-five (365) consecutive days, beginning on the Commencement Date or on any anniversary of such date; provided, however, that any such period which contains a date of February 29 shall consist of three hundred and sixty-six (366) consecutive days;

"cricondentherm hydrocarbon dewpoint" shall mean the highest hydrocarbon dewpoint temperature on the phase envelope;

"cubic metre" shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;

"Custody Transfer Point" That point on the piping system at the Pool Station which is at the Shipper side of the insulating flange on the Union Expansion Facilities, and which point shall serve as the point of custody transfer;

"Day" shall mean a period of twenty-four (24) consecutive hours beginning at 10:00 a.m. Eastern Clock Time. The reference date for any Day shall be the calendar date upon which the twenty-four (24) hour period shall commence;

"Dehydration Contract" shall mean the contract for Dehydration Service between Union and the Shipper as detailed in Schedule 1 of the Contract;

"Delivery Point" shall mean the point(s) where Union shall deliver gas to Shipper as defined in Schedule 1 of the Contract;

"Eastern Clock Time" shall mean the local clock time in the Eastern Time Zone on any Day;

"firm" shall mean service not subject to curtailment or interruption except under Articles XI, XII and XVIII herein;

"gas" shall mean gas as defined in the Ontario Energy Board Act, 1998, S.O. 1998, c. 15, Sch. B, as amended, supplemented or re-enacted from time to time;

"gross heating value" shall mean the total heat expressed in megajoules per cubic metre (MJ/m³) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;

"hydrocarbon dewpoint" shall mean temperature at a specific pressure where hydrocarbon vapour condensation begins;

"Interconnecting Pipeline" shall mean a pipeline that directly connects to the Union pipeline system;

"Interruptible Service HUB Contract" shall mean a contract between Shipper and Union under which Union provides interruptible HUB service;

"interruptible" shall mean service subject to curtailment or interruption, after notice, at any time;

"joule" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term **"megajoule"** (MJ) shall mean 1,000,000 joules. The term **"gigajoule"** (GJ) shall mean 1,000,000,000 joules;

"m³" shall mean cubic metre of gas and **"10³m³"** shall mean 1,000 cubic metres of gas;

"Month" shall mean the period beginning at 10:00 a.m. Eastern Clock Time on the first day of a calendar month and ending at 10:00 a.m. Eastern Clock Time on the first day of the following calendar month;

"OEB" means the Ontario Energy Board;

"pascal" **"(Pa)"** shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term **"kilopascal"** **"(kPa)"** shall mean 1,000 pascals;

"Pool Quantity" shall mean the actual daily quantity of gas delivered to or received from Shipper at the Custody Transfer Point;

"Pool Station" shall mean the physical location of Union's measurement and control facilities to the pool; the pool name as detailed in Schedule 1 of the Contract;

"Receipt Point" shall mean any one of the points where Union shall receive gas from Shipper as detailed in Schedule 1 of the Contract;

"Shipper" shall have the meaning as defined in the Contract, and shall also include Shipper's agent(s);

"Shipper Quantity" shall, on any Day, be equal to the greater of: (i) the Authorized Quantity for that Day; and (ii) the nomination duly made by Shipper in good faith prior to the nomination deadline for the first nomination window applicable for that Day; provided that in no event shall the Shipper Quantity exceed the firm contract demand;

"specific gravity" shall mean density of the gas divided by density of air, with both at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;

"Taxes" shall mean any tax (other than tax on income or tax on property), duty, royalty, levy, license, fee or charge not included in the charges and rates as per the applicable rate schedule (including but not limited to charges under any form of cap and trade, carbon tax, or similar system) and that is levied, assessed or made by any governmental authority on the gas itself, or the act, right, or privilege of producing, severing, gathering, storing, transporting, handling, selling or delivering gas under the Contract;

"TCPL" means TransCanada PipeLines Limited;

"**Union Expansion Facilities**" shall mean any facilities necessary for Union to provide the Services, including without limiting the generality of the foregoing:

- a. a meter and any associated recording gauges as are necessary;
- b. pressure and/or flow control devices, over pressure protection and telemetry equipment as are necessary;
- c. a suitable gas odourizing injection facility if Union deems such a facility to be necessary
- d. piping, fittings, material, filtration facilities, cathodic protection and insulating flanges;
- e. gas chromatograph, moisture analyzer, piping, fittings, material, filtration facilities, cathodic protection and insulating flanges;

"**Wobbe Number**" shall mean gross heating value of the gas divided by the square root of its specific gravity.

II. GAS QUALITY

1. Natural Gas: The minimum gross heating value of the gas delivered to/by Union hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Union hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Union may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Union may be a commingled supply from Union's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons, except methane, may be removed prior to delivery to Shipper. Further, Union may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning and other processes.
2. Freedom from objectionable matter: The gas to be delivered to Union at the Receipt Point(s) hereunder,
 - a. shall be commercially free from bacteria, sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to, or interference with, the proper operation of the lines, regulators, meters or other appliances through which it flows,
 - b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas, nor more than one hundred (100) milligrams of total sulphur per cubic metre of gas,
 - c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
 - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
 - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
 - f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
 - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
 - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
 - i. shall not have a cricondenthem hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
 - j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one

point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas,

k. shall not exceed forty-three degrees Celsius (43°C), and,

l. shall not be odourized by Shipper.

3. **Non-conforming Gas:**

- a. In the event that the quality of the gas does not conform or if Union, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so directed by Union acting reasonably, forthwith carry out, at Shipper's cost, whatever field testing of the gas quality as may be required to ensure that the quality requirements set out herein are met, and to provide Union with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Union may conduct such test and Shipper shall reimburse Union for all costs incurred by Union for such testing.
- b. If Shipper's gas fails at any time to conform to the requirements of this Article II, Union, in addition to its other remedies, may refuse to accept delivery of gas at the Receipt Points hereunder until such deficiency has been remedied by Shipper. Each Party agrees to notify the other verbally, followed by written notification, of any such deficiency of quality.
- c. With respect to Article II 2. h. herein, Union may accept the gas subject to Shipper's obligations under the Dehydration Contract, if applicable.

4. **Quality of Gas Received:** The quality of the gas to be received by Union at the Receipt Point(s) hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II.

5. **Quality of Gas at Dawn:** The quality of the gas to be delivered to Union at Dawn (Facilities) or the gas to be delivered by Union to Shipper at Dawn (Facilities) hereunder is to be of a merchantable quality and in accordance with the quality standards and measurement standards as set out by Union in this Article II, except that total sulphur limit shall be not more than four hundred and sixty (460) milligrams per cubic metre of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.

6. **Odourization of Gas:**

- a. Union may odourize or deliver odourized gas under the Contract,
- b. Shipper shall if requested by Union monitor the mercaptan sulphur content of the gas delivered to Union under the Contract and shall provide at no cost to Union a continuous signal quantifying the mercaptan sulphur content in milligrams per cubic metre.

III. MEASUREMENTS

1. **Storage, Transportation, and/or Sales Unit:** The unit of the gas delivered to Union shall be a megajoule or a gigajoule. The unit of gas transported or stored by Union shall be a megajoule or a gigajoule. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m³) or one thousand cubic metres (10³m³) at Union's discretion.

2. **Determination of Volume and Energy:**

- a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.

- b. The supercompressibility factor shall be determined in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all as amended from time to time.
- c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VII herein.
- d. Upon request by Union, Shipper shall obtain measurement of the total quantity of gas received by Union hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Union and the Interconnecting Pipeline.

IV. RECEIPT POINT AND DELIVERY POINT

The point or points of receipt and point or points of delivery for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection specified in Schedule 1 of the Contract, where possession of the gas changes from one party to the other.

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

- 1. Possession of Gas: Union accepts no responsibility for any gas prior to such gas being delivered to Union at the Receipt Point or after its delivery by Union at the Delivery Point. As between the parties hereto, Union shall be deemed to be in control and possession of and responsible for all such gas from the time that such gas enters Union's system until such gas is delivered to Shipper.
- 2. Liability: Shipper agrees that Union is not a common carrier and is not an insurer of Shipper's gas, and that Union shall not be liable to Shipper or any third party for loss of gas in Union's possession, except to the extent such loss is caused entirely by Union's negligence or wilful misconduct.

VI. FACILITIES ON SHIPPER'S PROPERTY

- 1. Union Equipment: All of the Union Expansion Facilities shall remain the property of Union. Union shall be entitled to remove said equipment at any time within a period of sixty (60) days from any termination or expiry of the Contract. Shipper shall take all necessary steps to ensure Union may enter the Pool Station to remove such equipment for a period of sixty (60) days after termination or expiry of the Contract.
- 2. Shipper Obligations: Shipper shall, at Shipper's own cost and expense:
 - a. obtain the Pool Station Land Rights; and
 - b. furnish, install, set, and maintain suitable pressure and quantity control equipment and such additional equipment as required on Shipper's delivery system, to protect against the over pressuring of Union's facilities as set out in Article VI of the Contract and Schedule 1 of the Contract, protect Union from receiving gas not meeting the quality specification as set out in Article II herein, and to limit the daily flow of gas to the corresponding parameters as set out in the Article II of the Contract.
- 3. Maintenance Costs: Shipper shall within thirty (30) days of the delivery of an invoice by Union, reimburse Union for any actual costs reasonably incurred by Union for any repair, replacement, relocation, or upgrading of any meter station or any Union Expansion Facilities requested by Shipper, or as required by law or by duly constituted regulatory body, or through good engineering practice. Union shall be responsible for any costs incurred by Union to correct an error made by Union.

4. Operation and Maintenance: Subject to this Article VI Section 3, each party shall be fully responsible for the continued operation, maintenance, repair and replacement of its respective facilities. Both parties agree to maintain cathodic protection on their respective facilities.
5. Inspection: Each party shall inspect its facilities as required by industry standards or by the appropriate regulatory body.
6. Repair or Replacement: Each party shall decide, in its sole discretion, whether its facilities need to be repaired or replaced. In the event that repair or replacement is needed, the party undertaking such work will, to the extent possible, give the other party sixty (60) days' notice and will ensure that the work be done in a manner so as to minimize the amount of time the pipeline has restricted flows.

VII. MEASURING EQUIPMENT

1. Metering by Union: Union will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.
2. Metering by Others: In the event that all or any gas delivered to/by Union hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline, then Union and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Union on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Union hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's gas tariff as approved by its regulatory body.
3. Check Measuring Equipment: Shipper may install, maintain and operate, at the Custody Transfer Point, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Union's measuring equipment at or near the Custody Transfer Point, and shall be installed, maintained and operated in conformity with the same standards and specifications applicable to Union's metering facilities.
4. Rights of Parties: The measuring equipment installed by either party, together with any building erected by it for such equipment, shall be and remain its property. However, Union and Shipper shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of deliveries of gas to/by Union under the Contract. Either party will give the other party reasonable notice of its intention to carry out the acts herein specified. The records from such measuring equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within ten (10) days after receipt thereof.
5. Calibration and Test of Measuring Equipment: The accuracy of Union's measuring equipment shall be verified by Union at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Union shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either party notifies the other that it desires a special test of any measuring equipment, the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Shipper, shall be borne by Shipper if the measuring equipment tested is found to be in error by not more than two per cent (2%). If, upon test, any measuring equipment is found to be in error by not more than two per cent (2%), previous recordings of such equipment shall be considered accurate in computing receipts and deliveries of gas, but such equipment shall be adjusted at once to record as near to absolute accuracy as possible. If the test conducted shows a percentage of inaccuracy greater than two percent (2%), the financial adjustment, if any, shall be calculated in accordance with the Act and Regulations, as may be amended from time to time and in accordance with any successor statutes and regulations.
6. Preservation of Metering Records: Union and Shipper shall each preserve for a period of at least six (6) years all test data, and other relevant records.

7. Error in Metering or Meter Failure: In the event of an error in metering or a meter failure, (such error or failure being determined through check measurement by Union or any other available method), then Shipper shall enforce its rights as Shipper with the Interconnecting Pipeline(s) to remedy such error or failure including enforcing any inspection and/or verification rights and procedures.

VIII. BILLING

1. Monthly Billing Date: Union shall render bills on or before the tenth (10th) day of each month for all Services furnished during the preceding Month. Such charges may be based on estimated quantities, if actual quantities are unavailable in time to prepare the billing. Union shall provide, in a succeeding Month's billing, an adjustment based on any difference between actual quantities and estimated quantities, without any interest charge. If presentation of a bill to Shipper is delayed after the tenth (10th) day of the month, then the time of payment shall be extended accordingly, unless Shipper is responsible for such delay.
2. Right of Examination: Both Union and Shipper shall have the right to examine at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provisions of the Contract.
3. Amendment of Statements: For the purpose of completing a final determination of the actual quantities of gas handled under the Contract, Union shall have the right to amend its statements for a period equal to the time during which the Interconnecting Pipeline retains the right to amend their statements, which period shall not exceed three (3) years from the date of termination of the Contract.

IX. PAYMENTS

1. Monthly Payments: Shipper shall pay the invoiced amount directly into Union's bank account as directed on the invoice on or before the twentieth (20th) day of each month. If the payment date is not a Business Day, then payment must be received in Union's account on the first Business Day preceding the twentieth (20th) day of the month.
2. Remedies for Non-payment: Should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due,
 - a. Shipper shall pay to Union interest on the unpaid portion of the bill accruing at a rate per annum equal to the minimum commercial lending rate of Union's principal banker in effect from time to time from the due date until the date of payment; and,
 - b. If such failure to pay continues for thirty (30) days after payment is due, Union, in addition to any other remedy it may have under the Contract, may suspend Services until such amount is paid. Notwithstanding such suspension, all demand charges shall continue to accrue hereunder as if such suspension were not in place.

If Shipper in good faith disputes the amount of any such bill or part thereof Shipper shall pay to Union such amounts as it concedes to be correct. At any time thereafter, within twenty (20) days of a demand made by Union, Shipper shall furnish financial assurances satisfactory to Union, guaranteeing payment to Union of the amount ultimately found due upon such bill after a final determination. Such a final determination may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case. Union shall not be entitled to suspend Services because of such non-payment unless and until default occurs in the conditions of such financial assurances or default occurs in payment of any other amount due to Union hereunder.

Notwithstanding the foregoing, Shipper is not relieved from the obligation to continue its deliveries of gas to Union under the terms of any agreement, where Shipper has contracted to deliver specified quantities of gas to Union.

3. Billing Adjustments: If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such

overcharge or undercharge, Union shall refund the amount of any such overcharge and interest shall accrue from and including the first day of such overcharge as paid to the date of refund and shall be calculated but not compounded at a rate per annum determined each day during the calculation period to be equal to the minimum commercial lending rate of Union's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Union renders a bill to Shipper based upon measurement estimates, the required adjustment to reflect actual measurement shall be made on the bill next following the determination of such actual measurement, without any charge of interest. In the event an error is discovered in the amount billed in any statement rendered by Union, such error shall be adjusted by Union. Such overcharge, undercharge or error shall be adjusted by Union on the bill next following its determination (where the term "**bill next following**" shall mean a bill rendered at least fourteen (14) days after the day of its determination), provided that claim therefore shall have been made within three (3) years from the date of the incorrect billing. In the event any refund is issued with Shipper's bill, the aforesaid date of refund shall be deemed to be the date of the issue of bill.

4. Taxes: In addition to the charges and rates as per the applicable rate schedules and price schedules, Shipper shall pay all Taxes which are imposed currently or subsequent to the execution of the Contract by any legal authority having jurisdiction and any amount in lieu of such Taxes paid or payable by Union.
5. Set Off: If Shipper shall, at any time, be in arrears under any of its payment obligations to Union under the Contract, then Union shall be entitled to reduce the amount payable by Union to Shipper under the Contract or any other contract by an amount equal to the amount of such arrears or other indebtedness to Union. In addition to the foregoing remedy, Union may, upon forty-eight (48) hours verbal notice, to be followed by written notice, take possession of any or all of Shipper's gas under the Contract, which shall be deemed to have been assigned to Union, to reduce such arrears or other indebtedness to Union.
6. Aid to Construction: Shipper agrees to reimburse Union for the Aid to Construction.

In the event Union has incurred costs, as set out herein, relative to the construction, installation or connection of the gas metering station prior to being notified by Shipper of Shipper's intention to terminate the Contract, Shipper shall promptly remit to Union such actual costs on presentation to Shipper of an invoice for same from Union.

All applicable Taxes will be applied to all amounts to be paid under this Section. Shipper warrants and represents that no payment to be made by Shipper under the Contract is subject to any withholding tax.

X. ARBITRATION

If and when any dispute, difference or question shall arise between the parties hereto touching the Contract or anything herein contained, or the construction hereof, or the rights, duties or liabilities of the parties in relation to any matter hereunder, the matter in dispute shall be submitted and referred to arbitration within ten (10) days after written request of either party. Upon such request each party shall appoint an arbitrator, and the two so appointed shall appoint a third. A majority decision of the arbitrators shall be final and binding upon both parties. In all other respects the provisions of the Arbitration Act, 1991, or any act passed in amendment thereof or substitution therefore, shall apply to each such submission. Operations under the Contract shall continue, without prejudice, during any such arbitration and the costs attributable to such arbitration shall be shared equally by the parties hereto.

XI. FORCE MAJEURE

1. Definition: The term "**force majeure**" as used herein shall mean acts of God, strikes, lockouts or any other industrial disturbance, acts of the public enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority (civil or military), any act or omission that is excused by any event or occurrence of the character herein defined as constituting force majeure, any act or omission by parties not controlled by the party having the difficulty and

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any other similar cases not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.

2. Notice: In the event that either the Shipper or Union is rendered unable, in whole or in part, by force majeure, to perform or comply with any obligation or condition of the Contract, such party shall give notice and full particulars of such force majeure in writing delivered by hand, fax or other direct written electronic means to the other party as soon as possible after the occurrence of the cause relied on and subject to the provision of this Article.
3. Exclusions: Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances prevail: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension; the failure was caused by the party claiming suspension where such party failed to remedy the condition by making all reasonable efforts (short of litigation, if such remedy would require litigation); the party claiming suspension failed to resume the performance of such condition obligations with reasonable dispatch; the failure was caused by lack of funds; the party claiming suspension did not, as soon as possible after determining, or within a period within which it should acting reasonably have determined, that the occurrence was in the nature of force majeure and would affect its ability to observe or perform any of its conditions or obligations under the Contract, give to the other party the notice required hereunder.
4. Notice of Remedy: The party claiming suspension shall likewise give notice as soon as possible after the force majeure condition is remedied, to the extent that the same has been remedied, and that such party has resumed or is then in a position to resume the performance of the obligations and conditions of the Contract.
5. Obligation to Perform: An event of force majeure on Union's system will excuse the failure to deliver gas by Union or the failure to accept gas by Union hereunder, and both parties shall be excused from performance of their obligations hereunder, except for payment obligations, to the extent of and for the duration of the force majeure.
6. Upstream or Downstream Force Majeure: An event of force majeure upstream or downstream of Union's system shall not relieve Shipper of any payment obligations.
7. Delay of Firm Transportation Services: Despite Article XI herein, if Union is prevented, by reason of an event of force majeure on Union's system from delivering gas on the Day or Days upon which Union has accepted gas from Shipper, Union shall thereafter make all reasonable efforts to deliver such quantities as soon as practicable and on such Day or Days as are agreed to by Shipper and Union. If Union accepts such gas on this basis, Shipper shall not receive any demand charge relief as contemplated under Article XI herein.
8. Demand Charge Relief for Firm Transportation Services: Despite Article XI herein, if on any Day Union fails to accept gas from Shipper by reason of an event of force majeure on Union's system and fails to deliver the quantity of gas nominated hereunder by Shipper up to the firm contract demand for the Contract, then for that Day the Monthly demand charge shall be reduced by an amount equal to the applicable Daily Demand Rate, as defined in this paragraph, multiplied by the difference between the quantity of gas actually delivered by Union during such Day and the quantity of gas which Shipper in good faith nominated on such Day. The term "**Daily Demand Rate**" shall mean the Monthly demand charge or equivalent pursuant to the C1 Rate Schedule divided by the number of days in the month for which such rate is being calculated.
9. Unforeseen Reduction: In addition to the definition of force majeure in Article XI, Section 1 herein, for the purposes of the Contract, it shall also include the unforeseen reduction in natural gas usage and/or capacity of the local transmission system as described in Schedule 1 of the Contract, regardless of the duration of such unforeseen reduction, or any other cause, whether of the kind herein enumerated or otherwise, not within the reasonable control of the party claiming relief hereunder and which, by the exercise of due diligence, such party is unable to prevent or overcome.

XII. DEFAULT AND TERMINATION

In case of the breach or non-observance or non-performance on the part of either party hereto of any covenant, proviso, condition, restriction or stipulation contained in the Contract (but not including herein failure to take or make

delivery in whole or in part of the gas delivered to/by Union hereunder occasioned by any of the reasons provided for in Article XI herein) which has not been waived by the other party, then and in every such case and as often as the same may happen, the non-defaulting party may give written notice to the defaulting party requiring it to remedy such default and in the event of the defaulting party failing to remedy the same within a period of thirty (30) days from receipt of such notice, the non-defaulting party may at its sole option declare the Contract to be terminated and thereupon the Contract shall be terminated and be null and void for all purposes other than and except as to any liability of the parties under the same incurred before and subsisting as of termination. The right hereby conferred upon each party shall be in addition to, and not in derogation of or in substitution for, any other right or remedy which the parties respectively at law or in equity shall or may possess.

XIII. AMENDMENT

Subject to Article XV herein and the ability of Union to amend the applicable rate schedules and price schedules, with the approval of the OEB (if required), no amendment or modification of the Contract shall be effective unless the same shall be in writing and signed by each of the Shipper and Union.

XIV. NON-WAIVER AND FUTURE DEFAULT

No waiver of any provision of the Contract shall be effective unless the same shall be in writing and signed by the party entitled to the benefit of such provision and then such waiver shall be effective only in the specific instance and for the specified purpose for which it was given. No failure on the part of Shipper or Union to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy under the Contract shall operate as a waiver thereof.

XV. LAWS, REGULATIONS AND ORDERS

The Contract and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules and regulations of any competent legislative body, or duly constituted authority now or hereafter having jurisdiction and the Contract shall be varied and amended to comply with or conform to any valid order or direction of any board, tribunal or administrative agency which affects any of the provisions of the Contract.

XVI. RESERVED FOR FUTURE USE

N/A

XVII. RENEWALS

The Contract will continue in full force and effect beyond the Initial Term, automatically renewing for a period of one (1) year, and every one (1) year thereafter. Shipper or Union may reduce the contract demands or terminate the Contract, with notice in writing to the other party, at least two (2) years prior to the expiration thereof.

XVIII. SERVICE CURTAILMENT

1. Capacity Sharing: Where requests for interruptible service hereunder exceed the capacity available for such Service, Union will authorize nominations from shippers and allocate capacity as per Union's procedures and policies and shippers shall be so advised. Any interruptible service provided herein are subordinate to any and all firm service supplied by Union, and subordinate to Union's own operational or system requirements.
2. Capacity Procedures: Union reserves the right to change its procedures and policies for sharing interruptible capacity and will provide Shipper with two (2) months' notice of any such change.

3. Maintenance: Union's facilities from time to time may require maintenance or construction. In the event that such event occurs and in Union's sole opinion, acting reasonably, may impact its ability to meet Shipper's requirements, Union shall provide at least ten (10) days' notice to the Shipper, except in the case of emergencies. In the event the maintenance impacts Union's ability to meet Shipper's requirements, Union shall not be liable for any damages and shall not be deemed to be in breach of the Contract. To the extent that Union's ability to receive or deliver gas is impaired, Demand Charge Relief shall be calculated and credited to Shipper's invoice in accordance with Article XI, Section 8 herein. Union shall use reasonable efforts to determine a mutually acceptable period during which such maintenance or construction will occur and also to limit the extent and duration of any impairments. Union will endeavour to schedule and complete the maintenance and construction, that can be scheduled and completed, and which would normally be expected to impact on Union's ability to meet its obligations of any Contract Year, during the period from April 1 through to October 31.
4. Shipper's Facilities: Shipper shall complete and maintain a plan which depicts all of Shipper's production storage facilities including all emergency shut off valves and emergency equipment and provide a copy to Union upon Union's request. Shipper shall provide to Union the names and telephone numbers of those persons whom Union may contact in the event of an emergency situation arising within the Shipper's facilities.

XIX. SHIPPER'S REPRESENTATIONS AND WARRANTIES

1. Shipper's Warranty: Shipper warrants that it will, if required, maintain, or have maintained on its behalf, all external approvals including the governmental, regulatory, import/export permits and other approvals or authorizations that are required from any federal, state or provincial authorities for the gas quantities to be handled under the Contract. Shipper further warrants that it shall maintain in effect the Facilitating Agreements.
2. Financial Representations: Shipper represents and warrants that the financial assurances (including the Initial Financial Assurances and Security), if any, shall remain in place throughout the term hereof unless Shipper and Union agree otherwise. Shipper shall notify Union in the event of any change to the financial assurances (including the Initial Financial Assurances and Security), if any, throughout the term hereof. Should Union have reasonable grounds to believe that Shipper will not be able to perform or continue to perform any of its obligations under the Contract for any reason (a "**Material Event**"), then Shipper shall within fourteen (14) days of receipt of written notice by Union, obtain and provide to Union a letter of credit or other security in the form and amount reasonably required by Union (the "**Security**"). In the event that Shipper does not provide to Union such Security, Union may deem a default in accordance with the provisions of Article XII herein.

In the event that Shipper in good faith, reasonably believes that it should be entitled to reduce the amount of or value of the Security previously provided, it may request such a reduction from Union and to the extent that the Material Event has been mitigated or eliminated, Union shall return all or a portion of the Security to Shipper within fourteen (14) Business Days after receipt of the request.

3. License: Shipper represents and warrants to Union that Shipper possesses all licenses and permits needed to inject gas into, store gas in, and remove gas from the pool.

XX. MISCELLANEOUS PROVISIONS

1. Assignment: Shipper may not assign the Contract without the written consent of Union and, if required, the approval of the OEB. Should Union consent to the assignment, and if OEB approval is needed, Union will apply for OEB approval with all costs of the application to be paid by Shipper.
2. Title to Gas: Shipper represents and warrants to Union that Shipper shall have good and marketable title to, or legal authority to deliver to Union, all gas delivered to Union hereunder. Furthermore, Shipper hereby agrees to indemnify and save Union harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of claims of any or all third parties to such gas or on account of Taxes, or other charges thereon.

XXI. PRECONDITIONS TO TRANSPORTATION SERVICES

1. Union Conditions: The obligations of Union to provide Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Union and which may be waived or extended in whole or in part in the manner provided in the Contract:
 - a. Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required to provide the Services; and,
 - b. Union shall have obtained all internal approvals that are necessary or appropriate to provide the Services; and,
 - c. Union shall have received from Shipper the requisite financial assurances reasonably necessary to ensure Shipper's ability to honour the provisions of the Contract (the "**Initial Financial Assurances**"). The Initial Financial Assurances, if required, will be as determined solely by Union; and,
 - d. Shipper and Union shall have entered into the Interruptible Service HUB Contract or equivalent (the "**Facilitating Agreement**") with Union; and,
 - e. Shipper shall have paid any amounts owing pursuant to Schedule 1 Aid to Construction; and,
 - f. With regard to the Union Expansion Facilities:
 - i. Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations required to construct the Union Expansion Facilities;
 - ii. Union shall have obtained all internal approvals that are necessary or appropriate to construct the Union Expansion Facilities;
 - iii. Union shall have completed and placed into service the Union Expansion Facilities; and,
 - g. Shipper shall, at Shipper's own cost and expense, have obtained a registered lease or freehold ownership in Union's favour for the Union Expansion Facilities located at the Pool Station satisfactory to Union and sufficient to provide Union with free uninterrupted access to, from, under and above the Pool Station for a term (and extended terms) identical to the Contract, plus sixty (60) days (such land rights being referred to as the "**Pool Station Land Rights**"), and shall provide Union with a bona fide copy of such agreements prior to Union commencing the construction of the Union Expansion Facilities.
2. Shipper Conditions: The obligations of Shipper hereunder are subject to the following conditions precedent, which are for the sole benefit of Shipper and which may be waived or extended in whole or in part in the manner provided in the Contract:
 - a. Shipper shall, as required, have entered into the necessary contracts with Union and/or others to facilitate the Services contemplated herein, including contracts for upstream and downstream transportation, and shall specifically have an executed and valid Facilitating Agreement; and shall, as required, have entered into the necessary contracts to purchase the gas quantities handled under the Contract; and,
 - b. Shipper shall have obtained, in form and substance satisfactory to Shipper, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required from federal, state, or provincial authorities for the gas quantities handled under the Contract; and,

- c. Shipper shall have obtained all internal approvals that are necessary or appropriate for the Shipper to execute the Contract.
- 3. Satisfaction of Conditions: Union and Shipper shall each use due diligence and reasonable efforts to satisfy and fulfil the conditions precedent specified in this Article XXI Section 1 a, c, d, e, f i., f iii., and g and Section 2 a and b. Each party shall notify the other forthwith in writing of the satisfaction or waiver of each condition precedent for such party's benefit. If a party concludes that it will not be able to satisfy a condition precedent that is for its benefit, such party may, upon written notice to the other party, terminate the Contract and upon the giving of such notice, the Contract shall be of no further force and effect and each of the parties shall be released from all further obligations thereunder.
- 4. Non-Satisfaction of Conditions: If any of the conditions precedent in this Article XXI Section 1 c or Section 2 are not satisfied or waived by the party entitled to the benefit of that condition by the Conditions Date as such term is defined in the Contract, then either party may, upon written notice to the other party, terminate the Contract and upon the giving of such notice, the Contract shall be of no further force and effect and each of the parties shall be released from all further obligations hereunder, provided that any rights or remedies that a party may have for breaches of the Contract prior to such termination and any liability a party may have incurred before such termination shall not thereby be released.



CROSS FRANCHISE TRANSPORTATION RATES

(A) Applicability

To a Shipper who enters into a Contract with Union for delivery by Shipper of gas to Union at one of Union's points listed below for redelivery by Union to Shipper at one of Union's points.

<u>Applicable Points</u>	(1)	(2)
	Ojibway	WDA
	St. Clair	NDA
	Dawn*	SSMDA
	Parkway	SWDA
	Kirkwall	CDA
	Bluewater	EDA

*Dawn as a receipt point: Dawn (TCPL), Dawn (Facilities), Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE).

*Dawn as a delivery point: Dawn (Facilities).

(B) Services

Transportation Service under this rate schedule is transportation on Union's pipeline facilities between any two Points as specified in Section (A), column 1.

(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.

Transportation Service:

	Monthly Demand Charges (applied to daily contract demand) <u>Rate/GJ</u>	<u>Union Supplied Fuel</u>		<u>Fuel and Commodity Charges</u>			Commodity <u>Charge Rate/GJ</u>
		<u>Fuel and Commodity Charge</u>		<u>Shipper Supplied Fuel</u>			
		<u>Apr.1-Oct.31</u>	<u>Nov.1-Mar.31</u>	<u>Fuel Ratio</u>			
		<u>Rate/GJ</u>	<u>Rate/GJ</u>	<u>Apr.1-Oct.31</u>	<u>Nov.1-Mar.31</u>	<u>AND</u>	
				<u>%</u>	<u>%</u>		
a) Firm Transportation							
Between:							
St.Clair & Dawn	\$1.045	\$0.010	\$0.013	0.207%	0.266%		\$0.000
Ojibway & Dawn	\$1.045	\$0.022	\$0.015	0.447%	0.303%		\$0.000
Bluewater & Dawn	\$1.045	\$0.010	\$0.013	0.207%	0.266%		\$0.000
From:							
Parkway to Kirkwall	\$0.837	\$0.014	\$0.008	0.293%	0.157%		\$0.000
Parkway to Dawn	\$0.837	\$0.014	\$0.008	0.293%	0.157%		\$0.000
Kirkwall to Dawn	\$1.475	\$0.008	\$0.008	0.157%	0.157%		\$0.000
Dawn to Kirkwall	\$2.865	\$0.016	\$0.037	0.318%	0.756%		\$0.000
Dawn to Parkway (TCPL)	\$3.402	\$0.028	\$0.050	0.571%	1.026%		\$0.000
Kirkwall to Parkway	\$0.537	\$0.020	\$0.021	0.410%	0.427%		\$0.000
b) Firm Transportation between two points within Dawn							
Dawn to Dawn-Vector	\$0.029	n/a	n/a	0.339%	0.157%		\$0.000
Dawn to Dawn-TCPL	\$0.138	n/a	n/a	0.157%	0.351%		\$0.000
c) Interruptible Transportation between two points within Dawn*							
*includes Dawn (TCPL), Dawn Facilities, Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE)				0.157%	0.157%		\$0.000
d) Interruptible and Short Term (1 year or less) Firm Transportation:							
Maximum		\$75.00					

**(C) Rates (Cont'd)****Authorized Overrun:**

The following Overrun rates are applied to any quantities transported in excess of the Contract parameters. Overrun will be authorized at Union's sole discretion.

	Union Supplied Fuel		Shipper Supplied Fuel		
	Commodity Charge		Fuel Ratio		Commodity Charge
	Apr.1-Oct.31	Nov.1-Mar.31	Apr.1-Oct.31	Nov.1-Mar.31	
	<u>Rate/GJ</u>	<u>Rate/GJ</u>	<u>%</u>	<u>%</u>	<u>AND</u> <u>Rate/GJ</u>
a) Firm Transportation					
Between:					
St.Clair & Dawn	\$0.044	\$0.047	0.207%	0.266%	\$0.034
Ojibway & Dawn	\$0.056	\$0.049	0.447%	0.303%	\$0.034
Bluewater & Dawn	\$0.044	\$0.047	0.207%	0.266%	\$0.034
From:					
Parkway to Kirkwall	\$0.156	\$0.150	0.910%	0.774%	\$0.112
Parkway to Dawn	\$0.156	\$0.150	0.910%	0.774%	\$0.112
Kirkwall to Dawn	\$0.056	\$0.056	0.157%	0.157%	\$0.049
Dawn to Kirkwall	\$0.140	\$0.161	0.935%	1.373%	\$0.094
Dawn to Parkway (TCPL)	\$0.170	\$0.192	1.188%	1.643%	\$0.112
Kirkwall to Parkway	\$0.068	\$0.069	1.027%	1.044%	\$0.018
b) Firm Transportation within Dawn					
Dawn to Dawn-Vector	n/a	n/a	0.339%	0.157%	\$0.001
Dawn to Dawn-TCPL	n/a	n/a	0.157%	0.351%	\$0.005

Authorized overrun for short-term firm transportation is available at negotiated rates.

Unauthorized Overrun:

The Unauthorized Overrun rate shall be the higher of the reported daily spot price of gas at either, Dawn, Parkway, Niagara, Iroquois or Chicago in the month of or the month following the month in which the overrun occurred plus 25% for all usage on any day in excess of 102% of Union's contractual obligation.

Notes for Section (C) Rates:

- (1) A demand charge of \$0.070/GJ/day/month will be applicable to customers contracting for firm all day transportation service in addition to the demand charges appearing on this schedule for all firm transportation service paths.

(D) Terms of Service

The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A" for contracts in effect before October 1, 2010. The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A 2010" for contracts in effect on or after October 1, 2010.

(E) Nominations

Nominations under this rate schedule shall be in accordance with the attached Schedule "B" for contracts in effect before October 1, 2010. Nominations under this rate schedule shall be in accordance with the attached Schedule "B 2010" for contracts in effect on or after October 1, 2010.

(F) Receipt and Delivery Points and Pressures

Receipt and Delivery Points and Pressures under this rate schedule shall be in accordance with Schedule "C 2010" for contracts in effect on or after October 1, 2010.

Effective

January 1, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

**RATE C1
GENERAL TERMS & CONDITIONS**

I. DEFINITIONS

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms & Conditions and in any contract into which these General Terms & Conditions are incorporated, shall be construed to have the following meanings:

1. "Contract" shall refer to the Contract to which these General Terms & Conditions shall apply, and into which they are incorporated;
2. "cubic metre" shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;
3. "day" shall mean a period of twenty-four (24) consecutive hours beginning at 9:00 a.m. Central Standard time. The reference date for any day shall be the calendar date upon which the twenty-four (24) hour period shall commence;
4. "delivery" shall mean any gas that is delivered by Union into Shipper's possession, or to the possession of Shipper's agent;
5. "firm" shall mean service not subject to curtailment or interruption except under Articles XI and XII of this Schedule "A";
6. "gas" shall mean gas as defined in the Ontario Energy Board Act, 1998, S.O. 1998, c.15, Sch. B, as amended, supplemented or re-enacted from time to time;
7. "gross heating value" shall mean the total heat expressed in megajoules per cubic metre (MJ/m³) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;
8. "interruptible service" shall mean service subject to curtailment or interruption, after notice, at any time;
9. "Interconnecting Pipeline" shall mean a pipeline that directly connects to the Union pipeline system;
10. "joule" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term "megajoule" (MJ) shall mean 1,000,000 joules. The term "gigajoule" (GJ) shall mean 1,000,000,000 joules;
11. "limited interruptible service" shall mean gas service subject to interruption or curtailment on a limited number of days as specified in the Contract;
12. "m³" shall mean cubic metre of gas and "10³m³" shall mean 1,000 cubic metres of gas;
13. "month" shall mean the period beginning at 9:00 a.m. Central Standard time on the first day of a calendar month and ending at 9:00 a.m. Central Standard time on the first day of the following calendar month;
14. "OEB" means the Ontario Energy Board;
15. "pascal" (Pa) shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term "kilopascal" (kPa) shall mean 1,000 pascals;
16. "receipt" shall mean any gas that is delivered into Union's possession, or the possession of Union's agent;
17. "Shipper" shall have the meaning as defined in the Contract and shall also include Shipper's agent(s);

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18. "TCPL" means TransCanada Pipelines Limited;
19. "cricondenth therm hydrocarbon dewpoint" shall mean the highest hydrocarbon dewpoint temperature on the phase envelope;
20. "hydrocarbon dewpoint" shall mean temperature at a specific pressure where hydrocarbon vapour condensation begins;
21. "specific gravity" shall mean density of the gas divided by density of air, with both at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;
22. "Wobbe Number" shall mean gross heating value of the gas divided by the square root of its specific gravity.

II. GAS QUALITY

1. Natural Gas: The minimum gross heating value of the gas delivered to/by Union hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Union hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Union may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Union may be a commingled supply from Union's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons, except methane, may be removed prior to delivery to Shipper. Further, Union may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning and other processes.
2. Freedom from objectionable matter: The gas to be delivered to/by Union hereunder,
 - a. shall be commercially free from bacteria, sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to, or interference with, the proper operation of the lines, regulators, meters or other appliances through which it flows,
 - b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas, nor more than four hundred and sixty (460) milligrams of total sulphur per cubic metre of gas,
 - c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
 - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
 - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
 - f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
 - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
 - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
 - i. shall not have a cricondenth therm hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
 - j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas.

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3. Non-conforming Gas: In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.
4. Quality of Gas Received: The quality of the gas to be received by Union hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II, but, Union will also accept gas of a quality as set out in any other Interconnecting Pipeline's general terms and conditions, provided that all Interconnecting Pipelines accept such quality of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in Union's C1 Rate Schedule.

III. MEASUREMENTS

1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Union shall be a megajoule or a gigajoule. The unit of gas transported or stored by Union shall be a megajoule or a gigajoule. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m³) or one thousand cubic metres (10³m³) at Union's discretion.
2. Determination of Volume and Energy:
 - a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
 - b. The supercompressibility factor shall be determined in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all as amended from time to time.
 - c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VII herein.
 - d. Upon request by Union, Shipper shall obtain measurement of the total quantity of gas received by Union hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Union and the Interconnecting Pipeline.

IV. RECEIPT POINT AND DELIVERY POINT

1. Unless otherwise specified in the Contract, the point or points of receipt for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection specified in the Contract, where Union takes possession of the gas.
2. Unless otherwise specified in the Contract, the point or points of delivery for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection as specified in the Contract where Shipper takes possession of the gas.

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

Intentionally blank

VI. FACILITIES ON SHIPPER'S PROPERTY

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Except under those conditions where Union is delivering to TCPL for TCPL or Shipper at Union's Parkway Point of Delivery, or to an Interconnecting Pipeline, or where otherwise specified in the Contract, the following will apply:

1. Construction and Maintenance: Union, at its own expense may construct, maintain and operate on Shipper's property at the delivery point a measuring station properly equipped with a meter or meters and any other necessary measuring equipment for properly measuring the gas redelivered under the Contract. Shipper will grant to Union a lease and/or rights-of-way over property of Shipper as required by Union to install such facilities and to connect same to Union's pipeline.
2. Entry: Union, its servants, agents and each of them may at any reasonable time on notice (except in cases of emergency) to Shipper or his duly authorized representative enter Shipper's property for the purpose of constructing, maintaining, removing, operating and/or repairing station equipment.
3. Property: The said station and equipment will be and remain the property of Union notwithstanding it is constructed on and attached to the realty of Shipper, and Union may at its own expense remove it upon termination of the Contract and will do so if so requested by Shipper.

VII. MEASURING EQUIPMENT

1. Metering by Union: Union will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.
2. Metering by Others: In the event that all or any gas delivered to/by Union hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline, then Union and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Union on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Union hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's gas tariff as approved by their regulatory body.
3. Check Measuring Equipment: Shipper may install, maintain and operate, at the redelivery point, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Union's measuring equipment at or near the delivery point, and shall be installed, maintained and operated in conformity with the same standards and specifications applicable to Union's metering facilities.
4. Rights of Parties: The measuring equipment installed by either party, together with any building erected by it for such equipment, shall be and remain its property. However, Union and Shipper shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of deliveries of gas to/by Union under the Contract. Either party will give the other party reasonable notice of its intention to carry out the acts herein specified. The records from such measuring equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within ten (10) days after receipt thereof.
5. Calibration and Test of Measuring Equipment: The accuracy of Union's measuring equipment shall be verified by Union at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Union shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either party notifies the other that it desires a special test of any measuring equipment, the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Shipper, shall be borne by Shipper if the measuring equipment tested is found to be in error by not more than two per cent (2%). If, upon test, any measuring equipment is found to be in error by not more than two per cent (2%), previous recordings of such equipment shall be considered accurate in computing receipts and deliveries of gas, but such equipment shall be adjusted at once to record as near to absolute accuracy as possible. If the test conducted shows a percentage of inaccuracy greater than two percent (2%), the financial adjustment, if any, shall be calculated in accordance with the Act and Regulations, as may be amended from time to time and in accordance with any successor statutes and regulations.

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6. Preservation of Metering Records: Union and Shipper shall each preserve for a period of at least six (6) years all test data, and other relevant records.
7. Error in Metering or Meter Failure: In the event of an error in metering or a meter failure, (such error or failure being determined through check measurement by Union or any other available method), then Shipper shall enforce its rights as Shipper with the Interconnecting Pipeline(s) to remedy such error or failure including enforcing any inspection and/or verification rights and procedures.

VIII. BILLING

1. Monthly Billing Date: Union shall render bills on or before the 10th day of each month for all services furnished during the preceding month. Such charges may be based on estimated quantities, if actual quantities are unavailable in time to prepare the billing. Union shall provide, in a succeeding month's billing, an adjustment based on any difference between actual quantities and estimated quantities, without any interest charge. If presentation of a bill to Shipper is delayed after the 10th day of the month, then the time of payment shall be extended accordingly, unless Shipper is responsible for such delay.
2. Right of Examination: Both Union and Shipper shall have the right to examine at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provisions of the Contract.

IX. PAYMENTS

1. Monthly Payments: Shipper shall pay the invoiced amount directly into Union's bank account as directed on the invoice on or before the twentieth (20th) day of each month. If the payment date is not a business day, then payment must be received in Union's account on the first business day preceding the twentieth (20th) day of the month.
2. Remedies for Non-payment: Should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due,
 - a. Shipper shall pay to Union interest on the unpaid portion of the bill accruing at a rate per annum equal to the minimum commercial lending rate of Union's principal banker in effect from time to time from the due date until the date of payment.
 - b. If such failure to pay continues for thirty (30) days after payment is due, Union, in addition to any other remedy it may have under the Contract, may suspend service(s) until such amount is paid. Notwithstanding such suspension, all demand charges shall continue to accrue hereunder as if such suspension were not in place.

If Shipper in good faith disputes the amount of any such bill or part thereof Shipper shall pay to Union such amounts as it concedes to be correct. At any time thereafter, within twenty (20) days of a demand made by Union, Shipper shall furnish financial assurances satisfactory to Union, guaranteeing payment to Union of the amount ultimately found due upon such bill after a final determination. Such a final determination may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case. Union shall not be entitled to suspend service(s) because of such non-payment unless and until default occurs in the conditions of such financial assurances or default occurs in payment of any other amount due to Union hereunder.

Notwithstanding the foregoing paragraph(s), Shipper is not relieved from the obligation to continue its deliveries of gas to Union under the terms of any agreement, where Shipper has contracted to deliver specified quantities of gas to Union.

3. Billing Adjustments: If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such

overcharge or undercharge, Union shall refund the amount of any such overcharge and interest shall accrue from and including the first day of such overcharge as paid to the date of refund and shall be calculated but not compounded at a rate per annum determined each day during the calculation period to be equal to the minimum commercial lending rate of Union's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Union renders a bill to Shipper based upon measurement estimates, the required adjustment to reflect actual measurement shall be made on the bill next following the determination of such actual measurement, without any charge of interest. In the event an error is discovered in the amount billed in any statement rendered by Union, such error shall be adjusted by Union. Such overcharge, undercharge or error shall be adjusted by Union on the bill next following its determination (where the term "bill" next following shall mean a bill rendered at least fourteen (14) days after the day of its determination), provided that claim therefore shall have been made within six (6) years from the date of the incorrect billing. In the event any refund is issued with Shipper's gas bill, the aforesaid date of refund shall be deemed to be the date of the issue of bill.

X. ARBITRATION

If and when any dispute, difference or question shall arise between the parties hereto touching the Contract or anything herein contained, or the construction hereof, or the rights, duties or liabilities of the parties in relation to any matter hereunder, the matter in dispute shall be submitted and referred to arbitration within ten (10) days after written request of either party. Upon such request each party shall appoint an arbitrator, and the two so appointed shall appoint a third. A majority decision of the arbitrators shall be final and binding upon both parties. In all other respects the provisions of the Arbitration Act of the Province of Ontario, or any act passed in amendment thereof or substitution thereof, shall apply to each such submission. Operations under the Contract shall continue, without prejudice, during any such arbitration and the costs attributable to such arbitration shall be shared equally by the parties hereto.

XI. FORCE MAJEURE

1. The term "**force majeure**" as used herein shall mean acts of God, strikes, lockouts or any other industrial disturbance, acts of the public enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority (civil or military), any act or omission that is excused by any event or occurrence of the character herein defined as constituting force majeure, any act or omission by parties not controlled by the party having the difficulty and any other similar cases not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.
2. In the event that either the Shipper or Union is rendered unable, in whole or in part, by force majeure, to perform or comply with any obligation or condition of the Contract, such party shall give notice and full particulars of such force majeure in writing delivered by hand, fax or other direct written electronic means to the other party as soon as possible after the occurrence of the cause relied on and subject to the provision of this Article.
3. Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances prevail: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension; the failure was caused by the party claiming suspension where such party failed to remedy the condition by making all reasonable efforts (short of litigation, if such remedy would require litigation); the party claiming suspension failed to resume the performance of such condition obligations with reasonable dispatch; the failure was caused by lack of funds; the party claiming suspension did not, as soon as possible after determining, or within a period within which it should acting reasonably have determined, that the occurrence was in the nature of force majeure and would affect its ability to observe or perform any of its conditions or obligations under the Contract, give to the other party the notice required hereunder.
4. The party claiming suspension shall likewise give notice as soon as possible after the force majeure condition is remedied, to the extent that the same has been remedied, and that such party has resumed or is then in a position to resume the performance of the obligations and conditions of the Contract.

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5. An event of force majeure on Union's system will excuse the failure to deliver gas by Union or the failure to accept gas by Union hereunder, and both parties shall be excused from performance of their obligations hereunder, except for payment obligations, to the extent of and for the duration of the force majeure.
6. Upstream or Downstream Force Majeure: An event of force majeure upstream or downstream of Union's system shall not relieve Shipper of any payment obligations.
7. Delay of Firm Transportation Services: Despite Article XI herein, if Union is prevented, by reason of an event of force majeure on Union's system from delivering gas on the Day or Days upon which Union has accepted gas from Shipper, Union shall thereafter make all reasonable efforts to deliver such quantities as soon as practicable and on such Day or Days as are agreed to by Shipper and Union. If Union accepts such gas on this basis, Shipper shall not receive any demand charge relief as contemplated under Article XI herein.
8. Demand Charge Relief for Firm Transportation Services: Despite Article XI herein, if on any Day Union fails to accept gas from Shipper by reason of an event of force majeure on Union's system and fails to deliver the quantity of gas nominated hereunder by Shipper up to the firm Contract Demand for that Contract, then for that Day the Monthly demand charge shall be reduced by an amount equal to the applicable Daily Demand Rate, as defined in this paragraph, multiplied by the difference between the quantity of gas actually delivered by Union during such Day and the quantity of gas which Shipper in good faith nominated on such Day. The term "**Daily Demand Rate**" shall mean the Monthly demand charge or equivalent pursuant to the C1 Rate Schedule divided by the number of days in the month for which such rate is being calculated.
9. If, due to the occurrence of an event of force majeure as outlined above, the capacity for gas deliveries by Union is impaired, it will be necessary for Union to curtail Shipper's gas receipts to Union hereunder, via proration based on utilization of such facilities for the Day. This prorating shall be determined by multiplying the capability of such facilities as available downstream of the impairment on the Day, by a fraction where the numerator is Shipper's nominated firm quantity and the denominator is the total of all such nominated firm quantities for nominated services and planned consumption for in-franchise customers on the Day. For the purposes of this Article XI, firm services shall mean all firm services provided by Union to in-franchise customers and ex-franchise shippers.

XII. DEFAULT AND TERMINATION

In case of the breach or non-observance or non-performance on the part of either party hereto of any covenant, proviso, condition, restriction or stipulation contained in the Contract (but not including herein failure to take or make delivery in whole or in part of the gas delivered to/by Union hereunder occasioned by any of the reasons provided for in Article XI hereof) which has not been waived by the other party, then and in every such case and as often as the same may happen, the Non-defaulting party may give written notice to the Defaulting party requiring it to remedy such default and in the event of the Defaulting party failing to remedy the same within a period of thirty (30) days from receipt of such notice, the Non-defaulting party may at its sole option declare the Contract to be terminated and thereupon the Contract shall be terminated and be null and void for all purposes other than and except as to any liability of the parties under the same incurred before and subsisting as of termination. The right hereby conferred upon each party shall be in addition to, and not in derogation of or in substitution for, any other right or remedy which the parties respectively at law or in equity shall or may possess.

XIII. MODIFICATION

Subject to Union's C1 Rate Schedule, Schedule A, Article XV and the ability of Union to amend the C1 Rate Schedule with the approval of the OEB, no amendment or modification of the Contract shall be effective unless the same shall be in writing and signed by each of the Shipper and Union.

XIV. NON-WAIVER AND FUTURE DEFAULT

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XV. LAWS, REGULATIONS AND ORDERS

The Contract and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules and regulations of any competent legislative body, or duly constituted authority now or hereafter having jurisdiction and the Contract shall be varied and amended to comply with or conform to any valid order or direction of any board, tribunal or administrative agency which affects any of the provisions of the Contract.

**RATE C1
GENERAL TERMS & CONDITIONS**

I. DEFINITIONS

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms & Conditions and in any contract into which these General Terms & Conditions are incorporated, shall be construed to have the following meanings:

"Authorized Overrun" shall mean the amount by which Shipper's Authorized Quantity exceeds the Contract Demand;

"Available Capacity" shall mean at any time, Union's remaining available capacity to provide Transportation Services;

"Business Day" shall mean any day, other than Saturday, Sunday or any days on which national banks in the Province of Ontario are authorized to close;

"Contract" shall refer to the Contract to which these General Terms & Conditions shall apply, and into which they are incorporated;

"Contract Year" shall mean a period of three hundred and sixty-five (365) consecutive days; provided however, that any such period which contains a date of February 29 shall consist of three hundred and sixty-six (366) consecutive days, commencing on November 1 of each year; except for the first Contract Year which shall commence on the Commencement Date and end on the first October 31 that follows such date;

"cricondenthm hydrocarbon dewpoint" shall mean the highest hydrocarbon dewpoint temperature on the phase envelope;

"cubic metre" shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;

"Day" shall mean a period of twenty-four (24) consecutive hours beginning at 10:00 a.m. Eastern Clock Time. The reference date for any Day shall be the calendar date upon which the twenty-four (24) hour period shall commence;

"delivery" shall mean any gas that is delivered by Union into Shipper's possession, or to the possession of Shipper's agent;

"Eastern Clock Time" shall mean the local clock time in the Eastern Time Zone on any Day;

"Expansion Facilities" shall mean any new facilities to be constructed by Union in order to provide Transportation Services;

"firm" shall mean service not subject to curtailment or interruption except under Articles XI, XII and XVIII herein;

"gas" shall mean gas as defined in the Ontario Energy Board Act, 1998, S.O. 1998, c.15, Sch. B, as amended, supplemented or re-enacted from time to time;

"gross heating value" shall mean the total heat expressed in megajoules per cubic metre (MJ/m³) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;

"hydrocarbon dewpoint" shall mean temperature at a specific pressure where hydrocarbon vapour condensation begins;

"Interruptible Service HUB Contract" shall mean a contract between Shipper and Union under which Union provides interruptible HUB service;

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"**interruptible service**" or "**Interruptible**" shall mean service subject to curtailment or interruption, after notice, at any time;

"**Interconnecting Pipeline**" shall mean a pipeline that directly connects to the Union pipeline system;

"**joule**" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term "**megajoule**" (MJ) shall mean 1,000,000 joules. The term "**gigajoule**" (GJ) shall mean 1,000,000,000 joules;

"**Limited Firm**" shall mean gas service subject to interruption or curtailment on a limited number of Days as specified in the Contract;

"**Loaned Quantities**" shall mean those quantities of gas loaned to Shipper under the Facilitating Agreement;

"**m**³" shall mean cubic metre of gas and "10³m³" shall mean 1,000 cubic metres of gas;

"**Month**" shall mean the period beginning at 10:00 a.m. Eastern Clock Time on the first day of a calendar month and ending at 10:00 a.m. Eastern Clock Time on the first day of the following calendar month;

"**NAESB**" shall mean North American Energy Standards Board;

"**OEB**" means the Ontario Energy Board;

"**Open Season**" or "**open season**" shall mean an open access auction or bidding process held by Union as a method of allocating capacity;

"**pascal**" ("**Pa**") shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term "kilopascal" ("**kPa**") shall mean 1,000 pascals;

"**receipt**" shall mean any gas that is delivered into Union's possession, or the possession of Union's agent;

"**Shipper**" shall have the meaning as defined in the Contract, and shall also include Shipper's agent(s);

"**specific gravity**" shall mean density of the gas divided by density of air, with both at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;

"**Taxes**" shall mean any tax (other than tax on income or tax on property), duty, royalty, levy, license, fee or charge not included in the charges and rates as per the applicable rate schedule (including but not limited to charges under any form of cap and trade, carbon tax, or similar system) and that is levied, assessed or made by any governmental authority on the gas itself, or the act, right, or privilege of producing, severing, gathering, storing, transporting, handling, selling or delivering gas under the Contract;

"**TCPL**" means TransCanada PipeLines Limited;

"**Wobbe Number**" shall mean gross heating value of the gas divided by the square root of its specific gravity.

II. GAS QUALITY

1. **Natural Gas:** The minimum gross heating value of the gas delivered to/by Union hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Union hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Union may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Union may be a commingled supply from Union's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons, except methane, may be removed prior to delivery to Shipper. Further, Union may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning and other processes.

2. Freedom from objectionable matter: The gas to be delivered to/by Union hereunder,
- a. shall be commercially free from bacteria, sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to, or interference with, the proper operation of the lines, regulators, meters or other appliances through which it flows,
 - b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas, nor more than four hundred and sixty (460) milligrams of total sulphur per cubic metre of gas,
 - c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
 - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
 - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
 - f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
 - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
 - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
 - i. shall not have a cricondentherm hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,
 - j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas.
3. Non-conforming Gas: In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.
4. Quality of Gas Received: The quality of the gas to be received by Union hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II, but, Union will also accept gas of a quality as set out in any other Interconnecting Pipeline's general terms and conditions, provided that all Interconnecting Pipelines accept such quality of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in Union's C1 Rate Schedule.

III. MEASUREMENTS

1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Union shall be a megajoule or a gigajoule. The unit of gas transported or stored by Union shall be a megajoule or a gigajoule. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m³) or one thousand cubic metres (10³m³) at Union's discretion.
2. Determination of Volume and Energy:
- a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
 - b. The supercompressibility factor shall be determined in accordance with either the "Manual for Determination of Supercompressibility Factors for Natural Gas" (PAR Project NX-19) published in 1962 or with American Gas

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Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all as amended from time to time.

- c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VII herein.
- d. Upon request by Union, Shipper shall obtain measurement of the total quantity of gas received by Union hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Union and the Interconnecting Pipeline.

IV. RECEIPT POINT AND DELIVERY POINT

- 1. Unless otherwise specified in the Contract, the point or points of receipt and point or points of delivery for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection specified in the Contract, where possession of the gas changes from one party to the other, and as per Schedule "C 2010".

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

- 1. Possession of Gas: Union accepts no responsibility for any gas prior to such gas being delivered to Union at the Receipt Point or after its delivery by Union at the Delivery Point. As between the parties hereto, Union shall be deemed to be in control and possession of and responsible for all such gas from the time that such gas enters Union's system until such gas is delivered to Shipper.
- 2. Liability: Shipper agrees that Union is not a common carrier and is not an insurer of Shipper's gas, and that Union shall not be liable to Shipper or any third party for loss of gas in Union's possession, except to the extent such loss is caused entirely by Union's negligence or wilful misconduct.

VI. FACILITIES ON SHIPPER'S PROPERTY

Except under those conditions where Union is delivering to TCPL for TCPL or Shipper at Parkway (TCPL), or to an Interconnecting Pipeline, or where otherwise specified in the Contract, the following will apply:

- 1. Construction and Maintenance: Union, at its own expense may construct, maintain and operate on Shipper's property at the delivery point a measuring station properly equipped with a meter or meters and any other necessary measuring equipment for properly measuring the gas redelivered under the Contract. Shipper will grant to Union a lease and/or rights-of-way over property of Shipper as required by Union to install such facilities and to connect same to Union's pipeline.
- 2. Entry: Union, its servants, agents and each of them may at any reasonable time on notice (except in cases of emergency) to Shipper or his duly authorized representative enter Shipper's property for the purpose of constructing, maintaining, removing, operating and/or repairing station equipment.
- 3. Property: The said station and equipment will be and remain the property of Union notwithstanding it is constructed on and attached to the realty of Shipper, and Union may at its own expense remove it upon termination of the Contract and will do so if so requested by Shipper.

VII. MEASURING EQUIPMENT

- 1. Metering by Union: Union will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.

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2. Metering by Others: In the event that all or any gas delivered to/by Union hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline, then Union and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Union on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Union hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's gas tariff as approved by its regulatory body.
3. Check Measuring Equipment: Shipper may install, maintain and operate, at the redelivery point, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Union's measuring equipment at or near the delivery point, and shall be installed, maintained and operated in conformity with the same standards and specifications applicable to Union's metering facilities.
4. Rights of Parties: The measuring equipment installed by either party, together with any building erected by it for such equipment, shall be and remain its property. However, Union and Shipper shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of deliveries of gas to/by Union under the Contract. Either party will give the other party reasonable notice of its intention to carry out the acts herein specified. The records from such measuring equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within ten (10) days after receipt thereof.
5. Calibration and Test of Measuring Equipment: The accuracy of Union's measuring equipment shall be verified by Union at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Union shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either party notifies the other that it desires a special test of any measuring equipment, the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Shipper, shall be borne by Shipper if the measuring equipment tested is found to be in error by not more than two per cent (2%). If, upon test, any measuring equipment is found to be in error by not more than two per cent (2%), previous recordings of such equipment shall be considered accurate in computing receipts and deliveries of gas, but such equipment shall be adjusted at once to record as near to absolute accuracy as possible. If the test conducted shows a percentage of inaccuracy greater than two percent (2%), the financial adjustment, if any, shall be calculated in accordance with the Act and Regulations, as may be amended from time to time and in accordance with any successor statutes and regulations.
6. Preservation of Metering Records: Union and Shipper shall each preserve for a period of at least six (6) years all test data, and other relevant records.
7. Error in Metering or Meter Failure: In the event of an error in metering or a meter failure, (such error or failure being determined through check measurement by Union or any other available method), then Shipper shall enforce its rights as Shipper with the Interconnecting Pipeline(s) to remedy such error or failure including enforcing any inspection and/or verification rights and procedures.

VIII. BILLING

1. Monthly Billing Date: Union shall render bills on or before the tenth (10th) day of each month for all Transportation Services furnished during the preceding Month. Such charges may be based on estimated quantities, if actual quantities are unavailable in time to prepare the billing. Union shall provide, in a succeeding Month's billing, an adjustment based on any difference between actual quantities and estimated quantities, without any interest charge. If presentation of a bill to Shipper is delayed after the tenth (10th) day of the month, then the time of payment shall be extended accordingly, unless Shipper is responsible for such delay.
2. Right of Examination: Both Union and Shipper shall have the right to examine at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provisions of the Contract.
3. Amendment of Statements: For the purpose of completing a final determination of the actual quantities of gas handled in any of the Transportation Services to Shipper, the parties shall have the right to amend their statement for a period equal to

the time during which the Interconnecting Pipeline retains the right to amend their statements, which period shall not exceed three (3) years from the date of termination of the Contract.

IX. PAYMENTS

1. Monthly Payments: Shipper shall pay the invoiced amount directly into Union's bank account as directed on the invoice on or before the twentieth (20th) day of each month. If the payment date is not a Business Day, then payment must be received in Union's account on the first Business Day preceding the twentieth (20th) day of the month.
2. Remedies for Non-payment: Should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due,
 - a. Shipper shall pay to Union interest on the unpaid portion of the bill accruing at a rate per annum equal to the minimum commercial lending rate of Union's principal banker in effect from time to time from the due date until the date of payment; and,
 - b. If such failure to pay continues for thirty (30) days after payment is due, Union, in addition to any other remedy it may have under the Contract, may suspend Services until such amount is paid. Notwithstanding such suspension, all demand charges shall continue to accrue hereunder as if such suspension were not in place.

If Shipper in good faith disputes the amount of any such bill or part thereof Shipper shall pay to Union such amounts as it concedes to be correct. At any time thereafter, within twenty (20) days of a demand made by Union, Shipper shall furnish financial assurances satisfactory to Union, guaranteeing payment to Union of the amount ultimately found due upon such bill after a final determination. Such a final determination may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case. Union shall not be entitled to suspend Services because of such non-payment unless and until default occurs in the conditions of such financial assurances or default occurs in payment of any other amount due to Union hereunder.

Notwithstanding the foregoing, Shipper is not relieved from the obligation to continue its deliveries of gas to Union under the terms of any agreement, where Shipper has contracted to deliver specified quantities of gas to Union.

3. Billing Adjustments: If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, Union shall refund the amount of any such overcharge and interest shall accrue from and including the first day of such overcharge as paid to the date of refund and shall be calculated but not compounded at a rate per annum determined each day during the calculation period to be equal to the minimum commercial lending rate of Union's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Union renders a bill to Shipper based upon measurement estimates, the required adjustment to reflect actual measurement shall be made on the bill next following the determination of such actual measurement, without any charge of interest. In the event an error is discovered in the amount billed in any statement rendered by Union, such error shall be adjusted by Union. Such overcharge, undercharge or error shall be adjusted by Union on the bill next following its determination (where the term "**bill next following**" shall mean a bill rendered at least fourteen (14) days after the day of its determination), provided that claim therefore shall have been made within three (3) years from the date of the incorrect billing. In the event any refund is issued with Shipper's bill, the aforesaid date of refund shall be deemed to be the date of the issue of bill.
4. Taxes: In addition to the charges and rates as per the applicable rate schedules and price schedules, Shipper shall pay all Taxes which are imposed currently or subsequent to the execution of the Contract by any legal authority having jurisdiction and any amount in lieu of such Taxes paid or payable by Union.

Shipper shall make reasonable efforts to eliminate/minimize the withholding tax related to the fees/payments paid to Union, including but not limited to requesting from Union the relevant documentation necessary to determine the appropriate withholding, if any, for tax purposes. In the event taxes are withheld from the fees/payment paid by Shipper, Shipper shall remit such withheld taxes to the applicable taxing authority and Shipper will provide Union, after the calendar year end, Union's Federal Form 1042-S and a comparable state/international form, if applicable, within the applicable statutory time frame.

5. Set Off: If either party shall, at any time, be in arrears under any of its payment obligations to the other party under the Contract, then the party not in arrears shall be entitled to reduce the amount payable by it to the other party in arrears under the Contract, or any other contract, by an amount equal to the amount of such arrears or other indebtedness to the other party. In addition to the foregoing remedy, Union may, upon forty-eight (48) hours verbal notice, to be followed by written notice, take possession of any or all of Shipper's gas under the Contract or any enhancement to the Contract, which shall be deemed to have been assigned to Union, to reduce such arrears or other indebtedness to Union.

X. ARBITRATION

If and when any dispute, difference or question shall arise between the parties hereto touching the Contract or anything herein contained, or the construction hereof, or the rights, duties or liabilities of the parties in relation to any matter hereunder, the matter in dispute shall be submitted and referred to arbitration within ten (10) days after written request of either party. Upon such request each party shall appoint an arbitrator, and the two so appointed shall appoint a third. A majority decision of the arbitrators shall be final and binding upon both parties. In all other respects the provisions of the Arbitration Act, 1991, or any act passed in amendment thereof or substitution therefore, shall apply to each such submission. Operations under the Contract shall continue, without prejudice, during any such arbitration and the costs attributable to such arbitration shall be shared equally by the parties hereto.

XI. FORCE MAJEURE

1. Definition: The term "**force majeure**" as used herein shall mean acts of God, strikes, lockouts or any other industrial disturbance, acts of the public enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority (civil or military), any act or omission that is excused by any event or occurrence of the character herein defined as constituting force majeure, any act or omission by parties not controlled by the party having the difficulty and any other similar cases not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.
2. Notice: In the event that either the Shipper or Union is rendered unable, in whole or in part, by force majeure, to perform or comply with any obligation or condition of the Contract, such party shall give notice and full particulars of such force majeure in writing delivered by hand, fax or other direct written electronic means to the other party as soon as possible after the occurrence of the cause relied on and subject to the provision of this Article.
3. Exclusions: Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances prevail: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension; the failure was caused by the party claiming suspension where such party failed to remedy the condition by making all reasonable efforts (short of litigation, if such remedy would require litigation); the party claiming suspension failed to resume the performance of such condition obligations with reasonable dispatch; the failure was caused by lack of funds; the party claiming suspension did not, as soon as possible after determining, or within a period within which it should acting reasonably have determined, that the occurrence was in the nature of force majeure and would affect its ability to observe or perform any of its conditions or obligations under the Contract, give to the other party the notice required hereunder.
4. Notice of Remedy: The party claiming suspension shall likewise give notice as soon as possible after the force majeure condition is remedied, to the extent that the same has been remedied, and that such party has resumed or is then in a position to resume the performance of the obligations and conditions of the Contract.
5. Obligation to Perform: An event of force majeure on Union's system will excuse the failure to deliver gas by Union or the failure to accept gas by Union hereunder, and both parties shall be excused from performance of their obligations hereunder, except for payment obligations, to the extent of and for the duration of the force majeure.

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6. Upstream or Downstream Force Majeure: An event of force majeure upstream or downstream of Union's system shall not relieve Shipper of any payment obligations.
7. Delay of Firm Transportation Services: Despite Article XI herein, if Union is prevented, by reason of an event of force majeure on Union's system from delivering gas on the Day or Days upon which Union has accepted gas from Shipper, Union shall thereafter make all reasonable efforts to deliver such quantities as soon as practicable and on such Day or Days as are agreed to by Shipper and Union. If Union accepts such gas on this basis, Shipper shall not receive any demand charge relief as contemplated under Article XI herein.
8. Demand Charge Relief for Firm Transportation Services: Despite Article XI herein, if on any Day Union fails to accept gas from Shipper by reason of an event of force majeure on Union's system and fails to deliver the quantity of gas nominated hereunder by Shipper up to the firm Contract Demand for that Contract, then for that Day the Monthly demand charge shall be reduced by an amount equal to the applicable Daily Demand Rate, as defined in this paragraph, multiplied by the difference between the quantity of gas actually delivered by Union during such Day and the quantity of gas which Shipper in good faith nominated on such Day. The term "**Daily Demand Rate**" shall mean the Monthly demand charge or equivalent pursuant to the C1 Rate Schedule divided by the number of days in the month for which such rate is being calculated.
9. Proration of Firm Transportation Service: If, due to the occurrence of an event of force majeure as outlined above, the capacity for gas deliveries by Union is impaired, it will be necessary for Union to curtail Shipper's gas receipts to Union hereunder, via proration based on utilization of such facilities for the Day. This prorating shall be determined by multiplying the capability of such facilities as available downstream of the impairment on the Day, by a fraction where the numerator is Shipper's nominated firm quantity and the denominator is the total of all such nominated firm quantities for nominated services and planned consumption for in-franchise customers on the Day. For the purposes of this Article XI, firm services shall mean all firm services provided by Union to in-franchise customers and ex-franchise shippers.

XII. DEFAULT AND TERMINATION

In case of the breach or non-observance or non-performance on the part of either party hereto of any covenant, proviso, condition, restriction or stipulation contained in the Contract (but not including herein failure to take or make delivery in whole or in part of the gas delivered to/by Union hereunder occasioned by any of the reasons provided for in Article XI herein) which has not been waived by the other party, then and in every such case and as often as the same may happen, the non-defaulting party may give written notice to the defaulting party requiring it to remedy such default and in the event of the defaulting party failing to remedy the same within a period of thirty (30) days from receipt of such notice, the non-defaulting party may at its sole option declare the Contract to be terminated and thereupon the Contract shall be terminated and be null and void for all purposes other than and except as to any liability of the parties under the same incurred before and subsisting as of termination. The right hereby conferred upon each party shall be in addition to, and not in derogation of or in substitution for, any other right or remedy which the parties respectively at law or in equity shall or may possess.

XIII. AMENDMENT

Subject to Article XV herein and the ability of Union to amend the applicable rate schedules and price schedules, with the approval of the OEB (if required), no amendment or modification of the Contract shall be effective unless the same shall be in writing and signed by each of the Shipper and Union.

XIV. NON-WAIVER AND FUTURE DEFAULT

No waiver of any provision of the Contract shall be effective unless the same shall be in writing and signed by the party entitled to the benefit of such provision and then such waiver shall be effective only in the specific instance and for the specified purpose for which it was given. No failure on the part of Shipper or Union to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy under the Contract shall operate as a waiver thereof.

XV. LAWS, REGULATIONS AND ORDERS

The Contract and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules and regulations of any competent legislative body, or duly constituted authority now or hereafter having jurisdiction and the Contract shall be varied and amended to comply with or conform to any valid order or direction of any board, tribunal or administrative agency which affects any of the provisions of the Contract.

XVI. ALLOCATION OF CAPACITY

1. Requests for Transportation Service: A potential shipper may request transportation service on Union's system at any time. Any request for C1 transportation service must include: potential shipper's legal name, Receipt Point(s), Delivery Point(s), Commencement Date, Initial Term, Contract Demand, proposed payment, and type of transportation service requested.
2. Expansion Facilities: If requests for firm transportation services cannot be met through existing capacity such that the only way to satisfy the requests for transportation service would require the construction of Expansion Facilities which create new capacity, Union shall allocate any such new capacity by open season, subject to the terms of the open season, and these General Terms and Conditions.
3. Open Seasons: If requests for long-term transportation service can be met through existing facilities upon which long-term capacity is becoming available, Union shall allocate such long-term capacity by open season, subject to the terms of the open season, and these General Terms and Conditions. "**Long-term**", for the purposes of this Article XVI, means, in the case of a transportation service, a service that has a term of one year or greater.
4. Awarding Open Season Capacity: Capacity requests received during an open season shall be awarded starting with those bids with the highest economic value. If the economic values of two or more independent bids are equal, then service shall be allocated on a pro-rata basis. The economic value shall be based on the net present value which shall be calculated based on the proposed per- unit rate and the proposed term of the contract and without regard to the proposed Contract Demand ("**NPV**").
5. Available Capacity Previously Offered in Open Season: Union may at any time allocate capacity to respond to any C1 transportation service request through an open season. If a potential shipper requests C1 transportation service that can be provided through Available Capacity that was previously offered by Union in an open season but was not awarded, then:
 - a. Any such request must conform to the requirements of Section 1 of this Article XVI;
 - b. Union shall allocate capacity to serve such request pursuant to this Section 5, and subject to these General Terms and Conditions and Union's standard form C1 transportation contract;
 - c. Union may reject a request for C1 transportation service for any of the following reasons:
 - i) if there is insufficient Available Capacity to fully meet the request, but if that is the only reason for rejecting the request for service, Union must offer to supply the Available Capacity to the potential shipper;
 - ii) if the proposed monthly payment is less than Union's Monthly demand charge plus fuel requirements for the applicable service;
 - iii) if prior to Union accepting the request for transportation service Union receives a request for transportation service from one or more other potential shippers and there is, as a result, insufficient Available Capacity to service all the requests for service, in which case Union shall follow the procedure in Section 5 d hereof;
 - iv) if Union does not provide the type of transportation service requested; or
 - v) if all of the conditions precedent specified in Article XXI Sections 1 and 2 herein have not been satisfied or waived.

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- d. Union will advise the potential shipper in writing whether Union accepts or rejects the request for service, subject to Article XVI 5(c) within 5 calendar days of receiving a request for C1 transportation service. If Union rejects a request for service, Union shall inform the potential shipper of the reasons why its request is being rejected; and
- e. If Union has insufficient Available Capacity to service all pending requests for transportation service Union may:
 - i) Reject all the pending requests for transportation service and conduct an open season; or
 - ii) Union shall inform all the potential shippers who have submitted a pending request for transportation service that it does not have sufficient capacity to service all pending requests for service, and Union shall provide all such potential shippers with an equal opportunity to submit a revised request for service. Union shall then allocate the Available Capacity to the request for transportation service with the highest economic value to Union. If the economic values of two or more requests are equal, then service shall be allocated on a pro-rata basis. The economic value of any request shall be based on the NPV.

XVII. RENEWALS

- 1. Contracts with an Initial Term of five (5) years or greater, with Receipt Points and Delivery Points of Parkway or Kirkwall or Dawn (Facilities), will continue in full force and effect beyond the Initial Term, automatically renewing for a period of one (1) year, and every one (1) year thereafter. Shipper may reduce the Contract Demand or terminate the Contract with notice in writing by Shipper at least two (2) years prior to the expiration thereof.

For all other contracts, the Contract will continue in full force and effect until the end of the Initial Term, but shall not renew.

XVIII. SERVICE CURTAILMENT

- 1. Right to Curtail: Union shall have the right to curtail or not to schedule part or all of Transportation Services, in whole or in part, on all or a portion of its pipeline system at any time for reasons of Force Majeure or when, in Union sole discretion, acting reasonably, capacity or operating conditions so require or it is desirable or necessary to make modifications, repairs or operating changes to its pipeline system. Union shall provide Shipper such notice of such curtailment as is reasonable under the circumstances. If due to any cause whatsoever Union is unable to receive or deliver the quantities of Gas which Shipper has requested, then Union shall order curtailment by all Shippers affected and to the extent necessary to remove the effect of the disability. Union has a priority of service policy to determine the order of service curtailment. In order to place services on the priority of service list, Union considers the following business principles: appropriate level of access to core services, customer commitment, encouraging appropriate contracting, materiality, price and term, and promoting and enabling in-franchise consumption.

The Priority ranking for all services utilizing Union Gas' storage, transmission and distribution system as applied to both in-franchise and ex-franchise services are as follows; with number 1 having the highest priority and the last interrupted.

- 1. Firm In-franchise Transportation and Distribution services and firm Ex-franchise services (Note 1)
- 2. In-franchise Interruptible Distribution services
- 3. C1/M12 IT Transport and IT Exchanges with Take or Pay rates
- 4. Balancing (Hub Activity) ≤ 100 GJ/d; Balancing (Direct Purchase) ≤ 500 GJ/d; In-franchise distribution authorized overrun (Note 3)
- 5. C1/M12 IT Transport and IT Exchanges at premium rates
- 6. C1/M12 Overrun $\leq 20\%$ of CD (Note 4)
- 7. Balancing (Direct Purchase) > 500 GJ/d
- 8. Balancing (Hub Activity) > 100 GJ/d; C1/M12 IT Transport and IT Exchanges
- 9. C1/M12 Overrun $> 20\%$ of CD
- 10. C1/M12 IT Transport and IT Exchanges at a discount
- 11. Late Nominations

Notes:

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1. Nominated services must be nominated on the NAESB Timely Nomination Cycle otherwise they are considered to be late nomination and are therefore interruptible.
 2. Higher value or more reliable IT is contemplated in the service and contract, when purchase at market competitive prices.
 3. Captures the majority of customers that use Direct Purchase balancing transactions.
 4. Captures the majority of customers that use overrun.
2. Capacity Procedures: Union reserves the right to change its procedures for sharing interruptible capacity and will provide Shipper with two (2) months prior notice of any such change.
3. Maintenance: Union's facilities from time to time may require maintenance or construction. If such maintenance or construction is required, and in Union's sole opinion, acting reasonably, such maintenance or construction may impact Union's ability to meet Shipper's requirements, Union shall provide at least ten (10) days notice to Shipper, except in the case of an emergency. In the event the maintenance impacts Union's ability to meet Shipper's requirements, Union shall not be liable for any damages and shall not be deemed in breach of the Contract. To the extent that Union's ability to accept and/or deliver Shipper's gas is impaired, the Monthly demand charge shall be reduced in accordance with Article XI Section 8 and available capacity allocated in accordance with Article XI Section 9 herein.

Union shall use reasonable efforts to determine a mutually acceptable period during which such maintenance or construction will occur and also to limit the extent and duration of any impairments. Union will endeavour to schedule and complete the maintenance and construction, which would normally be expected to impact on Union's ability to meet Shipper's requirements, during the period from April 1 through to November 1.

XIX. SHIPPER'S REPRESENTATIONS AND WARRANTIES

1. Shipper's Warranty: Shipper warrants that it will, if required, maintain, or have maintained on its behalf, all external approvals including the governmental, regulatory, import/export permits and other approvals or authorizations that are required from any federal, state or provincial authorities for the gas quantities to be handled under the Contract. Shipper further warrants that it shall maintain in effect the Facilitating Agreements.
2. Financial Representations: Shipper represents and warrants that the financial assurances (including the Initial Financial Assurances and Security) (if any) shall remain in place throughout the term hereof, unless Shipper and Union agree otherwise. Shipper shall notify Union in the event of any change to the financial assurances throughout the term hereof. Should Union have reasonable grounds to believe that Shipper will not be able to perform or continue to perform any of its obligations under the Contract as a result of one of the following events ("**Material Event**");
 - a. Shipper is in default, which default has not been remedied, of the Contract or is in default of any other material contract with Union or another party; or,
 - b. Shipper's corporate or debt rating falls below investment grade according to at least one nationally recognized rating agency; or,
 - c. Shipper ceases to be rated by a nationally recognized agency; or,
 - d. Shipper has exceeded credit available as determined by Union from time to time,

then Shipper shall within fourteen (14) days of receipt of written notice by Union, obtain and provide to Union a letter of credit or other security in the form and amount reasonably required by Union (the "**Security**"). The Security plus the Initial Financial Assurances shall not exceed twelve (12) months of Monthly demand charges (in accordance with Article IX herein) multiplied by Contract Demand. In the event that Shipper does not provide to Union such Security within such fourteen (14) day period, Union may deem a default under the Default and Termination provisions of Article XII herein.

In the event that Shipper in good faith, reasonably believes that it should be entitled to reduce the amount of or value of the Security previously provided, it may request such a reduction from Union and to the extent that the Material Event has been mitigated or eliminated, Union shall return all or a portion of the Security to Shipper within fourteen (14) Business Days after

receipt of the request.

XX. MISCELLANEOUS PROVISIONS

1. Permanent Assignment: Shipper may assign the Contract to a third party ("Assignee"), up to the Contract Demand, (the "Capacity Assigned"). Such assignment shall require the prior written consent of Union and release of obligations by Union for the Capacity Assigned from the date of assignment. Such consent and release shall not be unreasonably withheld and shall be conditional upon the Assignee providing, amongst other things, financial assurances as per Article XXI herein. Any such assignment will be for the full rights, obligations and remaining term of the Contract as relates to the Capacity Assigned.
2. Temporary Assignment: Shipper may, upon notice to Union, assign all or a part of its service entitlement under the Contract (the "Assigned Quantity") and the corresponding rights and obligations to an Assignee on a temporary basis for not less than one calendar month. Such assignment shall not be unreasonably withheld and shall be conditional upon the Assignee executing the Facilitating Agreement as per Article XXI herein. Notwithstanding such assignment, Shipper shall remain obligated to Union to perform and observe the covenants and obligations contained herein in regard to the Assigned Quantity to the extent that Assignee fails to do so.
3. Title to Gas: Shipper represents and warrants to Union that Shipper shall have good and marketable title to, or legal authority to deliver to Union, all gas delivered to Union hereunder. Furthermore, Shipper hereby agrees to indemnify and save Union harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of claims of any or all third parties to such gas or on account of Taxes, or other charges thereon.

XXI. PRECONDITIONS TO TRANSPORTATION SERVICES

1. Union Conditions: The obligations of Union to provide Transportation Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Union and which may be waived or extended in whole or in part in the manner provided in the Contract:
 - a. Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required to provide the Transportation Services; and,
 - b. Union shall have obtained all internal approvals that are necessary or appropriate to provide the Transportation Services; and,
 - c. Union shall have received from Shipper the requisite financial assurances reasonably necessary to ensure Shipper's ability to honour the provisions of the Contract (the "**Initial Financial Assurances**"). The Initial Financial Assurances, if required, will be as determined solely by Union; and,
 - d. Shipper and Union shall have entered into the Interruptible Service HUB Contract or equivalent (the "**Facilitating Agreement**") with Union.
2. Shipper Conditions: The obligations of Shipper hereunder are subject to the following conditions precedent, which are for the sole benefit of Shipper and which may be waived or extended in whole or in part in the manner provided in the Contract:
 - a. Shipper shall, as required, have entered into the necessary contracts with Union and/or others to facilitate the Transportation Services contemplated herein, including contracts for upstream and downstream transportation, and shall specifically have an executed and valid Facilitating Agreement; and shall, as required, have entered into the necessary contracts to purchase the gas quantities handled under the Contract; and,

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- b. Shipper shall have obtained, in form and substance satisfactory to Shipper, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required from federal, state, or provincial authorities for the gas quantities handled under the Contract; and,
 - c. Shipper shall have obtained all internal approvals that are necessary or appropriate for the Shipper to execute the Contract.
- 3. Satisfaction of Conditions: Union and Shipper shall each use due diligence and reasonable efforts to satisfy and fulfil the conditions precedent specified in this Article XXI Section 1 a, c, and d and Section 2 a and b. Each party shall notify the other forthwith in writing of the satisfaction or waiver of each condition precedent for such party's benefit. If a party concludes that it will not be able to satisfy a condition precedent that is for its benefit, such party may, upon written notice to the other party, terminate the Contract and upon the giving of such notice, the Contract shall be of no further force and effect and each of the parties shall be released from all further obligations thereunder.
- 4. Non-Satisfaction of Conditions: If any of the conditions precedent in this Article XXI Section 1 c or Section 2 are not satisfied or waived by the party entitled to the benefit of that condition by the Conditions Date as such term is defined in the Contract, then either party may, upon written notice to the other party, terminate the Contract and upon the giving of such notice, the Contract shall be of no further force and effect and each of the parties shall be released from all further obligations hereunder, provided that any rights or remedies that a party may have for breaches of the Contract prior to such termination and any liability a party may have incurred before such termination shall not thereby be released.

**RATE C1
NOMINATIONS**

- a) For Services provided either under this rate schedule or referenced to this rate schedule:
- i) For Services required on any day Shipper shall provide Union with details regarding the quantity it desires to be handled at the applicable Receipt Point(s) and/or Delivery Point(s), and such additional information as Union determines to be necessary (a "**Nomination**").
 - ii) All Nominations shall be submitted by electronic means via *Unionline*. Union, in its sole discretion, may amend or modify the nominating procedures or *Unionline* at any time. Nominations shall be submitted so as to be received by Union in accordance with timelines established by Union, which reflect the NAESB standard nomination cycles. Union will accept all Nominations on each of the nomination cycles. Nominations made after the applicable deadline shall not be accepted except at the sole discretion of Union. The nomination cycle timelines are posted on Union's website and the nomination deadlines are provided in *Unionline*.
 - iii) For customers electing firm all day transportation, nominations shall be provided to Union's Gas Management Services as outlined in the F24 –T Agreement.
- b) Union shall determine whether or not all or any portion of the Nomination will be accepted. In the event Union determines that it will not accept such Nomination, Union shall advise Shipper of the reduced quantity (the "**Quantity Available**") for Services at the applicable points as outlined in each nomination cycle. After receiving such advice from Union but no later than one half hour after the Quantities Available deadline as outlined in each nomination cycle, Shipper shall provide a "**Revised Nomination**" to Union which shall be no greater than the Quantity Available. If such Revised Nomination is not provided within the time allowed as required above or such Revised Nomination is greater than the Quantity Available, then the Revised Nomination shall be deemed to be the Quantity Available. If the Revised Nomination (delivered within the time allowed as required above) is less than the Quantity Available, then such lesser amount shall be the Revised Nomination.
- c) That portion of a Shipper's Nomination or Revised Nomination, as set out in (a) and (b), above, which Union shall accept for Services hereunder, shall be known as Shipper's "**Authorized Quantity**".
- d) If on any day the actual quantities handled by Union, for each of the Services authorized, exceed Shipper's Authorized Quantity, and such excess was caused by either Shipper's incorrect nomination or by its delivering or receiving too much gas, then the amount by which the actual quantities handled for each of the Services exceed Shipper's Authorized Quantity, such excess shall be deemed "**Unauthorized Overrun**".
- e) The daily quantity of gas nominated by Shipper will be delivered by Shipper at rates of flow that are as nearly constant as possible, however, Union shall use reasonable efforts to take receipt of gas on any day at an hourly rate of flow up to one twentieth (1/20) of the quantity received for that day. Union shall have the right to limit Services when on any day the cumulative hourly imbalance between receipts and deliveries exceeds one twentieth (1/20) of the quantity handled for that day, for each applicable Service.
- f) A nomination for a daily quantity of gas on any day shall remain in effect and apply to subsequent days unless and until Union receives a new nomination from the Shipper or unless Union gives Shipper written notice that it is not acceptable in accordance with either (a) or (b) of this schedule.
- g) Except for periods of gas or quantity balancing as provided in the Contract, nominations by Shipper for deliveries to Union and redeliveries by Union shall be the same delivery of gas by Union either to Shipper or a Shipper's Account with Union.

**RATE C1
NOMINATIONS**

1. For Transportation Services required on any Day under the Contract, Shipper shall provide Union with details regarding the quantity of Gas it desires to be handled at the applicable Receipt Point(s) and/or Delivery Point(s), and such additional information as Union determines to be necessary (a "**Nomination**").
2. All Nominations shall be submitted by electronic means via *Unionline*. Union, in its sole discretion, may amend or modify the nominating procedures or *Unionline* at any time. Nominations shall be submitted so as to be received by Union in accordance with timelines established by Union, which reflect the NAESB standard nomination cycles. Union will accept all Nominations on each of the nomination cycles. Nominations made after the applicable deadline shall not be accepted except at the sole discretion of Union. The nomination cycle timelines are posted on Union's website and the nomination deadlines are provided in *Unionline*.
3. Union shall determine whether or not all or any portion of the Nomination will be scheduled at each nomination cycle. With respect to each nomination cycle, in the event Union determines that it will not schedule such Nomination, Union shall advise Shipper of the reduced quantity (the "**Quantities Available**") for Transportation Services at the applicable points as outlined in each nomination cycle. After receiving such advice from Union, but no later than one half hour after the Quantities Available deadline as outlined in each nomination cycle, Shipper shall provide a revised nomination ("**Revised Nomination**") to Union which shall be no greater than the Quantity Available. If such Revised Nomination is not provided within the time allowed as required above or such Revised Nomination is greater than the Quantities Available, then the Revised Nomination shall be deemed to be the Quantities Available. If the Revised Nomination (delivered with the time allowed as required above) is less than the Quantity Available, then such lesser amount shall be the Revised Nomination.
4. For Shippers electing firm all day transportation service, nominations shall be provided to Union's Gas Management Services as outlined in the F24 –T Agreement.
5. For Transportation Services requiring Shipper to provide compressor fuel in kind, the nominated fuel requirements will be calculated by rounding to the nearest whole GJ.
6. All Timely Nominations shall have rollover options. Specifically, Shippers shall have the ability to nominate for several days, months or years, provided the Nomination start date and end date are both within the term of the Transportation Agreement.
7. Nominations received after the nomination deadline shall, if accepted by Union, be scheduled after Nominations received before the nomination deadline.
8. All Services are required to be nominated in whole Gigajoules (GJ).
9. To the extent Union is unable to complete a Nomination confirmation due to inaccurate, untimely or incomplete data involving an Interconnecting Pipeline entity, Union shall undertake reasonable efforts to confirm the transaction on a non-discriminatory basis until such time that the transaction is adequately verified by the parties, or until such time that Union determines that the Nomination is invalid at which time the Union shall reject the Nomination.
10. That portion of a Shipper's Nomination or Revised Nomination, as set out in paragraphs 1 and 3 above, which Union shall schedule for Transportation Services hereunder, shall be known as Shipper's "**Authorized Quantity**".
11. If on any day the actual quantities handled by Union, for each of the Transportation Services authorized, exceed Shipper's Authorized Quantity, and such excess was caused by either Shipper's incorrect nomination or by its delivering or receiving too much gas, then the amount by which the actual quantities handled for each of the Transportation

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Services exceed Shipper's Authorized Quantity shall be deemed "**Unauthorized Overrun**".

12. The daily quantity of gas nominated by Shipper will be delivered by Shipper at rates of flow that are as nearly constant as possible, however, Union shall use reasonable efforts to take receipt of gas on any day at an hourly rate of flow up to one twentieth (1/20th) of the quantity received for that day. Union shall have the right to limit Transportation Services when on any day the cumulative hourly imbalance between receipts and deliveries exceeds one twentieth (1/20th) of the quantity handled for that day, for each applicable Transportation Service.
13. The parties hereto recognize that with respect to Transportation Services, on any day, receipts of gas by Union and deliveries of gas by Union may not always be exactly equal, but each party shall cooperate with the other in order to balance as nearly as possible the quantities transacted on a daily basis, and any imbalances arising shall be allocated to the Facilitating Agreement and shall be subject to the respective terms and charges contained therein, and shall be resolved in a timely manner.
14. Shipper may designate via *Unionline* access request form, a third party as agent for purposes of providing a Nomination, and for giving and receiving notices related to Nominations, and Union shall only accept nominations from the agent. Any such designation, if acceptable to Union, shall be effective following the receipt and processing of the written notice and will remain in effect until revoked in writing by Shipper.

RATE C1
RECEIPT AND DELIVERY POINTS AND PRESSURES

1. Receipt and Delivery Points:

The following defines each Receipt Point and/or Delivery Point, as indicated (R= Receipt Point; D= Delivery Point)

R, D	<u>DAWN (FACILITIES):</u>	Union's Compressor Station site situated in the northwest corner of Lot Twenty-Five (25), Concession II, in the Township of Dawn-Euphemia, in the County of Lambton. This point is applicable for quantities of gas that have been previously transported or stored under other contracts that Shipper may have in place with Union.
R, D	<u>DAWN (TCPL):</u>	At the junction of Union's and TCPL's facilities, at or adjacent to Dawn (Facilities).
R, D	<u>DAWN (TECUMSEH):</u>	At the junction of Union's and Enbridge Gas Distribution Inc.'s (Enbridge) Tecumseh Gas Storage's facilities, at or adjacent to Dawn (Facilities).
R, D	<u>DAWN (TSLE):</u>	At the junction of Union's and Enbridge Gas Distribution Inc.'s (" Enbridge ") NPS 16 Tecumseh Sombra Line Extension facilities; at or adjacent to Dawn (Facilities)
R, D	<u>DAWN (VECTOR):</u>	At the junction of Union's and Vector Pipeline Limited Partnership (" Vector ") facilities, at or adjacent to Dawn (Facilities).
R, D	<u>PARKWAY (TCPL):</u>	At the junction of Union's and TCPL's facilities, at or adjacent to Union's facilities situated in the Part Lot 9 and Part Lot 10, Concession IX, New Survey, Town of Milton, Regional Municipality of Halton (now part of City of Mississauga)
R, D	<u>KIRKWALL:</u>	At the junction of Union's and TCPL's facilities at or adjacent to Union's facilities situated in Part Lot Twenty-Five (25), Concession 7, Town of Flamborough.
D	<u>PARKWAY (CONSUMERS):</u>	At the junction of Union's and Enbridge's facilities, at or adjacent to Union's facilities situated in Part Lot 9 and Part Lot 10, Concession IX, New Survey, Town of Milton, Regional Municipality of Halton (now part of City of Mississauga)
D	<u>LISGAR:</u>	At the junction of the facilities of Union and Enbridge situated at 6620 Winston Churchill Boulevard, City of Mississauga.
R, D	<u>OJIBWAY:</u>	At the junction of Union's and Panhandle Eastern Pipe Line Company, LP's (" Panhandle ") facilities, located at the International Border between Canada and the United States in the St. Clair River.
R, D	<u>ST.CLAIR (MICHCON):</u>	At the junction of Michigan Consolidated Gas Company's (" MichCon ") and St. Clair Pipelines L.P.'s facilities, located at the International Border between Canada and the United States in the St. Clair River.

R, D **BLUEWATER:** At the junction of Bluewater Gas Storage, LLC ("**Bluewater**") and St. Clair Pipelines L.P.'s facilities, located at the International Border between Canada and the United States in the St. Clair River.

2. Receipt and Delivery Pressures:

(a) All Gas tendered by or on behalf of Shipper to Union shall be tendered at the Receipt Point(s) at Union's prevailing pressure at that Receipt Point, or at such pressure as per operating agreements between Union and the applicable Interconnecting Pipeline as amended or restated from time to time.

(b) All Gas tendered by or on behalf of Union to Shipper shall be tendered at the Delivery Point(s) at Union's prevailing pressure at that Delivery Point or at such pressure as per agreements between Union and the applicable Interconnecting Pipeline as amended or restated from time to time.

(c) Under no circumstances shall Union be obligated to receive or deliver gas hereunder at pressures exceeding the maximum allowable operating pressures prescribed under any applicable governmental regulations; nor shall Union be required to make any physical deliveries or to accept any physical receipts which its existing facilities cannot accommodate.

APPENDIX C

UNION GAS LIMITED
Infranchise Customers
Summary of Average Interruptible Rate and Price Adjustment Changes for Rates 25, M4, M5A, M7, T1 and T2
Effective January 1, 2017

Line No.	Particulars (cents / m ³)	Monthly Charge Increase / (Decrease) (a)	Delivery Commodity Charge Increase / (Decrease) (b)	Delivery - Price Adjustment Increase / (Decrease) (c)	Gas Commodity Price Adjustment Rate (1) (d)
	Rate 25 - All Zones				
1	Including Customer-Related GHG Obligation				
2	Excluding Customer-Related GHG Obligation	(\$24.95)	(0.0330)		(0.2720)
	Rate M4 - Interruptible				
3	Including Customer-Related GHG Obligation				
4	Excluding Customer-Related GHG Obligation	(\$15.40)	0.0257		
	Rate M5A - Interruptible				
5	Including Customer-Related GHG Obligation				
6	Excluding Customer-Related GHG Obligation	(\$15.40)	0.0257		
	Rate M7				
	Interruptible				
7	Including Customer-Related GHG Obligation				
8	Excluding Customer-Related GHG Obligation		(0.1250)		
	Seasonal				
9	Including Customer-Related GHG Obligation				
10	Excluding Customer-Related GHG Obligation		(0.1250)		
	Rate T1 - Interruptible				
	Transportation - Union supplies fuel				
11	Including Customer-Related GHG Obligation				
12	Excluding Customer-Related GHG Obligation		0.0488		
	Transportation - Customer supplies fuel				
13	Including Customer-Related GHG Obligation				
14	Excluding Customer-Related GHG Obligation		0.0325		
	Rate T2 - Interruptible				
	Transportation - Union supplies fuel				
15	Including Customer-Related GHG Obligation				
16	Excluding Customer-Related GHG Obligation		0.0264		
	Transportation - Customer supplies fuel				
17	Including Customer-Related GHG Obligation				
18	Excluding Customer-Related GHG Obligation		(0.0014)		

Notes:

(1) Applies to sales service customers only.

APPENDIX D

APPENDIX E

UNION GAS LIMITED
Miscellaneous Non-Energy Charges

Line No.	Service	Fee
	Residential Customer Class Service	
1	Connection Charge	\$35
2	Temporary Seal - Turn-off (Seasonal)	\$22
3	Temporary Seal - Turn-on (Seasonal)	\$35
4	Landlord Turn-on	\$35
5	Disconnect/Reconnect for Non-Payment	\$65
	Commercial/Industrial Customer Class Service	
6	Connection Charge	\$38
7	Temporary Seal - Turn-off (Seasonal)	\$22
8	Temporary Seal - Turn-on (Seasonal)	\$38
9	Landlord Turn-on	\$38
10	Disconnect/Reconnect for Non-Payment	\$65
	Statement of Account/History Statements	
11	History Statement (previous year)	\$15/statement
12	History Statement (beyond previous year)	\$40/hour
13	Duplicate Bills * (if processed by system)	No charge
14	Duplicate Bills * (if manually processed)	\$15/statement
	Dispute Meter Test Charges	
15	Meter Test - Residential Meter	\$50 flat fee for removal and test
16	Meter Test - Commercial/Industrial Meter	Hourly charge based on actual costs
	Direct Purchase Administration Charges	
17	Monthly fee per bundled t-service contract or unbundled U2 contract	\$75.00
18	Monthly per customer fee	\$0.19
19	Invoice Vendor Adjustment (IVA) fee (for each successfully submitted IVA transaction)	\$1.09

Notes:

- * Duplicate bill charges only apply when customer wants two copies of a bill. Lost bills from the last billing period will be replaced free of charge.

APPENDIX F

UNION GAS LIMITED

**Accounting Entries for
Short-term Storage and Other Balancing Services
Deferral Account No. 179-70**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 571 Storage Revenue
Credit	-	Account No. 179-70 Other Deferred Charges - Short-term Storage and Other Balancing Services

To record, as a debit (credit) in Deferral Account No. 179-70 the utility portion of actual net revenues for Short-term Storage and Other Balancing Services, less the 10% shareholder incentive to provide these services and less the net revenue forecast for these services as approved by the Board for ratemaking purposes. The utility portion of actual net revenues for Short-term Storage and Other Balancing Services is determined by allocating total margins received from the sale of these services based on the utility share of the total quantity of the services sold each calendar year. The utility share reflects the transactions supported by utility storage space (up to the 100 PJ cap – both planned and excess over planned).

Debit	-	Account No. 571 Storage Revenue
Credit	-	Account No. 179-70 Other Deferred Charges – Short-term Storage and Other Balancing Services

To record, as a credit in Deferral Account No. 179-70 payments by Union Gas Limited's non-utility business to its utility business for storage encroachment.

Debit	-	Account No. 179-70 Other Deferred Charges - Short-term Storage and Other Balancing Services
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-70, interest on the balance in Deferral Account No. 179-70. Simple interest will be computed monthly upon finalization of the year end balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Lost Revenue Adjustment Mechanism
Deferral Account No. 179-75**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No.179-75 Other Deferred Charges - Lost Revenue Adjustment Mechanism
Credit	-	Account No. 529 Other Sales

To record, as a debit (credit) in Deferral Account No. 179-75, the difference between actual margin reductions related to Union's DSM plans and the margin reduction included in gas delivery rates as approved by the Board.

Debit	-	Income Account No. 179-75 Other Deferred Charges - Lost Revenue Adjustment Mechanism
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-75, interest expense on the balance in Deferral Account No. 179-75. Simple interest will be computed monthly upon finalization of the year end balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Transportation Tolls and Fuel – Northern and Eastern Operations Area
Deferral Account No. 179-100**

This account is applicable to the Northern and Eastern Operations of Union Gas Limited. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No.179-100
 Other Deferred Charges - Transportation Tolls and Fuel – Northern and Eastern
 Operations Area

Credit - Account No. 663
 Transportation of Gas by Others

To record, as a debit (credit) in Deferral Account No. 179-100, the difference in the costs between the actual per unit transportation and associated fuel costs and the forecast per unit transportation and associated fuel costs included in the rates as approved by the Board.

Debit - Account No. 179-100
 Other Deferred Charges - Transportation Tolls and Fuel – Northern and Eastern
 Operations Area

Credit - Account No. 663
 Transportation of Gas by Others

To record, as a debit (credit) in Deferral Account No. 179-100 charges that result from the Limited Balancing Agreement.

Debit - Account No. 500
 Sales Revenue

Credit - Account No. 179-100
 Other Deferred Charges - Transportation Tolls and Fuel – Northern and Eastern
 Operations Area

To record, as a credit (debit) in Deferral Account No. 179-100 revenue from T-Service customers for load balancing service resulting from the Limited Balancing Agreement.

Debit - Account No. 179-100
 Other Deferred Charges - Transportation Tolls and Fuel – Northern and Eastern
 Operations Area

Credit - Account No. 323
 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-100 interest expense on the balance in Deferral Account No. 179-100. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Unbundled Services Unauthorized Storage Overrun
Deferral Account No. 179-103**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

Debit	-	Account No.571 Storage Revenue
Credit	-	Account No. 179-103 Other Deferred Charges – Unbundled Services Unauthorized Storage Overrun

To record as a credit (debit) in Deferral Account No. 179-103 any unauthorized storage overrun charges incurred by customers electing unbundled service.

Debit	-	Account No. 179-103 Other Deferred Charges – Unbundled Services Unauthorized Storage Overrun
Credit	-	Account No. 323 Other Interest Expense

To record as a debit (credit) in Deferral Account No. 179-103, interest on the balance in Deferral Account No. 179-103. Simple interest will be computed on the monthly opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
North Purchase Gas Variance Account
Deferral Account No. 179-105**

This account is applicable to the Northern and Eastern Operations area of Union Gas Limited. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-105 Other Deferred Charges – North Purchase Gas Variance Account
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-105, the difference between the unit cost of gas purchased each month for the Northern and Eastern Operations area and the unit cost of gas included in the gas sales rates as approved by the Board, including the difference between the actual heat content of the gas purchased and the forecast heat content included in gas sales rates.

Debit	-	Account No. 179-105 Other Deferred Charges - North Purchase Gas Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-105, interest expense on the balance in Deferral Account No. 179-105. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
South Purchase Gas Variance Account
Deferral Account No. 179-106**

This account is applicable to the Southern Operations area of Union Gas Limited. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-106 Other Deferred Charges – South Purchase Gas Variance Account
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-106, the difference between the unit cost of gas purchased each month for the Southern Operations and the unit cost of gas included in the gas sales rates as approved by the Board, including the difference between the actual heat content of the gas purchased and the forecast heat content included in gas sales rates.

Debit	-	Account No. 179-106 Other Deferred Charges - South Purchase Gas Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-106, interest expense on the balance in Deferral Account No. 179-106. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Spot Gas Variance Account
Deferral Account No. 179-107**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-107 Other Deferred Charges –Spot Gas Variance Account
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-107, the difference between the unit cost of spot gas purchased each month and the unit cost of gas included in the gas sales rates as approved by the Board on the spot volumes purchased in excess of planned purchases.

Debit	-	Account No. 623 Cost of Gas
Credit	-	Account No. 179-107 Other Deferred Charges –Spot Gas Variance Account

To record, as a credit (debit) in Deferral Account No. 179-107, the approved gas supply charges recovered through the delivery component of rates.

Debit	-	Account No. 179-107 Other Deferred Charges – Spot Gas Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-107, interest expense on the balance in Deferral Account No. 179-107. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Unabsorbed Demand Cost (UDC) Variance Account
Deferral Account No. 179-108**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-108 Other Deferred Charges – Unabsorbed Demand Cost Variance Account
Credit	-	Account No. 663 Transportation of Gas by Others

To record, as a debit (credit) in Deferral Account No. 179-108, the difference between the actual unabsorbed demand costs incurred by Union and the amount of unabsorbed demand charges included in rates as approved by the Board.

Debit	-	Account No. 663 Transportation of Gas by Others
Credit	-	Account No. 179-108 Other Deferred Charges – Unabsorbed Demand Cost Variance Account

To record, as a credit (debit) in Deferral Account No. 179-108, the benefit from the temporary assignment of unutilized capacity under Union's transportation contracts to the Northern and Eastern Operations Area. The benefit will be equal to the recovery of pipeline demand charges and other charges resulting from the temporary assignment of unutilized capacity that have been included in gas sales rates.

Debit	-	Account No. 179-108 Other Deferred Charges – Unabsorbed Demand Cost Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-108, interest expense on the balance in Deferral Account No. 179-108. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Inventory Revaluation Account
Deferral Account No. 179-109**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-109 Other Deferred Charges – Inventory Revaluation
Credit	-	Account No. 152 Gas in Storage - Available for Sale

To record, as a debit (credit) in Deferral Account No. 179-109, the decrease (increase) in the value of gas inventory available for sale to sales service customers due to changes in Union's weighted average cost of gas approved by the Board for rate making purposes.

Debit	-	Account No. 179-109 Other Deferred Charges – Inventory Revaluation Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-109, interest expense on the balance in Deferral Account No. 179-109. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Demand Side Management Variance Account
Deferral Account No. 179-111**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No.179-111
 Demand Side Management Variance Account

Credit - Account No. 728
 General Expense

To record as a debit (credit) in Deferral Account No. 179-111, the difference between actual and the approved direct DSM expenditure budget currently approved for recovery in rates, provided that any excess over the approved direct DSM expenditure budget does not exceed 15% of the direct DSM expenditure budget. Any excess over the approved direct DSM expenditure budget for the year must be for incremental DSM volume savings that are cost effective as determined by the Total Resource Cost Test.

Debit - Account No.179-111
 Other Deferred Charges – Demand Side Management Variance Account

Credit - Account No. 323
 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-111, interest expense on the balance in Deferral Account No. 179-111. Simple interest will be computed monthly upon finalization of the year end balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Gas Distribution Access Rule (GDAR) Costs
Deferral Account No. 179-112**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-112 Other Deferred Charges - Deferred Gas Distribution Access Rule (GDAR) Costs
Credit	-	Account No. 728 General Expense

To record, as a debit (credit) in Deferral Account No. 179-112 the difference between the actual costs required to implement the appropriate process and system changes to achieve compliance with GDAR and the costs included in rates as approved by the Board.

Debit	-	Account No. 179-112 Other Deferred Charges - Deferred Gas Distribution Access Rule (GDAR) Costs
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-112, interest on the balance in Deferral Account No. 179-112. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
CGAAP to IFRS Conversion Costs
Deferral Account No. 179-120**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-120 Other Deferred Charges - CGAAP to IFRS Conversion Costs
Credit	-	Account No. 728 General Expense

To record, as a debit (credit) in Deferral Account No. 179-120 the difference between the actual incremental one-time administrative costs incurred to convert accounting policies and processes from their current compliance with Canadian Generally Accepted Accounting Principles (CGAAP) to their future compliance with International Financial Reporting Standards (IFRS) and the costs included in rates as approved by the Board.

Debit	-	Account No. 179-120 Other Deferred Charges - CGAAP to IFRS Conversion Costs
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-120, interest on the balance in Deferral Account No. 179-120. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Conservation Demand Management
Deferral Account No. 179-123**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No. 312
 Non-Gas Operating Revenue

Credit - Account No.179-123
 Other Deferred Charges – Conservation Demand Management

To record, as a credit in Deferral Account No. 179-123, 50% of the actual revenues generated from the Conservation Demand Management (CDM) program that will be paid to customers upon approval by the Board for rate making purposes.

Debit - Account No.179-123
 Other Deferred Charges – Conservation Demand Management

Credit - Account No. 323
 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-123, interest expense on the balance in Deferral Account No. 179-123. Simple interest will be computed monthly on the opening balance in the said account at the short term debt rate as approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Demand Side Management Incentive
Deferral Account No. 179-126**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-126 Other Deferred Charges – Demand Side Management Incentive
Credit	-	Account No. 319 Other Income

To record, as a debit in Deferral Account No. 179-126, the shareholder incentive earned by the Company in relation to its Demand Side Management (DSM) Programs.

Debit	-	Account No.179-126 Other Deferred Charges – Demand Side Management Incentive
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-126, interest on the balance in Deferral Account No. 179-126. Simple interest will be computed monthly on the opening balance in the said account at the short term debt rate as approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Upstream Transportation Optimization
Deferral Account No. 179-131**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-131 Other Deferred Charges – Upstream Transportation Optimization
Credit	-	Account No. 626 Exchange Gas

To record as a debit in Deferral Account No. 179-131 a receivable from customers and a reduction in cost of gas for the unit rate of optimization revenues refunded to in-franchise customers multiplied by the actual distribution transportation volumes.

Debit	-	Account No. 579 Miscellaneous Operating Revenue
Credit	-	Account No. 179-131 Other Deferred Charges – Upstream Transportation Optimization

To record as a credit in Deferral Account No. 179-131 a payable to customers and a reduction in transportation revenue equal to the ratepayer portion (90%) of the actual net revenue from gas supply optimization activities.

Debit	-	Account No. 323 Other Interest Expense
Credit	-	Account No. 179-131 Other Deferred Charges – Upstream Transportation Optimization

To record, as a debit (credit) in Deferral Account No. 179-131, interest on the balance in Deferral Account No. 179-131. Simple interest will be computed monthly upon finalization of the year- end balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Deferral Clearing Variance Account
Deferral Account No. 179-132**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-132 Other Deferred Charges – Deferral Clearing Variance Account
Credit	-	Account No. 179 Other Deferred Charges

To record as a debit (credit) in Deferral Account No. 179-132 a receivable from (payable to) ratepayers for the amount arising from differences between actual and forecast volumes used for the purposes of clearing non-gas commodity deferral account, earnings sharing and other balances.

Debit	-	Account No. 179-132 Other Deferred Charges – Deferral Clearing Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-132, interest on the balance in Deferral Account No. 179-132. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Normalized Average Consumption (NAC) Account
Deferral Account No. 179-133**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-133 Normalized Average Consumption Account
Credit	-	Account No. 500 Sales Revenue

To record as a debit (credit) in Deferral Account No. 179-133 the variance in revenue resulting from the difference between forecast normalized average consumption (NAC) included in rates as approved by the Board and actual NAC for general service rate classes Rate M1, Rate M2, Rate 01, and Rate 10.

Debit	-	Account No. 179-133 Normalized Average Consumption Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-133, interest on the balance in Deferral Account No. 179-133. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Tax Variance Deferral Account
Deferral Account No. 179-134**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-134 Tax Variance Deferral Account
Credit	-	Account No. 300 Operating Revenues

To record as a debit (credit) in Deferral Account No. 179-134 50% of the variance in costs resulting from the difference between the actual tax rates and the approved tax rates included in rates as approved by the Board.

Debit	-	Account No. 179-134 Tax Variance Deferral Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-134, interest on the balance in Deferral Account No. 179-134. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Unaccounted for Gas (UFG) Volume Variance Account
Deferral Account No. 179-135**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-135 UFG Volume Variance Account
Credit	-	Account No. 654 Gas Losses

To record as a debit (credit) in Deferral Account No. 179-135 the difference between the UFG recovered in revenue at rates approved by the Board and the actual cost of UFG expensed, in excess of \$5 million.

Debit	-	Account No. 179-135 UFG Volume Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-135, interest on the balance in Deferral Account No. 179-135. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Parkway West Project Costs
Deferral Account No. 179-136**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No.179-136
 Other Deferred Charges – Parkway West Project Costs

Credit - Account No. 579
 Miscellaneous Operating Revenue

To record, as a debit (credit) in Deferral Account No. 179-136, the difference between the actual revenue requirement related to the costs for the Parkway West Project and the revenue requirement included in rates as approved by the Board.

Debit - Account No.179-136
 Other Deferred Charges – Parkway West Project Costs

Credit - Account No. 323
 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-136, interest on the balance in Deferral Account No. 179-136. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Brantford-Kirkwall/Parkway D Project Costs
Deferral Account No. 179-137**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No.179-137
 Other Deferred Charges – Brantford-Kirkwall/Parkway D Project Costs

Credit - Account No. 579
 Miscellaneous Operating Revenue

To record, as a debit (credit) in Deferral Account No. 179-137, the difference between the actual revenue requirement related to the costs for the Brantford-Kirkwall/Parkway D Project and the revenue requirement included in rates as approved by the Board.

Debit - Account No.179-137
 Other Deferred Charges – Brantford-Kirkwall/Parkway D Project Costs

Credit - Account No. 323
 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-137, interest on the balance in Deferral Account No. 179-137. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Parkway Obligation Rate Variance
Deferral Account No. 179-138**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No.179-138
 Other Deferred Charges – Parkway Obligation Rate Variance

Credit - Account No. 300
 Operating Revenue

To record, as a debit (credit) in Deferral Account No. 179-138, the rate variances associated with the timing differences between the effective date of the Parkway delivery obligation changes and the temporary capacity and the inclusion of the cost impacts in approved rates (January 1 of the following year).

Debit - Account No.179-138
 Other Deferred Charges – Parkway Obligation Rate Variance

Credit - Account No. 323
 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-138, interest on the balance in Deferral Account No. 179-138. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Energy East Pipeline Consultation Costs
Deferral Account No. 179-139**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No.179-139
 Other Deferred Charges – Energy East Pipeline Consultation Costs

Credit - Account No. 728
 General Expense

To record, as a debit (credit) in Deferral Account No. 179-139, the consultation costs related to the Energy East Pipeline Project allocated by the Board.

Debit - Account No.179-139
 Other Deferred Charges – Energy East Pipeline Consultation Costs

Credit - Account No. 323
 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-139, interest on the balance in Deferral Account No. 179-139. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Unaccounted for Gas (UFG) Price Variance Account
Deferral Account No. 179-141**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-141 Other Deferred Charges - UFG Price Variance Account
Credit	-	Account No. 179-106/105 Other Deferred Charges – South/North Purchase Gas Variance Accounts

To record as a debit (credit) in Deferral Account No. 179-141, the variance between the actual price of Union's purchases and the applicable Board-approved reference price, applied to Union's actual experienced UFG volumes.

Debit	-	Account No. 179-141 Other Deferred Charges - UFG Price Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-141, interest on the balance in Deferral Account No. 179-141. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Lobo C Compressor/Hamilton to Milton Pipeline Project Costs
Deferral Account No. 179-142**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No.179-142
 Other Deferred Charges – Lobo C Compressor/Hamilton to Milton Pipeline Project Costs

Credit - Account No. 579
 Miscellaneous Operating Revenue

To record, as a debit (credit) in Deferral Account No. 179-142, the difference between the actual revenue requirement related to the costs for the Lobo C Compressor/Hamilton to Milton Pipeline Project and the revenue requirement included in rates as approved by the Board.

Debit - Account No.179-142
 Other Deferred Charges – Lobo C Compressor/Hamilton to Milton Pipeline Project Costs

Credit - Account No. 323
 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-142, interest on the balance in Deferral Account No. 179-142. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Unauthorized Overrun Non-Compliance Account
Deferral Account No. 179-143**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 500 Sales Revenue
Credit	-	Account No. 179-143 Other Deferred Charges – Unauthorized Overrun Non-Compliance Account

To record as a credit (debit) in Deferral Account No. 179-143 any unauthorized overrun non-compliance charges incurred by interruptible distribution customers for not complying with a distribution interruption.

Debit	-	Account No. 323 Other Interest Expense
Credit	-	Account No. 179-143 Other Deferred Charges – Unauthorized Overrun Non-Compliance Account

To record, as a credit (debit) in Deferral Account No. 179-143, interest on the balance in Deferral Account No. 179-143. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Dawn H/Lobo D/Bright C Compressor Project Costs
Deferral Account No. 179-144**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No.179-144 Other Deferred Charges – Dawn H/Lobo D/Bright C Compressor Project Costs
Credit	-	Account No. 579 Miscellaneous Operating Revenue

To record, as a debit (credit) in Deferral Account No. 179-144, the difference between the actual revenue requirement related to the costs for the Dawn H/Lobo D/Bright C Compressor Project and the revenue requirement included in rates as approved by the Board.

Debit	-	Account No.179-144 Other Deferred Charges – Dawn H/Lobo D/Bright C Compressor Project Costs
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-144, interest on the balance in Deferral Account No. 179-144. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
 Transportation Tolls and Fuel – Union North West Operations Area
Deferral Account No. 179-145**

This account is applicable to the North West Operations of Union Gas Limited. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No.179-145 Other Deferred Charges – Transportation Tolls and Fuel – Union North West Operations Area
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-145, the difference in the costs between the actual cost of the transportation portfolio to serve Union North West delivery areas including associated fuel costs and the forecast cost of the transportation portfolio to serve these areas including associated forecast fuel costs as approved by the Board.

Debit	-	Account No. 179-145 Other Deferred Charges - Transportation Tolls and Fuel – Union North West Operations Area
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-145 charges that result from the Limited Balancing Agreement.

Debit	-	Account No. 500 Sales Revenue
Credit	-	Account No. 179-145 Other Deferred Charges - Transportation Tolls and Fuel – Union North West Operations Area

To record, as a credit (debit) in Deferral Account No. 179-145 revenue from T-Service customers for load balancing service resulting from the Limited Balancing Agreement.

Debit	-	Account No. 179-145 Other Deferred Charges - Transportation Tolls and Fuel – Union North West Operations Area
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-145 interest expense on the balance in Deferral Account No. 179-145. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
 Transportation Tolls and Fuel – Union North East Operations Area
Deferral Account No. 179-146**

This account is applicable to the North East Operations of Union Gas Limited. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No.179-146 Other Deferred Charges – Transportation Tolls and Fuel – Union North East Operations Area
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-146, the difference in the costs between the actual cost of the transportation portfolio to serve Union North East delivery areas including associated fuel costs and the forecast cost of the transportation portfolio to serve these areas including associated forecast fuel costs as approved by the Board.

Debit	-	Account No. 179-146 Other Deferred Charges - Transportation Tolls and Fuel – Union North East Operations Area
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-146 charges that result from the Limited Balancing Agreement.

Debit	-	Account No. 500 Sales Revenue
Credit	-	Account No. 179-146 Other Deferred Charges - Transportation Tolls and Fuel – Union North East Operations Area

To record, as a credit (debit) in Deferral Account No. 179-146 revenue from T-Service customers for load balancing service resulting from the Limited Balancing Agreement.

Debit	-	Account No. 179-146 Other Deferred Charges - Transportation Tolls and Fuel – Union North East Operations Area
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-146 interest expense on the balance in Deferral Account No. 179-146. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Union North West Purchase Gas Variance Account
Deferral Account No. 179-147**

This account is applicable to the North West delivery areas of Union Gas Limited. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-147 Other Deferred Charges – Union North West Purchase Gas Variance Account
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-147, the difference between the unit cost of gas purchased each month for the Union North West delivery areas and the unit cost of gas included in the gas sales rates as approved by the Board, including the difference between the actual heat content of the gas purchased and the forecast heat content included in gas sales rates.

Debit	-	Account No. 179-147 Other Deferred Charges - Union North West Purchase Gas Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-147, interest expense on the balance in Deferral Account No. 179-147. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Union North East Purchase Gas Variance Account
Deferral Account No. 179-148**

This account is applicable to the North East delivery areas of Union Gas Limited. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-148 Other Deferred Charges – Union North East Purchase Gas Variance Account
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-148, the difference between the unit cost of gas purchased each month for the Union North East delivery areas and the unit cost of gas included in the gas sales rates as approved by the Board, including the difference between the actual heat content of the gas purchased and the forecast heat content included in gas sales rates.

Debit	-	Account No. 179-148 Other Deferred Charges - Union North East Purchase Gas Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-148, interest expense on the balance in Deferral Account No. 179-148. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Burlington Oakville Project Costs
Deferral Account No. 179-149**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No.179-149
 Other Deferred Charges – Burlington Oakville Project Costs

Credit - Account No. 579
 Miscellaneous Operating Revenue

To record, as a debit (credit) in Deferral Account No. 179-149, the difference between the actual revenue requirement related to the costs for the Burlington Oakville Project and the revenue requirement included in rates as approved by the Board.

Debit - Account No.179-149
 Other Deferred Charges – Burlington Oakville Project Costs

Credit - Account No. 323
 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-149, interest on the balance in Deferral Account No. 179-149. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Demand Side Management Cost-Efficiency Incentive Deferral Account (“DSMCEIDA”)
Deferral Account No. 179-150**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 728 General Expense
Credit	-	Account No. 179-150 Other Deferred Charges – DSMCEIDA

The purpose of the DSMCEIDA is to record, as a credit in Deferral Account No. 179-150, the differences between Union Gas Limited’s (Union or the Company) annual approved DSM budget and the actual amounts spent to achieve the total aggregate annual lifetime savings (cumulative cubic metres of natural gas, or CCM) targets made up of all 100% CCM targets across all programs, in accordance with program evaluation results. Any OEB-approved DSMCEIDA amounts will be available to use in meeting the Company’s targets in a subsequent year over the 2015-2020 DSM term.

UNION GAS LIMITED

**Accounting Entries for
OEB Cost Assessment Variance Account
Deferral Account No. 179-151**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-151 Other Deferred Charges – OEB Cost Assessment Variance Account
Credit	-	Account No. 728 General Expense

To record as a debit (credit) in Deferral Account No. 179-151 any differences between OEB cost assessments currently built into rates, and cost assessments that will result from the application of the new cost assessment model effective April 1, 2016.

Debit	-	Account No. 179-151 Other Deferred Charges – OEB Cost Assessment Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-151, interest on the balance in Deferral Account No. 179-151. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Greenhouse Gas Emissions Impact Deferral Account
Deferral Account No. 179-152**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No.179-152
 Other Deferred Charges – Greenhouse Gas Emissions Impact Deferral Account

Credit - Account No. 728
 General Expense

To record, as a debit (credit) in Deferral Account No. 179-152, the impacts of provincial and federal regulations related to greenhouse gas emission requirements.

Debit - Account No.179-152
 Other Deferred Charges – Greenhouse Gas Emissions Impact Deferral Account

Credit - Account No. 323
 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-152, interest on the balance in Deferral Account No. 179-152. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Base Service North T-Service TransCanada Capacity Deferral Account
Deferral Account No. 179-153**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No.179-153 Other Deferred Charges – Base Service North T-Service TransCanada Capacity Deferral Account
Credit	-	Account No. 140 Accounts Receivable - Customers

To record, as a debit (credit) in Deferral Account No. 179-153, the differences between revenues and costs for the excess capacity from Parkway to the Union Point of Receipt as part of the Base Service offering of the North T-Service Transportation from Dawn.

Debit	-	Account No. 179-153 Other Deferred Charges - Base Service North T-Service TransCanada Capacity Deferral Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-153 interest expense on the balance in Deferral Account No. 179-153. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

APPENDIX G

UNION GAS LIMITED
Parkway West Project Revenue Requirement

Line No.	Particulars (\$000's)	Revenue Requirement				
		2014	2015	2016	2017	2018
		(a)	(b)	(c)	(d)	(e)
	<u>Rate Base Investment</u>					
1	Capital Expenditures	73,978	144,652	800	0	0
2	Average Investment	8,969	102,133	213,094	208,357	203,254
	<u>Revenue Requirement Calculation:</u>					
	<u>Operating Expenses:</u>					
3	Operating and Maintenance Expenses (1)	0	739	1,615	1,649	1,683
4	Depreciation Expense (2)	485	3,026	5,094	5,105	5,105
5	Property Taxes (3)	236	290	510	521	532
6	Total Operating Expenses	721	4,055	7,218	7,274	7,320
7	Required Return (4)	518	5,898	12,306	12,032	11,737
8	Total Operating Expenses and Return	1,239	9,953	19,524	19,306	19,057
	<u>Income Taxes:</u>					
9	Income Taxes - Equity Return (5)	104	1,182	2,466	2,411	2,352
10	Income Taxes - Utility Timing Differences (6)	(1,618)	(4,762)	(5,534)	(4,536)	(3,672)
11	Total Income Taxes	(1,515)	(3,580)	(3,068)	(2,124)	(1,320)
12	Total Revenue Requirement (7)	(276)	6,373	16,457	17,182	17,737
13	Incremental Project Revenue	0	0	0	0	0
14	Net Revenue Requirement	(276)	6,373	16,457	17,182	17,737

Notes:

- (1) 2018 O&M expenses include \$0.488 million in salary, wages and employee expenses, \$0.711 million in contract services and \$0.485 million in materials, utility cost, and company used fuel.
- (2) Depreciation expense at 2013 Board-approved depreciation rates.
- (3) Property taxes include \$0.247 million for land purchases, \$0.195 million for LCU compression and \$0.090 million for pipeline and building taxes.
- (4) The required return for 2018 assumes total rate base of \$203.254 million and a capital structure of 64% long-term debt at 4% and 36% common equity at the 2013 Board-approved return of 8.93%. The 2018 required return calculation is as follows:

$$\begin{aligned} &\$203.254 \text{ million} * 64\% * 4\% = \$5.203 \text{ million plus} \\ &\$203.254 \text{ million} * 36\% * 8.93\% = \$6.534 \text{ million for a total of } \$11.737 \text{ million.} \end{aligned}$$
- (5) Taxes related to the equity component of the return at a tax rate of 26.5%.
- (6) Taxes related to utility timing differences are negative as the capital cost allowance deduction in arriving at taxable income exceeds the provision of book depreciation in the year.
- (7) As per EB-2012-0433 Schedule 12-1, Updated August 2013, line 9.

UNION GAS LIMITED
Brantford to Kirkwall and Parkway D Compressor Project Revenue Requirement

Line No.	Particulars (\$000's)	Revenue Requirement			
		2015 (a)	2016 (b)	2017 (c)	2018 (d)
	<u>Rate Base Investment</u>				
1	Capital Expenditures	200,069	4,007	0	0
2	Average Investment	23,533	197,123	193,535	188,206
	<u>Revenue Requirement Calculation:</u>				
	<u>Operating Expenses:</u>				
3	Operating and Maintenance Expenses (1)	107	642	642	642
4	Depreciation Expense (2)	2,622	5,287	5,329	5,329
5	Property Taxes (3)	142	853	853	853
6	Total Operating Expenses	<u>2,871</u>	<u>6,782</u>	<u>6,824</u>	<u>6,824</u>
7	Required Return (4)	1,359	11,383	11,176	10,868
8	Total Operating Expenses and Return	<u>4,230</u>	<u>18,165</u>	<u>18,001</u>	<u>17,693</u>
	<u>Income Taxes:</u>				
9	Income Taxes - Equity Return (5)	272	2,281	2,240	2,178
10	Income Taxes - Utility Timing Differences (6)	<u>(4,580)</u>	<u>(5,726)</u>	<u>(4,808)</u>	<u>(3,969)</u>
11	Total Income Taxes	<u>(4,307)</u>	<u>(3,445)</u>	<u>(2,568)</u>	<u>(1,791)</u>
12	Total Revenue Requirement (7)	<u>(77)</u>	<u>14,720</u>	<u>15,433</u>	<u>15,902</u>
13	Incremental Project Revenue (8)	1,534	9,204	9,204	9,204
14	Net Revenue Requirement	<u>(1,611)</u>	<u>5,516</u>	<u>6,229</u>	<u>6,698</u>

Notes:

- (1) O&M expenses include \$0.012 million for pipeline related O&M and \$0.630 million of annual Parkway Compressor maintenance.
- (2) Depreciation expense at 2013 Board-approved depreciation rates.
- (3) Property taxes include \$0.187 million for compression and \$0.665 million for pipeline and building taxes.
- (4) The required return for 2018 assumes total rate base of \$188.206 million and a capital structure of 64% long-term debt at 4% and 36% common equity at the 2013 Board-approved return of 8.93%. The 2018 required return calculation is as follows:

$$\begin{aligned} &\$188.206 \text{ million} * 64\% * 4\% = \$4.818 \text{ million plus} \\ &\$188.206 \text{ million} * 36\% * 8.93\% = \$6.050 \text{ million for a total of } \$10.868 \text{ million.} \end{aligned}$$
- (5) Taxes related to the equity component of the return at a tax rate of 26.5%.
- (6) Taxes related to utility timing differences are negative as the capital cost allowance deduction in arriving at taxable income exceeds the provision of book depreciation in the year.
- (7) As per EB-2013-0074 Schedule 10-1 line 9.
- (8) As per EB-2013-0074 Schedule 9-4.

Dawn Parkway 2016 System Expansion Project - Revenue Requirement

UNION GAS LIMITED
Hamilton-Milton Pipeline and Lobo C Compressor Project Revenue Requirement

Line No.	Particulars (\$000's)	2016 (a)	2017 (b)	2018 (c)
	<u>Rate Base Investment</u>			
1	Capital Expenditures	378,233	12,482	-
2	Average Investment	44,292	376,925	372,457
	<u>Revenue Requirement Calculation:</u>			
	<u>Operating Expenses:</u>			
3	Operating and Maintenance Expenses (1)	187	1,128	1,150
4	Depreciation Expense (2)	4,528	9,158	9,261
5	Property Taxes (3)	191	1,149	1,172
6	Total Operating Expenses	<u>4,906</u>	<u>11,435</u>	<u>11,583</u>
7	Required Return (6.031% x line 2) (4)	2,671	22,732	22,462
	<u>Income Taxes:</u>			
8	Income Taxes - Equity Return (5)	487	4,147	4,097
9	Income Taxes - Utility Timing Differences (6)	<u>(7,381)</u>	<u>(9,192)</u>	<u>(7,892)</u>
10	Total Income Taxes	<u>(6,894)</u>	<u>(5,046)</u>	<u>(3,795)</u>
11	Total Revenue Requirement (line 6 + line 7 + line 10)	<u>683</u>	<u>29,121</u>	<u>30,251</u>
12	Incremental Project Revenue (7)	<u>1,559</u>	<u>9,357</u>	<u>9,357</u>
13	Net Revenue Requirement (line 11 - line 12)	<u>(876)</u>	<u>19,764</u>	<u>20,894</u>

Notes:

- (1) Expenses include salaries and wages, employee-related expenses, fleet costs, materials and operating expenses.
- (2) Depreciation expense at 2013 Board-approved depreciation rates.
- (3) Property taxes in 2018 include \$0.792 million for the Hamilton-Milton pipeline and \$0.380 million for Lobo C compressor and facilities.
- (4) The required return of 6.031% assumes a capital structure of 64% long-term debt at 4.4% and 36% common equity at the 2013 Board-approved return of 8.93% ($0.64 \times 0.044 + 0.36 \times 0.0893$)
The 2018 required return calculation is as follows:
\$372.457 million \times 64% \times 4.4% = \$10.488 million plus
\$372.457 million \times 36% \times 8.93% = \$11.974 million for a total of \$22.462 million.
- (5) Taxes related to the equity component of the return at a tax rate of 25.5%.
- (6) Taxes related to utility timing differences are negative as the capital cost allowance deduction in arriving at taxable income exceeds the provision of book depreciation in the year.
- (7) Project revenue assumes an estimated M12 Dawn-Parkway rate of \$2.546 GJ/mth and an M12 Kirkwall-Parkway rate of \$0.450 GJ/mth.

The 2018 revenue is calculated as follows:

M12 Dawn-Parkway demands of 270,733 GJ \times \$2.546 \times 12 / 1000 = \$8.271 million plus
M12 Kirkwall-Parkway demands of 36,301 GJ \times \$0.450 \times 12 / 1000 = \$0.196 million plus
Union North T-Service demands of 29,115 GJ \times \$2.546 \times 12 / 1000 = \$0.890 million

UNION GAS LIMITED
Burlington to Oakville Project Revenue Requirement

Line No.	Particulars (\$000's)	2016 (a)	2017 (b)	2018 (c)
	<u>Rate Base Investment</u>			
1	Capital Expenditures	117,710	1,767	0
2	Average Investment	13,584	116,312	114,697
	<u>Revenue Requirement Calculation:</u>			
	<u>Operating Expenses:</u>			
3	Operating and Maintenance Expenses (1)	3	16	16
4	Depreciation Expense (2)	1,186	2,390	2,408
5	Property Taxes (3)	20	117	120
6	Total Operating Expenses	<u>1,208</u>	<u>2,523</u>	<u>2,544</u>
7	Required Return (6.031% x line 2) (4)	819	7,015	6,917
	<u>Income Taxes:</u>			
8	Income Taxes - Equity Return (5)	149	1,280	1,262
9	Income Taxes - Utility Timing Differences (6)	<u>(2,100)</u>	<u>(2,533)</u>	<u>(2,192)</u>
10	Total Income Taxes	<u>(1,951)</u>	<u>(1,254)</u>	<u>(930)</u>
11	Total Revenue Requirement (line 6 + line 7 + line 10)	<u><u>77</u></u>	<u><u>8,284</u></u>	<u><u>8,531</u></u>
12	Incremental Project Revenue	<u>-</u>	<u>-</u>	<u>-</u>
13	Net Revenue Requirement (line 11 - line 12)	<u><u>77</u></u>	<u><u>8,284</u></u>	<u><u>8,531</u></u>

Notes:

- (1) Expenses include labour, contractor services, materials and other operating expenses for the transmission lines of \$0.005 million and stations of \$0.011 million.
- (2) Depreciation expense at 2013 Board-approved depreciation rates.
- (3) Includes pipeline and station property taxes.
- (4) The required return of 6.031% assumes a capital structure of 64% long-term debt at 4.4% and 36% common equity at the 2013 Board-approved return of 8.93% ($0.64 * 0.044 + 0.36 * 0.0893$)
 The 2018 required return calculation is as follows:
 $\$114.697 \text{ million} * 64\% * 4.4\% = \$3.230 \text{ million plus}$
 $\$114.697 \text{ million} * 36\% * 8.93\% = \$3.687 \text{ million for a total of } \6.917 million.
- (5) Taxes related to the equity component of the return at a tax rate of 25.5%.
- (6) Taxes related to utility timing differences are negative as the capital cost allowance deduction in arriving at taxable income exceeds the provision of book depreciation in the year.

2017 Dawn Parkway Project - Revenue Requirement

UNION GAS LIMITED
Lobo D, Bright C and Dawn H Compressor Project Revenue Requirement

Line No.	Particulars (\$000's)	2016 (a)	2017 (b)	2018 (c)
	<u>Rate Base Investment</u>			
1	Capital Expenditures	107,400	500,838	14,267
2	Average Investment	11,432	171,034	592,525
	<u>Revenue Requirement Calculation:</u>			
	<u>Operating Expenses:</u>			
3	Operating and Maintenance Expenses (1)	0	602	3,623
4	Depreciation Expense (2)	1,677	11,310	19,416
5	Property Taxes (3)	0	175	1,051
6	Total Operating Expenses	<u>1,677</u>	<u>12,086</u>	<u>24,091</u>
7	Required Return (5.77% x line 2) (4)	660	9,877	34,217
	<u>Income Taxes:</u>			
8	Income Taxes - Equity Return (5)	126	1,879	6,510
9	Income Taxes - Utility Timing Differences (6)	<u>(4,178)</u>	<u>(17,084)</u>	<u>(22,179)</u>
10	Total Income Taxes	<u>(4,053)</u>	<u>(15,205)</u>	<u>(15,669)</u>
11	Total Revenue Requirement (line 6 + line 7 + line 10)	<u>(1,716)</u>	<u>6,758</u>	<u>42,639</u>
12	Incremental Project Revenue (7)	-	2,925	17,551
13	Net Revenue Requirement (line 11 - line 12)	<u>(1,716)</u>	<u>3,833</u>	<u>25,088</u>

Notes:

- (1) Expenses include salaries and wages, employee-related expenses, fleet costs, materials and operating expenses.
- (2) Depreciation expense at 2013 Board-approved depreciation rates.
- (3) Property taxes in 2018 include \$0.366 million for the Dawn H compressor and facilities and \$0.685 million for Lobo D and Bright C compressors and facilities.
- (4) The required return of 5.77% assumes a capital structure of 64% long-term debt at 4.0% and 36% common equity at the 2013 Board-approved return of 8.93% ($0.64 * 0.04 + 0.36 * 0.0893$)
The 2018 required return calculation is as follows:
\$592.525 million * 64% * 4.0% = \$15.169 million plus
\$592.525 million * 36% * 8.93% = \$19.048 million for a total of \$34.217 million.
- (5) Taxes related to the equity component of the return at a tax rate of 25.5%.
- (6) Taxes related to utility timing differences are negative as the capital cost allowance deduction in arriving at taxable income exceeds the provision of book depreciation in the year.
- (7) Project revenue assumes an estimated M12 Dawn-Parkway rate of \$2.937 GJ/mth, an M12 Kirkwall-Parkway rate of \$0.517 GJ/mth and a Dawn Compression rate of \$0.232 GJ/mth.
The 2018 revenue is calculated as follows:
M12 Dawn-Parkway demands of 441,778 GJ x \$2.937 x 12 / 1000 = \$15.570 million plus
C1 Dawn-Parkway demands (North T-Service) of 5,975 GJ x \$2.937 x 12 / 1000 = \$0.211 million plus
M12 Kirkwall-Parkway demands of 84,854 GJ x \$0.517 x 12 / 1000 = \$0.526 million plus
M12/C1 Dawn Compression demands of 447,753 GJ x \$0.232 x 12 / 1000 = \$1.247 million

APPENDIX H



RATE 01A - SMALL VOLUME GENERAL FIRM SERVICE

ELIGIBILITY

Any customer in Union's North West and North East 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 TransCanada's system to the Point of Consumption on the customer's premises of natural gas owned by the customer and transported by TransCanada 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.

Transportation Service customers in the Union North East Zone may contract with Union for transportation service from Dawn to the customer's delivery area. The charges for the transportation service will consist of the Rate C1 Dawn-Parkway firm transportation rate and applicable fuel charges, in accordance with Union's Rate C1 rate schedule, and all applicable third party (i.e. TransCanada) transportation charges on upstream pipelines from Parkway to the customer's delivery area.

(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

	Including Customer-Related GHG Obligation		Excluding Customer-Related GHG Obligation	
	Union North West	Union North East	Union North West	Union North East
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE</u>			\$21.00	\$21.00
<u>DELIVERY CHARGE</u>			<u>¢ per m³</u>	<u>¢ per m³</u>
First 100 m ³ per month @			9.2574	9.2574
Next 200 m ³ per month @			9.0244	9.0244
Next 200 m ³ per month @			8.6567	8.6567
Next 500 m ³ per month @			8.3192	8.3192
Over 1,000 m ³ per month @			8.0404	8.0404
Delivery-Price Adjustment (All Volumes)			0.6677 (1)	0.6677 (1)

Notes:

(1) Includes a temporary charge of 0.6186, and 0.0491 cents/m³ expiring March 31, 2017.



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2017-01-01
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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

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



RATE 10 - LARGE VOLUME GENERAL FIRM SERVICE

ELIGIBILITY

Any customer in Union's North West and North East 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 TransCanada's system to the Point of Consumption on the customer's premises of natural gas owned by the customer and transported by TransCanada 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.

Transportation Service customers in the Union North East Zone may contract with Union for transportation service from Dawn to the customer's delivery area. The charges for the transportation service will consist of the Rate C1 Dawn-Parkway firm transportation rate and applicable fuel charges, in accordance with Union's Rate C1 rate schedule, and all applicable third party (i.e. TransCanada) transportation charges on upstream pipelines from Parkway to the customer's delivery area.

(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

	Including Customer-Related GHG Obligation		Excluding Customer-Related GHG Obligation	
	Union North West	Union North East	Union North West	Union North East
<u>APPLICABLE TO ALL SERVICES</u>				
<u>MONTHLY CHARGE</u>			\$70.00	\$70.00
<u>DELIVERY CHARGE</u>			<u>¢ per m³</u>	<u>¢ per m³</u>
First 1,000 m ³ per month @			7.7571	7.7571
Next 9,000 m ³ per month @			6.3246	6.3246
Next 20,000 m ³ per month @			5.6530	5.6530
Next 70,000 m ³ per month @			5.1162	5.1162
Over 100,000 m ³ per month @			3.0825	3.0825
Delivery-Price Adjustment (All Volumes)			0.6349 (1)	0.6349 (1)

Notes:

(1) Includes a temporary charge of 0.4730, and 0.1619 cents/m³ expiring March 31, 2017.



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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

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

RATE 20 - MEDIUM VOLUME FIRM SERVICE**ELIGIBILITY**

Any customer in Union's North West and North East 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 TransCanada'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.

Transportation Service customers in the Union North East Zone may contract with Union for transportation service from Dawn to the customer's delivery area. The charges for the transportation service will consist of the Rate C1 Dawn-Parkway firm transportation rate and applicable fuel charges, in accordance with Union's Rate C1 rate schedule, and all applicable third party (i.e. TransCanada) transportation charges on upstream pipelines from Parkway to the customer's delivery area.

(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.

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



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MONTHLY RATES AND CHARGES

APPLICABLE TO ALL SERVICES - ALL ZONES (1)

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
<u>MONTHLY CHARGE</u>		\$884.46
<u>DELIVERY CHARGES</u> (cents per month per m ³)		
Monthly Demand Charge for first 70,000 m ³ of Contracted Daily Demand		28.6326
Monthly Demand Charge for all units over 70,000 m ³ of Contracted Daily Demand		16.8374
Commodity Charge for first 852,000 m ³ of gas volumes delivered		0.5649
Commodity Charge for all units over 852,000 m ³ of gas volumes delivered		0.4106

Notes:

- (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.

	Including Customer-Related GHG Obligation		Excluding Customer-Related GHG Obligation	
	Union <u>North West</u>	Union <u>North East</u>	Union <u>North West</u>	Union <u>North East</u>
<u>MONTHLY CHARGE</u>			\$884.46	\$884.46
<u>DELIVERY CHARGES</u>			<u>cents per m³</u>	<u>cents per m³</u>
Commodity Charge for each unit of gas volumes delivered			2.4476	2.4476

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 \$220.55

BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES

Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement (\$/GJ/Month) \$20.111

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

Commodity Charge for each unit of gas withdrawn from storage (\$/GJ) \$0.206

Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ) \$0.867

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.

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



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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

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

RATE 25 - LARGE VOLUME INTERRUPTIBLE SERVICE**ELIGIBILITY**

Any customer in Union's North West and North East 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 TransCanada'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.

Transportation Service customers in the Union North East Zone may contract with Union for transportation service from Dawn to the customer's delivery area. The charges for the transportation service will consist of the Rate C1 Dawn-Parkway firm transportation rate and applicable fuel charges, in accordance with Union's Rate C1 rate schedule, and all applicable third party (i.e. TransCanada) transportation charges on upstream pipelines from Parkway to the customer's delivery area.

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 CHARGESAPPLICABLE TO ALL SERVICES – ALL ZONES (1)

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
<u>MONTHLY CHARGE</u>		\$306.75
<u>DELIVERY CHARGES</u>		<u>cents per m³</u>
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:		5.1705
<u>UNAUTHORIZED OVERRUN NON - COMPLIANCE RATE</u>		<u>cents per m³</u>
Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect.		232.8600

Notes:

- (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.



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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.

\$220.55

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

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

SERVICE AGREEMENT

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



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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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



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

ELIGIBILITY

Any customer in Union's North West and North East 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.

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Chatham, Ontario

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**RATE 100 – LARGE VOLUME HIGH LOAD FACTOR FIRM SERVICE****ELIGIBILITY**

Any customer in Union's North West and North East 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 TransCanada'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.

Transportation Service customers in the Union North East Zone may contract with Union for transportation service from Dawn to the customer's delivery area. The charges for the transportation service will consist of the Rate C1 Dawn-Parkway firm transportation rate and applicable fuel charges, in accordance with Union's Rate C1 rate schedule, and all applicable third party (i.e. TransCanada) transportation charges on upstream pipelines from Parkway to the customer's delivery area.

(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.

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)

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
<u>MONTHLY CHARGE</u>		\$1,372.75
<u>DELIVERY CHARGES</u> (cents per Month per m ³ of Daily Contract Demand)		
Monthly Demand Charge for each unit of Contracted Daily Demand		15.1083
Commodity Charge for each unit of gas volumes delivered (cents/m ³)		0.2205

Notes:

- (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	Including Customer-Related <u>GHG Obligation</u>		Excluding Customer-Related <u>GHG Obligation</u>	
	Union <u>North West</u>	Union <u>North East</u>	Union <u>North West</u>	Union <u>North East</u>
<u>MONTHLY CHARGE</u>			\$1,372.75	\$1,372.75
<u>DELIVERY CHARGES</u> (cents per m ³)				
Commodity Charge for each unit of gas volumes delivered			0.9301	0.9301
<u>GAS SUPPLY CHARGES</u>				

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 \$220.55

BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES

Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement (\$/GJ/Month) \$20.111

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

Commodity Charge for each unit of gas withdrawn from storage (\$/GJ) \$0.206

Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage (\$/GJ) \$0.867

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.

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



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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

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

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, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



Union Gas Limited
Union North
Gas Supply Charges

(A) Availability

Available to customers in Union's North West and North East Delivery Zones.

(B) Applicability:

To all sales customers served under Rate 01A, Rate 10, Rate 20, Rate 100 and Rate 25.

(C) Rates

<u>Utility Sales</u>	Union North West			Union North East	
	Previously Fort Frances Zone	Previously Western Zone	Previously Northern Zone	Previously Northern Zone	Previously Eastern Zone
<u>Rate 01A (cents / m³)</u>					
Storage	2.0589	2.0589	2.0589	6.6220	6.6220
Storage - Price Adjustment	-	-	-	-	-
Commodity and Fuel (1)	11.2718	11.3534	11.4797	11.4797	11.5800
Commodity and Fuel - Price Adjustment	(1.6907)	(1.6907)	(1.6907)	(1.6907)	(1.6907)
Transportation	6.7292	6.7292	6.7292	2.9655	2.9655
Transportation - Price Adjustment	0.3919	0.3919	0.3919	0.3919	0.3919
Total Gas Supply Charge	<u>18.7611</u>	<u>18.8427</u>	<u>18.9690</u>	<u>19.7684</u>	<u>19.8687</u>

Rate 10 (cents / m³)

Storage	1.5495	1.5495	1.5495	4.6762	4.6762
Storage - Price Adjustment	-	-	-	-	-
Commodity and Fuel (1)	11.2718	11.3534	11.4797	11.4797	11.5800
Commodity and Fuel - Price Adjustment	(1.6907)	(1.6907)	(1.6907)	(1.6907)	(1.6907)
Transportation	5.8929	5.8929	5.8929	2.7303	2.7303
Transportation - Price Adjustment	0.4196	0.4196	0.4196	0.4196	0.4196
Total Gas Supply Charge	<u>17.4431</u>	<u>17.5247</u>	<u>17.6510</u>	<u>17.6151</u>	<u>17.7154</u>

Notes:

- (1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1902 cents/m³.



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Union Gas Limited
Union North
Gas Supply Charges

<u>Utility Sales</u>	Union North West			Union North East	
	Previously	Previously	Previously	Previously	Previously
	<u>Fort Frances Zone</u>	<u>Western Zone</u>	<u>Northern Zone</u>	<u>Northern Zone</u>	<u>Eastern Zone</u>
<u>Rate 20 (cents / m³)</u>					
Commodity and Fuel (1)	11.0091	11.0888	11.2120	11.2120	11.3100
Commodity and Fuel - Price Adjustment	(1.6907)	(1.6907)	(1.6907)	(1.6907)	(1.6907)
Commodity Transportation - Charge 1	3.5625	3.5625	3.5625	2.6079	2.6079
Transportation 1 - Price Adjustment	(0.0806)	(0.0806)	(0.0806)	(0.0806)	(0.0806)
Commodity Transportation - Charge 2	-	-	-	-	-
Monthly Gas Supply Demand	55.8485	55.8485	55.8485	49.7267	49.7267
Gas Supply Demand - Price Adjustment	-	-	-	-	-
Commissioning and Decommissioning Rate	6.5222	6.5222	6.5222	5.3560	5.3560

Rate 100 (cents / m³)

Commodity and Fuel (1)	11.0091	11.0888	11.2120	11.2120	11.3100
Commodity and Fuel - Price Adjustment	(1.6907)	(1.6907)	(1.6907)	(1.6907)	(1.6907)
Commodity Transportation - Charge 1	6.2885	6.2885	6.2885	9.0613	9.0613
Commodity Transportation - Charge 2	-	-	-	-	-
Monthly Gas Supply Demand	112.0994	112.0994	112.0994	158.4424	158.4424
Commissioning and Decommissioning Rate	7.9600	7.9600	7.9600	11.3249	11.3249

Rate 25 (cents / m³)

Gas Supply Charge:

Interruptible Service

Minimum

Maximum

1.4848

1.4848

1.4848

1.4848

1.4848

675.9484

675.9484

675.9484

675.9484

675.9484

Natural Gas Liquefaction Service (\$ / GJ) (2)

Gas Supply Charge:

Interruptible Service

Minimum

Maximum

0.3919

178.3976

Notes:

- (1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1902 cents/m³.
- (2) Billing in energy (\$/GJ) will only apply to the Natural Gas Liquefaction Service.

Effective:

January 1, 2017

Chatham, Ontario

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Effective
2017-01-01
Schedule "A"

Gas Supply Charges

(A) Availability:

Available to customers in Union's Southern Delivery Zone.

(B) Applicability:

To all sales customers served under Rate M1, Rate M2, Rate M4, Rate M5A, Rate M7, Rate M9, Rate M10 and storage and transportation customers taking supplemental services under Rate T1, Rate T2 and Rate T3.

(C) Rates:

cents / m³

Utility Sales

Commodity and Fuel	11.5698 (1)
Commodity and Fuel - Price Adjustment	(0.6779)
Transportation	4.2031
Total Gas Supply Commodity Charge	<u>15.0950</u>

Minimum Annual Gas Supply Commodity Charge

Rate M4 Firm and Rate M5A Interruptible Contract	4.8595
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Storage and Transportation Supplemental Services - Rate T1, Rate T2 & Rate T3

\$/GJ

Monthly demand charges:	
Firm gas supply service	59.279
Firm backstop gas	1.692
Commodity charges:	
Gas supply	2.932
Backstop gas	4.512
Reasonable Efforts Backstop Gas	5.470
Supplemental Inventory	Note (2)
Supplemental Gas Sales Service (cents / m ³)	18.8919
Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	2.738
Discretionary Gas Supply Service (DGSS)	Note (3)

Notes:

- (1) The Commodity and Fuel rate includes a gas supply administration charge of 0.1902 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 a gas supply administration charge.

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Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

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.

		<u>Including Customer-Related GHG Obligation</u>	<u>Excluding Customer-Related GHG Obligation</u>
a)	Monthly Charge		\$21.00
b)	Delivery Charge		
	First 100 m ³		4.7406 ¢ per m ³
	Next 150 m ³		4.5002 ¢ per m ³
	All Over 250 m ³		3.8790 ¢ per m ³
	Delivery - Price Adjustment (All Volumes)		0.4365 ¢ per m ³
c)	Storage Charge (if applicable)		0.7153 ¢ per m ³
	Storage - Price Adjustment (All Volumes)		- ¢ 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.

Notes:

- (1) Includes a temporary charge of 0.2283, and 0.2082 cents/m³ expiring March 31, 2017.

(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

(E) Delayed Payment

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.



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

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Overrun Delivery Charge		5.4559 ¢ per m ³

(H) Bundled Direct Purchase Delivery

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

(I) Company Policy Relating to Terms of Service

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

<u>Zone</u>	Assumed Atmospheric Pressure <u>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

January 1, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



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.

		Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
a)	Monthly Charge		\$70.00
b)	Delivery Charge		
	First 1 000 m ³		4.7134 ¢ per m ³
	Next 6 000 m ³		4.6259 ¢ per m ³
	Next 13 000 m ³		4.4396 ¢ per m ³
	All Over 20 000 m ³		4.1211 ¢ per m ³
	Delivery – Price Adjustment (All Volumes) (1)		0.4836 ¢ per m ³
c)	Storage Charge (if applicable)		0.6252 ¢ per m ³
	Storage - Price Adjustment (All Volumes)		- ¢ 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.

Notes:

- (1) Includes a temporary charge of 0.1629, and 0.3207 cents/m³ expiring March 31, 2017.

(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.

(E) Delayed Payment

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.



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

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Overrun Delivery Charge		5.3386 ¢ per m ³

(H) Bundled Direct Purchase Delivery

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

(I) Company Policy Relating to Terms of Service

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

<u>Zone</u>	Assumed Atmospheric Pressure <u>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

January 1, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



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 2 400 m³ and 60 000 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.

		Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
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		56.8027 ¢ per m ³
	Next 19 700 m ³ of daily contracted demand		25.4689 ¢ per m ³
	All Over 28 150 m ³ of daily contracted demand		21.3974 ¢ per m ³
(ii)	A Monthly Delivery Commodity Charge		
	First 422 250 m ³ delivered per month		1.4240 ¢ per m ³
	Next volume equal to 15 days use of daily contracted demand		1.4240 ¢ per m ³
	For remainder of volumes delivered in the month		0.6061 ¢ per m ³
	Delivery- Price Adjustment (All Volumes)		- ¢ 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"		
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 at the identified authorized overrun delivery charge and, if applicable, the total gas supply charge for utility sales provided in Schedule "A" per m ³ for all volumes purchased.		
	Unauthorized overrun gas taken in any month shall be paid for at the identified unauthorized overrun delivery charge for the delivery and the total gas supply charge for utility sales provided in Schedule "A" per m ³ for all gas supply volumes purchased.		
		Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
	Authorized Overrun Delivery Charge		3.2915 ¢ per m ³
	Unauthorized Overrun Delivery Charge		5.4559 ¢ per m ³



3. Firm 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 firm 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 the identified firm minimum annual delivery charge and, if applicable a gas supply commodity charge provided in Schedule "A".

Firm Minimum Annual Delivery Charge	1.6142 ¢ per m ³
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In the event that the contract period exceeds one year the annual minimum volume will be prorated for any part year.

4. Interruptible Service

Union may agree, in its sole discretion, to combine a firm service with an interruptible service provided that the amount of interruptible volume to be delivered and agreed upon by Union and the customer shall be no less than 350,000 m³ per year.

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:

	Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation
a) (i) Monthly Delivery Commodity Charge		
<u>Daily Contracted Demand Level (CD)</u>		
2 400 m ³ ≤ CD < 17 000 m ³		3.0313 ¢ per m ³
17 000 m ³ ≤ CD < 30 000 m ³		2.9014 ¢ per m ³
30 000 m ³ ≤ CD < 50 000 m ³		2.8331 ¢ per m ³
50 000 m ³ ≤ CD ≤ 60 000 m ³		2.7852 ¢ per m ³

Delivery - Price Adjustment (All Volumes)	- ¢ per m ³
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(ii) Days Use of Interruptible Contract Demand

The price determined under Paragraph 4(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	\$654.15 per month
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- b) 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 350 000 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 the identified interruptible minimum annual delivery charge, 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.

Interruptible Minimum Annual Delivery Charge	3.2215 ¢ per m ³
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- c) 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 identified unauthorized overrun delivery charge and the total gas supply charge for utility sales provided in Schedule "A" per m³ for all gas supply volumes purchased.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Unauthorized Overrun Delivery Charge		5.4559 ¢ per m ³

Unauthorized Overrun Non-Compliance Rate:

Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect shall be paid for at the rate of 232.8600 ¢ per m³ (\$60 per GJ) for the delivery.

(D) Delayed Payment

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

(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.

Effective

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Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



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 2 400 m³ and 60 000 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:

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
a) (i) Monthly Delivery Commodity Charge		
<u>Daily Contracted Demand Level (CD)</u>		
2 400 m ³ ≤ CD < 17 000 m ³		3.0313 ¢ per m ³
17 000 m ³ ≤ CD < 30 000 m ³		2.9014 ¢ per m ³
30 000 m ³ ≤ CD < 50 000 m ³		2.8331 ¢ per m ³
50 000 m ³ ≤ CD ≤ 60 000 m ³		2.7852 ¢ per m ³
Delivery- Price Adjustment (All Volumes)		- ¢ per m ³
(ii) Days Use of Interruptible Contract Demand		
The price determined under Paragraph 1(a) of "Rates" will be reduced by the amount based on the number of Days Use of Contracted Demand as scheduled below:		
For 75 days use of contracted demand		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		\$654.15 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 350 000 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 the identified interruptible minimum annual delivery charge, 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.

Interruptible Minimum Annual Delivery Charge	3.2215 ¢ per m ³
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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 identified unauthorized overrun delivery charge and the total gas supply charge for utility sales provided in Schedule "A" per m³ for all gas supply volumes purchased.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Unauthorized Overrun Delivery Charge		5.4559 ¢ per m ³

Unauthorized Overrun Non-Compliance Rate:

Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect shall be paid for at the rate of 232.8600 ¢ per m³ (\$60 per GJ) for the delivery.

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.

- The monthly demand charge for firm daily deliveries will be 31.7959 ¢ per m³.
- 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 31.7959 ¢ per m³ of daily contracted demand and a delivery commodity price adjustment of 0.0000 ¢ per m³.
- The interruptible commodity charge will be established under Clause 1 of this schedule.



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(D) Delayed Payment

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

(E) Direct Purchase

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

(F) Bundled Direct Purchase Delivery

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

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

Effective

January 1, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



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 60 000 m³; and
- b) who has site specific energy measuring equipment that will be used in determining energy balances.

(C) Rates

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

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
1. Bills will be rendered monthly and shall be the total of:		
(i) A Monthly Demand Charge		
A negotiated Monthly Demand Charge for each m ³ of daily contracted firm demand up to		30.8246 ¢ per m ³
(ii) A Monthly Delivery Commodity Charge		
(1) A Monthly Firm Delivery Commodity Charge for all firm volumes of and a Delivery - Price Adjustment of		0.4496 ¢ per m ³ - ¢ per m ³
(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 and a Delivery - Price Adjustment of		5.6298 ¢ per m ³ - ¢ per m ³
(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 and a Delivery - Price Adjustment of		5.3857 ¢ per m ³ - ¢ 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) 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 (3).

Unauthorized Overrun Non-Compliance Rate:

Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect shall be paid for at the rate of 232.8600 ¢ per m³ (\$60 per GJ) for the delivery.



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 at the identified commissioning and decommissioning rate and the total gas supply charge for utility sales provided in Schedule "A" per m³, if applicable.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Commissioning and Decommissioning Rate		4.0758 ¢ per m ³

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

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

(E) Direct Purchase

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

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

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

Effective

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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.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
1.		
(i) A Monthly Demand Charge of established daily demand determined in accordance with the service contract, such demand charge to be computed on a calendar month basis and a pro-rata 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.		22.3154 ¢ per m ³
(ii) A Delivery Commodity Charge for gas delivered of and a Delivery - Price Adjustment of		0.2703 ¢ per m ³ - ¢ 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".		

(D) Delayed Payment

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

(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 at the identified authorized overrun delivery charge. 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 at the identified unauthorized overrun delivery charge.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Authorized Overrun Delivery Charge		1.0040 ¢ per m ³
Unauthorized Overrun Delivery Charge		36.0000 ¢ per m ³

(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.



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.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
1. A Delivery Commodity Charge of		6.8119 ¢ per m ³
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

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

(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 identified unauthorized overrun delivery charge 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.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Unauthorized Overrun Delivery Charge		5.4559 ¢ per m ³

(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.

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	\$1.692	
Backstop Gas Commodity Charge On all quantities supplied by Union to the Ontario Point(s) of Receipt		\$4.512
c) Reasonable Efforts Backstop Gas Paid on all quantities of gas supplied by Union to the customer's Point(s) of Consumption		\$5.470
d) Banked Gas Purchase T-service		Note (1)
e) Failure to Deliver Applied to all quantities not delivered to Union in the event the customer's supply fails		\$2.738
f) Short Term Storage / Balancing Service (2) Maximum		\$6.000
g) Discretionary Gas Supply Service ("DGSS")		Note (3)
h) Parkway Delivery Commitment Incentive ("PDCI")		\$0.149



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 qualifying annual transportation volume for combined firm and interruptible service is at least 2 500 000 m³ or greater and has a daily firm contracted demand up to 140,870 m³; 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 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:

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.011			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory	\$1.561			
Customer provides deliverability Inventory (4)	\$1.186			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.186			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.186			



	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	For Customers Providing Their Own Compressor Fuel	
			Fuel Ratio <u>Ratio</u>	Commodity Charge <u>Rate/GJ</u>
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.028	0.406%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.028	0.406%	\$0.008
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. Annual Firm Storage Space

The maximum storage space available to a customer at the rates specified herein is determined by one of the following storage allocation methodologies:

3.1 Aggregate Excess

Aggregate excess is the difference between the customer's total 151-day winter consumption (November 1 through March 31) and the customer's average daily consumption (Daily Contract Quantity) for the contract year multiplied by 151 days of winter. This calculation will be done using two years of historical data (with 25% weighting for each year) and one year of forecast data (with 50% weighting). If a customer is new, or an existing customer is undergoing a significant change in operations, the allocation will be based on forecast consumption only, as negotiated between Union and the customer. Once sufficient historical information is available for the customer, the standard calculation will be done. At each contract renewal, the aggregate excess calculation will be performed to set the new space allocation.

3.2 Obligated daily contract quantity multiple of 15

Obligated daily contract quantity is the firm daily quantity of gas which the customer must deliver to Union. The 15 x obligated daily contract quantity calculation will be done using the daily contract quantity for the upcoming contract year. At each contract renewal, the 15 x obligated daily contract quantity calculation will be performed to set the new space allocation.

Customers may contract for less than their maximum entitlement of firm storage space.



4. Annual Injection/Withdrawal Right

The maximum level of deliverability available to a customer at the rates specified herein is determined by one of the following methodologies:

4.1 The greater of obligated daily contract quantity or firm daily contract demand less obligated daily contract quantity.

Customers may contract for less than their maximum entitlement of deliverability. A customer may contract up to this maximum entitlement with a combination of firm and interruptible deliverability as specified in Section (C) Storage Service.

5. Additional storage space or deliverability, in excess of the allocated entitlements per Notes 3 and 4, may be available at market prices.

6. Storage Space and Withdrawal Rights are not assignable to any other party without the prior written consent of Union.

7. Deliverability Inventory being defined as 20% of annual storage space.

8. 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	Union Providing Compressor Fuel		Fuel Ratio (5)	For Customers Providing Their Own Compressor Fuel	
		Commodity Charge			Commodity Charge	
		Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation		Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation
		<u>Rate/m³/mo</u>	<u>Rate/m³</u>		<u>Rate/m³</u>	<u>Rate/m³</u>
a) Annual Firm Transportation Demand Applied to the Firm Daily Contract Demand First 28,150 m ³ per month Next 112,720 m ³ per month	35.4376 ¢ 24.4833 ¢					
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the customer's Point(s) of Consumption Commodity Charge (All volumes)			0.1823 ¢	0.305%		0.1245 ¢
c) Interruptible Transportation Commodity Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption Maximum			5.6298 ¢	0.305%		5.5720 ¢

Notes:

- 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.
- In negotiating the rate to be charged for the transportation of gas under Interruptible Transportation, the matters that are to be considered include:
 - The amount of the interruptible transportation for which customer is willing to contract,
 - The anticipated load factor for the interruptible transportation quantities,
 - Interruptible or curtailment provisions, and
 - Competition.
- 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.
- 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.
- 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.

	<u>Firm or Interruptible Service</u>				
	Union Providing Compressor Fuel		<u>Fuel Ratio</u>	For Customers Providing Their Own Compressor Fuel	
	<u>Commodity Charge</u>			<u>Commodity Charge</u>	
	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>		Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
	Storage Injections		\$0.101/GJ	0.861%	
Storage Withdrawals		\$0.101/GJ	0.861%		\$0.059/GJ
Transportation		1.3474 ¢/m³	0.305%		1.2896 ¢/m³

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 the identified unauthorized overrun charge, as appropriate.

	Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation
Unauthorized Overrun Storage Injections and Withdrawals Charge		5.4559 ¢ per m ³ or \$1.406 per GJ
Unauthorized Overrun Transportation Charge		5.4559 ¢ per m ³ or \$1.406 per GJ

Unauthorized Overrun Non-Compliance Rate:

Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect shall be paid for at the rate of 232.8600 ¢ per m³ (\$60 per GJ) for the transportation service.



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 Rate/GJ
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	\$1,905.94
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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

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. Additional Service Information

Additional information on Union's T1 service offering can be found at:
www.uniongas.com/business/account-services/unionline/contracts-rates/T1-service-features

The additional information consists of, but is not limited to, the following:

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

5. Parkway Delivery Commitment Incentive ("PDCI")

For all Parkway Delivery Obligation ("PDO") volumes delivered to Union.	<u>Rate/GJ</u>
PDCI	\$0.149

(D) Delayed Payment

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

Effective

January 1, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



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) who has a daily firm contracted demand of at least 140 870 m³. Firm and/or interruptible daily contracted demand of less than 140,870 m³ cannot be combined for the purposes of qualifying for this rate class; 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 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:

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.011			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory	\$1.561			
Customer provides deliverability Inventory (4)	\$1.186			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.186			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.186			



	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	For Customers Providing Their Own Compressor Fuel	
			Fuel Ratio <u>Ratio</u>	Commodity Charge <u>Rate/GJ</u>
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.028	0.406%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.028	0.406%	\$0.008
g) Short Term Storage / Balancing Service Maximum		\$6.000		
h) Daily Variance Account Interruptible Injections/Withdrawals Paid on all quantities withdrawn from and injected into the Daily Variance Account up to the Maximum Injection/Withdrawal Quantity		\$0.101	0.861%	\$0.059

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. Annual Firm Storage Space

The maximum storage space available to a customer at the rates specified herein is determined by one of the following storage allocation methodologies:

3.1 Aggregate Excess

Aggregate excess is the difference between the customer's total 151-day winter consumption (November 1 through March 31) and the customer's average daily consumption (Daily Contract Quantity) for the contract year multiplied by 151 days of winter. This calculation will be done using two years of historical data (with 25% weighting for each year) and one year of forecast data (with 50% weighting). If a customer is new, or an existing customer is undergoing a significant change in operations, the allocation will be based on forecast consumption only, as negotiated between Union and the customer. Once sufficient historical information is available for the customer, the standard calculation will be done. At each contract renewal, the aggregate excess calculation will be performed to set the new space allocation.

3.2 Obligated daily contract quantity multiple of 15

Obligated daily contract quantity is the firm daily quantity of gas which the customer must deliver to Union. The 15 x obligated daily contract quantity calculation will be done using the daily contract quantity for the upcoming contract year. At each contract renewal, the 15 x obligated daily contract quantity calculation will be performed to set the new space allocation.

3.3 For new, large (daily firm transportation demand requirements in excess of 1,200,000 m³/day) gas fired power generation customers, storage space is determined by peak hourly consumption x 24 x 4 days. Should the customer elect firm deliverability less than their maximum entitlement (see Note 4.2), the maximum storage space available at the rates specified herein is 10 x firm storage deliverability contracted, not to exceed peak hourly consumption x 24 x 4 days.

3.4 Contract Demand multiple of 10

For customers with non-obligated supply and who are not eligible for Section 3.3 above, the maximum storage space is determined as 9 x firm daily Contract Demand and the Daily Variance Account maximum storage space is determined as 1 x firm daily Contract Demand.

Customers may contract for less than their maximum entitlement of firm storage space.



4. Annual Injection/Withdrawal Right

The maximum level of deliverability available to a customer at the rates specified herein is determined by one of the following methodologies:

4.1 The greater of obligated daily contract quantity or firm daily contract demand less obligated daily contract quantity.

4.2 For new, large (daily firm transportation demand requirements in excess of 1,200,000 m³/day) gas fired power generation customers, the maximum entitlement of firm storage deliverability is 24 times the customer's peak hourly consumption, with 1.2% firm deliverability available at the rates specified

4.3 For customers with non-obligated supply and are not eligible for Section 4.2 above, the firm storage deliverability is determined as 1.2% of firm storage space, excluding the firm storage space associated with the Daily Variance Account. For the Daily Variance Account, the storage deliverability is available on an interruptible basis up to the customer's firm contracted demand.

Customers may contract for less than their maximum entitlement of deliverability. A customer may contract up to this maximum entitlement with a combination of firm and interruptible deliverability as specified in Section (C) Storage Service.

5. Additional storage space or deliverability, in excess of the allocated entitlements per Notes 3 and 4, may be available at market prices.

6. Storage Space and Withdrawal Rights are not assignable to any other party without the prior written consent of Union.

7. Deliverability Inventory being defined as 20% of annual storage space.

8. 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	Union Providing Compressor Fuel		For Customers Providing Their Own Compressor Fuel	
		Commodity Charge		Commodity Charge	
		Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation	Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation
	<u>Rate/m³/mo</u>	<u>Rate/m³</u>	<u>Rate/m³</u>	<u>Rate/m³</u>	<u>Rate/m³</u>
a) Annual Firm Transportation Demand					
Applied to the Firm Daily Contract Demand					
First 140,870 m ³ per month					
	26.4455 ¢				
All over 140,870 m ³ per month					
	13.9884 ¢				
b) Firm Transportation Commodity					
Paid on all firm quantities redelivered to the					
customer's Point(s) of Consumption					
Commodity Charge (All volumes)					
			0.0880 ¢	0.283%	0.0343 ¢
c) Interruptible Transportation Commodity					
Paid on all interruptible quantities redelivered					
to the customer's Point(s) of Consumption					
Maximum					
			5.6298 ¢	0.283%	5.5761 ¢

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. Authorized Overrun is not applicable to the Daily Variance Account.

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. The Authorized Overrun rates are not applicable to the Daily Variance Account.

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

	<u>Firm or Interruptible Service</u>				
	Union Providing Compressor Fuel			For Customers Providing Their Own Compressor Fuel	
	Commodity Charge		Fuel Ratio	Commodity Charge	
	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>		Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Storage Injections		\$0.101/GJ	0.861%		\$0.059/GJ
Storage Withdrawals		\$0.101/GJ	0.861%		\$0.059/GJ
Transportation		0.9574 ¢/m³	0.283%		0.9037 ¢/m³

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 the identified unauthorized overrun charge, as appropriate. For the Daily Variance Account, this unauthorized storage overrun rate will be charged on all quantities in excess of the Daily Variance Account maximum injection/withdrawal quantity.

	<u>Including Customer-Related GHG Obligation</u>	<u>Excluding Customer-Related GHG Obligation</u>
Unauthorized Overrun Storage Injections and Withdrawals Charge		5.4559 ¢ per m³ or \$1.406 per GJ
Unauthorized Overrun Transportation Charge		5.4559 ¢ per m³ or \$1.406 per GJ

Unauthorized Overrun Non-Compliance Rate:

Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect shall be paid for at the rate of 232.8600 ¢ per m³ (\$60 per GJ) for the transportation service.



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 Rate/GJ
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	\$5,513.81
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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

The delivery options available to customers are detailed at:
www.uniongas.com/business/account-services/unionline/contracts-rates/T1-service-features

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 \$0.070/GJ/day/month multiplied by the non-obligated daily contract quantity.

5. Additional Service Information

Additional information on Union's T2 service offering can be found at:
www.uniongas.com/business/account-services/unionline/contracts-rates/T1-service-features

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.

6. Parkway Delivery Commitment Incentive ("PDCI")

For all Parkway Delivery Obligation ("PDO") volumes delivered to Union.

Rate/GJ

PDCI

\$0.149

(D) Delayed Payment

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.



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:

	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	<u>For Customers Providing Their Own Compressor Fuel</u>	
			<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	\$0.011			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right Union provides deliverability Inventory	\$1.561			
Customer provides deliverability Inventory (4)	\$1.186			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	\$1.186			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	\$1.186			



	Demand Charge <u>Rate/GJ/mo</u>	Commodity Charge <u>Rate/GJ</u>	For Customers Providing Their Own Compressor Fuel Fuel <u>Ratio</u>	Commodity Charge <u>Rate/GJ</u>
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		\$0.028	0.406%	\$0.008
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		\$0.028	0.406%	\$0.008
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. Annual Firm Storage Space

The maximum storage space available to a customer at the rates specified herein is determined by one of the following storage allocation methodologies:

3.1 Aggregate Excess

Aggregate excess is the difference between the customer's total 151-day winter consumption (November 1 through March 31) and the customer's average daily consumption (Daily Contract Quantity) for the contract year multiplied by 151 days of winter. This calculation will be done using two years of historical data (with 25% weighting for each year) and one year of forecast data (with 50% weighting). If a customer is new, or an existing customer is undergoing a significant change in operations, the allocation will be based on forecast consumption only, as negotiated between Union and the customer. Once sufficient historical information is available for the customer, the standard calculation will be done. At each contract renewal, the aggregate excess calculation will be performed to set the new space allocation.

3.2 Obligated daily contract quantity multiple of 15

Obligated daily contract quantity is the firm daily quantity of gas which the customer must deliver to Union. The 15 x obligated daily contract quantity calculation will be done using the daily contract quantity for the upcoming contract year. At each contract renewal, the 15 x obligated daily contract quantity calculation will be performed to set the new space allocation.

Customers may contract for less than their maximum entitlement of firm storage space.

4. Annual Injection/Withdrawal Right

The maximum level of deliverability available to a customer at the rates specified herein is determined to be the greater of obligated daily contract quantity or firm daily contract demand less obligated daily contract quantity.

Customers may contract for less than their maximum entitlement of deliverability. A customer may contract up to this maximum entitlement with a combination of firm and interruptible deliverability as specified in Section (C) Storage Service.



5. Additional storage space or deliverability, in excess of the allocated entitlements per Notes 3 and 4, may be available at market prices.
6. Storage Space and Withdrawal Rights are not assignable to any other party without the prior written consent of Union.
7. Deliverability Inventory being defined as 20% of annual storage space.
8. 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	Union Providing Compressor Fuel		For Customers Providing Their Own Compressor Fuel	
		Commodity Charge		Commodity Charge	
		Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation	Including Customer-Related GHG Obligation	Excluding Customer-Related GHG Obligation
		<u>Rate/m³/mo</u>	<u>Rate/m³</u>	<u>Rate/m³</u>	<u>Rate/m³</u>
a) Annual Firm Transportation Demand (1) Applied to the Firm Daily Contract Demand	16.7213 ¢				
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the Customer's Point(s) of Redelivery			0.1629 ¢	0.380%	0.0909 ¢

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 Compressor Fuel		For Customers Providing Their Own Compressor Fuel		
	Commodity Charge		Fuel Ratio	Commodity Charge	
	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>		Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Storage Injections		\$0.101/GJ	0.861%		\$0.059/GJ
Storage Withdrawals		\$0.101/GJ	0.861%		\$0.059/GJ
Transportation		0.7126 ¢/m³	0.380%		0.6406 ¢/m³

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 the identified unauthorized overrun charge, as appropriate.

	Including Customer-Related <u>GHG Obligation</u>	Excluding Customer-Related <u>GHG Obligation</u>
Unauthorized Overrun Storage Injections and Withdrawals Charge		36.0000 ¢ per m ³ or \$9.276 per GJ
Unauthorized Overrun Transportation Charge		36.0000 ¢ per m ³ or \$9.276 per GJ

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 / Withdrawal 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	\$ 19,968.19
NRG	\$ 3,065.32
Six Nations	\$ 1,021.77

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.

4. Parkway Delivery Commitment Incentive ("PDCI")

For all Parkway Delivery Obligation ("PDO") volumes delivered to Union.

	<u>Rate/GJ</u>
PDCI	\$0.149

(D) Delayed Payment

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been

**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 M1 or 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	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	\$0.023		
b) Injection Commodity		0.406%	\$0.026
c) Withdrawal Commodity		0.406%	\$0.026
ii) Standard Peaking Service (SPS)			
a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space	\$0.114		
b) Injection Commodity		0.406%	\$0.026
c) Withdrawal Commodity		0.861%	\$0.026



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	Demand Charge <u>Rate/GJ/mo</u>	Fuel <u>Ratio</u>	Commodity Charge <u>Rate/GJ</u>
iii) Supplemental Service			
a) Incremental Firm Injection Right: (5) Applied to the contracted Maximum Incremental Firm Injection Right	\$1.030		
b) Incremental Firm Withdrawal Right: (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right	\$1.030		
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.



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OVERRUN SERVICE

1. Injection and Withdrawal

Authorized

	<u>Fuel Ratio</u>	<u>Commodity Charge Rate/GJ</u>
Injection	0.861%	\$0.060
Withdrawal	0.861%	\$0.060

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.
2. **Parkway Delivery Commitment Incentive ("PDCI")**

For all Parkway Delivery Obligation ("PDO") volumes delivered to Union.	<u>Rate/GJ</u>
PDCI	\$0.149

(D) Delayed Payment

The monthly late payment charge equal to 1.5% per month or 18% per annum (for an approximate effective rate of 19.56% per annum) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date, which is 20 days after the bill has been issued.

Effective

January 1, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

TRANSPORTATION RATES**(A) Applicability**

The charges under this schedule shall be applicable to a Shipper who enters into a Transportation Service Contract with Union.

Applicable Points

Dawn as a receipt point: Dawn (TCPL), Dawn (Facilities), Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE).

Dawn as a delivery point: Dawn (Facilities).

(B) Services

Transportation Service under this rate schedule shall be for transportation on Union's Dawn - Parkway facilities.

(C) Rates

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.

	Monthly Demand	<u>Fuel and Commodity Charges</u>		
	<u>Charges</u>			
	(applied to daily contract demand)	<u>Union Supplied Fuel</u>	<u>Shipper Supplied Fuel</u>	
	<u>Rate/GJ</u>	<u>Fuel and Commodity Charge Rate/GJ</u>	<u>Fuel Ratio %</u>	<u>AND</u> <u>Commodity Charge Rate/GJ</u>
<u>Firm Transportation (1)</u>				
Dawn to Parkway (Cons) / Lisgar	\$3.402	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".	\$0.000
Dawn to Parkway (TCPL / EGT)	\$3.402			\$0.000
Dawn to Kirkwall	\$2.865			\$0.000
Kirkwall to Parkway	\$0.537			\$0.000
<u>M12-X Firm Transportation</u>				
Between Dawn, Kirkwall and Parkway	\$4.239	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".	
<u>Limited Firm/Interruptible Transportation (1)</u>				
Dawn to Parkway (Cons) / Lisgar – Maximum	\$8.165	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".	\$0.000
Dawn to Parkway (TCPL / EGT) – Maximum	\$8.165			\$0.000
Dawn to Kirkwall – Maximum	\$8.165			\$0.000
Parkway (TCPL / EGT) to Parkway (Cons) / Lisgar (2)	n/a			\$0.000

Authorized Overrun (3)

Authorized overrun rates will be payable on all quantities in excess of Union's obligation on any day. The overrun charges payable will be calculated at the following rates. Overrun will be authorized at Union's sole discretion.

	<u>Fuel and Commodity Charges</u>		
	Union Supplied Fuel	Shipper Supplied Fuel	
	Fuel and Commodity Charge Rate/GJ	Fuel Ratio %	Commodity Charge Rate/GJ
Transportation Overrun			
Dawn to Parkway (Cons) / Lisgar	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".	\$0.112
Dawn to Parkway (TCPL / EGT)			\$0.112
Dawn to Kirkwall			\$0.094
Kirkwall to Parkway			\$0.018
Parkway (TCPL) Overrun (4)	n/a	0.704%	n/a
M12-X Firm Transportation			
Dawn to Kirkwall / Parkway (Cons) / Lisgar	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".	\$0.139
Dawn to Parkway (TCPL / EGT)			\$0.139
Kirkwall to Parkway			\$0.139
Parkway to Dawn / Kirkwall			\$0.139
Kirkwall to Dawn			\$0.139

(C) Rates (Cont'd)Unauthorized Overrun

Authorized Overrun rates will be payable on all quantities up to 2% in excess of Union's contractual obligation.

The Unauthorized Overrun shall be the higher of the reported daily spot price of gas at either Dawn, Parkway, Niagara or Iroquois in the month of or the month following the month in which the overrun occurred plus 25% for all usage on any day in excess of 102% of Union's contractual obligation.

Nomination Variances

Where Union and the shipper have entered into a Limited Balancing Agreement ("LBA"), the rate for unauthorized parking or drafting which results from nomination variances shall equal the "Balancing Fee" rate as described under Article XXII of TransCanada PipeLines Transportation Tariff.

Notes for Section (C) Rates:

- (1) The annual transportation commodity charge is calculated by application of the YCRR Formula, as per Section (D). The annual transportation fuel required is calculated by application of the YCR Formula, as per Section (D).
- (2) This rate is for westerly transportation within the Parkway yard, from Parkway (TCPL) or Parkway (EGT) to Parkway (Cons) or Lisgar.
- (3) For purposes of applying the YCRR Formula or YCR Formula (Section (D)) to transportation overrun quantities, the transportation commodity revenue will be deemed to be equal to the commodity charge of the applicable service as detailed in Section (B).
- (4) This ratio will be applied to all gas quantities for which Union is obligated to deliver to Parkway (Cons) or Lisgar and has agreed to deliver to Parkway (TCPL) or Parkway (EGT) on an interruptible basis. This will be in addition to any rate or ratio paid for transportation easterly to Parkway (Cons) or Lisgar.
- (5) A demand charge of \$0.070/GJ/day/month will be applicable for customers contracting for firm all day transportation service in addition to the demand charges appearing on this schedule for firm transportation service to either Kirkwall or Parkway

(D) Transportation Commodity

The annual fuel charge in kind or in dollars for transportation service in any contract year shall be equal to the sum of the application of the following equation applied monthly for the 12 months April through March (The "YCRR" or "YCR" Formula). An appropriate adjustment in the fuel charges will be made in May for the previous 12 months ending March 31st to obtain the annual fuel charges as calculated using the applicable "YCRR" or "YCR" Formula. At Union's sole discretion Union may make more frequent adjustments than once per year. The YCRR and YCR adjustments must be paid/remitted to/from Shippers at Dawn within one billing cycle after invoicing.



(D) Transportation Commodity (Cont'd)

$$YCR = \sum_{1}^{4} [(0.001570 \times (QT1 + QT3)) + (DSFx(QT1 + QT3)) + F_{ST}] \text{ For June 1 to Sept. 30}$$

plus

$$\sum_{5}^{12} [0.001570 \times (QT1 + Q3)) + (DWFxQT1) + F_{WT}] \text{ For Oct. 1 to May 31}$$

$$YCRR = \sum_{1}^{4} [(0.001570 \times (QT1 + QT3)) + (DSFx(QT1 + QT3)) + F_{ST}] \times R \text{ For June 1 to Sept. 30}$$

plus

$$\sum_{5}^{12} [(0.001570 \times (QT1 + QT3)) + (DWFxQT1) + F_{WT}] \times R \text{ For Oct. 1 to May 31}$$

where: DSF = 0.00000 for Dawn summer fuel requirements
DWF = 0.0020 for Dawn winter fuel requirements

in which:

YCR Yearly Commodity Required

The sum of 12 separate monthly calculations of Commodity Quantities required for the period from April through March.

YCRR Yearly Commodity Revenue Required

The sum of 12 separate monthly calculations of Commodity Revenue required for the period April through March.

QT1 Monthly quantities in GJ transported easterly hereunder received at Dawn at not less than 4 850 kPa but less than 5 860 kPa (compression required at Dawn).

QT3 Monthly quantities in GJ transported westerly hereunder received at the Parkway Delivery Point.

F_{WT} The individual Shipper's monthly share of compressor fuel used in GJ which was required at Union's Lobo, Bright, Trafalgar and Parkway Compressor Stations ("Lobo", "Bright", "Trafalgar" and "Parkway") to transport the same Shipper's QT1 monthly quantities easterly.

Lobo, Bright, Trafalgar and Parkway compressor fuel required by each Shipper will be calculated each month.

The monthly Lobo and Bright compressor fuel will be allocated to each Shipper in the same proportion as the Shipper's monthly quantities transported is to the monthly transported quantity for all users including Union.

The monthly Parkway and Trafalgar compressor fuel used will be allocated to each Shipper in the same proportion as the monthly quantity transported to Parkway (TCPL) for each user is to the total monthly quantity transported for all users including Union.



(D) Transportation Commodity (Cont'd)

F_{ST} The individual Shipper's monthly share of compressor fuel used in GJ which was required at Union's Lobo, Bright, Trafalgar and Parkway compressor stations to transport the same Shipper's quantity on the Trafalgar system.

Lobo, Bright, Trafalgar and Parkway compressor fuel required by each Shipper will be calculated each month.

R Union's weighted average cost of gas in \$/GJ.

Notes

(i) In the case of Easterly flow, direct deliveries by TCPL at Parkway to Union or on behalf of Union to Union's Transportation Shippers will be allocated to supply Union's markets on the Dawn-Parkway facilities starting at Parkway and proceeding westerly to successive laterals until exhausted.

(E) Provision for Compressor Fuel

For a Shipper that has elected to provide its own compressor fuel.

Transportation Fuel

On a daily basis, the Shipper will provide Union at the delivery point and delivery pressure as specified in the contract, a quantity (the "Transportation Fuel Quantity") representing the Shipper's share of compressor fuel and unaccounted for gas for transportation service on Union's system.

The Transportation Fuel Quantity will be determined on a daily basis, as follows:

Transportation Fuel Quantity = Transportation Quantity x Transportation Fuel Ratio.

In the event that the actual quantity of fuel supplied by the Shipper was different from the actual fuel quantity as calculated using the YCR formula, an adjustment will be made in May for the previous 12 months ending March 31st.

Nominations

The Shipper will be required to nominate its Transportation Fuel Quantity in addition to its normal nominations for transportation services.

(F) Terms of Service

The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A" for contracts in effect before October 1, 2010. The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A 2010" for contracts in effect on or after October 1, 2010.

(G) Nominations

Nominations under this rate schedule shall be in accordance with the attached Schedule "B" for contracts in effect before October 1, 2010. Nominations under this rate schedule shall be in accordance with the attached Schedule "B 2010" for contracts in effect on or after October 1, 2010.

(H) Monthly Fuel Rates and Ratios

Monthly fuel rates and ratios under this rate schedule shall be in accordance with Schedule "C".

(I) Receipt and Delivery Points and Pressures

Receipt and Delivery Points and Pressures under this rate schedule shall be in accordance with Schedule "D 2010" for contracts in effect on or after October 1, 2010.

TRANSPORTATION OF LOCALLY PRODUCED GAS**(A) Applicability**

The charges under this rate schedule shall be applicable to a customer who enters into a contract with Union for gas received at a local production point to be transported to Dawn.

Applicable Points

Dawn as a delivery point: Dawn (Facilities).

(B) 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.

Demand Commodity

	Demand Charge <u>Rate/Month</u>	Commodity Charge <u>Rate/GJ</u>	Union Supplied Fuel Fuel and Commodity Charge <u>Rate/GJ</u>	Fuel <u>Ratio %</u>	AND	Shipper Supplied Fuel Commodity Charge <u>Rate/GJ</u>
1. Monthly fixed charge per Customer Station	\$952.72					
2. Transmission Commodity Charge		\$0.035				
3. Delivery Commodity Charge			\$0.008	0.157%		\$0.000

These charges are in addition to the transportation, storage and/or balancing charges which shall be paid for under Rate M12 or Rate C1, or other services that may be negotiated.

4. Overrun Services

Authorized Overrun

Authorized overrun will be payable on all quantities transported in excess of Union's obligation on any day. The overrun charges payable will be calculated at the identified authorized overrun charge. Overrun will be authorized at Union's sole discretion.

	Union Supplied Fuel Fuel and Commodity Charge <u>Rate/GJ</u>	Fuel <u>Ratio %</u>	AND	Shipper Supplied Fuel Commodity Charge <u>Rate/GJ</u>
Authorized Overrun Charge	\$0.077	0.157%		\$0.069

Unauthorized Overrun

Authorized Overrun rates payable on all volumes up to 2% in excess of Union's contractual obligation.

The Unauthorized Overrun rate during the November 1 to April 15 period will be \$50 per GJ for all usage on any day in excess of 102% of Union's contractual obligation. The Unauthorized Overrun rate during the April 16 to October 31 period will be \$9.373 per GJ for all usage on any day in excess of 102% of Union's contractual obligation.

(C) Terms of Service

General Terms & Conditions applicable to this rate shall be in accordance with the attached Schedule "A" in effect before January 1, 2013. The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A 2013" for contracts in effect on or after January 1, 2013.

Effective

January 1, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

STORAGE AND TRANSPORTATION SERVICES TRANSPORTATION CHARGES**(A) Availability**

The charges under this rate schedule shall be applicable for transportation service rendered by Union for all quantities transported to and from embedded storage pools located within Union's franchise area and served using Union's distribution and transmission assets.

Applicable Points

Dawn as a receipt point: Dawn (Facilities).
Dawn as a delivery point: Dawn (Facilities).

(B) 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) Charges Applicable to both Firm and/or Interruptible Transportation Services:

Monthly Fixed Charge per customer station (\$ per month) (1) \$1,515.67

Transmission Commodity Charge to Dawn (\$ per GJ) \$0.035

Transportation Fuel	Customers located East of Dawn	Customers located West of Dawn
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Fuel Charges to Dawn:

Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.008	\$0.008
Commodity Rate - Shipper supplied fuel (\$ per GJ)	\$0.000	\$0.000
Fuel Ratio - Shipper supplied fuel (%)	0.157%	0.157%

Fuel Charges to the Pool

Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.009	\$0.022
Commodity Rate - Shipper supplied fuel (\$ per GJ)	\$0.000	\$0.000
Fuel Ratio - Shipper supplied fuel (%)	0.186%	0.447%

b) Firm Transportation Demand Charges: (2)

Monthly Demand Charge applied to contract demand (\$ per GJ)	\$0.770	\$1.045
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Authorized Overrun:

The authorized overrun rate payable on all quantities transported in excess of Union's obligation any day shall be:

	Customers located East of Dawn	Customers located West of Dawn
Firm Transportation:		
Charges to Dawn		
Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.067	\$0.077
Commodity Rate - Shipper supplied fuel (\$ per GJ)	\$0.060	\$0.069
Fuel Ratio - Shipper supplied fuel (%)	0.157%	0.157%
Charges to the Pool		
Commodity Rate - Union supplied fuel (\$ per GJ)	\$0.034	\$0.056
Commodity Rate - Shipper supplied fuel (\$ per GJ)	\$0.025	\$0.034
Fuel Ratio - Shipper supplied fuel (%)	0.186%	0.447%

Overrun will be authorized at Union's sole discretion.



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Unauthorized Overrun

Authorized Overrun rates payable on all transported quantities up to 2% in excess of Union's contractual obligation.

The Unauthorized Overrun rate during the November 1 to April 15 period will be \$50 per GJ for all usage on any day in excess of 102% of Union's contractual obligation. The Unauthorized Overrun rate during the April 16 to October 31 period will be \$9.373 per GJ for all usage on any day in excess of 102% of Union's contractual obligation.

Charges aforesaid in respect of any given month in accordance with General Terms & Conditions shall be payable no later than the twenty-fifth day of the succeeding month.

Notes for Section (B) Rates:

- (1) The monthly fixed charge will be applied once per month per customer station regardless of service being firm, interruptible or a combination thereof.
- (2) Demand charges will be applicable to customers firm daily contracted demand or the firm portion of a combined firm and interruptible

(C) Terms of Service

The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A" for contracts in effect before October 1, 2010. The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A 2013" for contracts in effect on or after January 1, 2013.

Effective

January 1, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.



CROSS FRANCHISE TRANSPORTATION RATES

(A) Applicability

To a Shipper who enters into a Contract with Union for delivery by Shipper of gas to Union at one of Union's points listed below for redelivery by Union to Shipper at one of Union's points.

<u>Applicable Points</u>	(1)	(2)
	Ojibway	WDA
	St. Clair	NDA
	Dawn*	SSMDA
	Parkway	SWDA
	Kirkwall	CDA
	Bluewater	EDA

*Dawn as a receipt point: Dawn (TCPL), Dawn (Facilities), Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE).

*Dawn as a delivery point: Dawn (Facilities).

(B) Services

Transportation Service under this rate schedule is transportation on Union's pipeline facilities between any two Points as specified in Section (A), column 1.

(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.

Transportation Service:

	Monthly Demand Charges (applied to daily contract demand) <u>Rate/GJ</u>	<u>Union Supplied Fuel</u>		<u>Fuel and Commodity Charges</u>			Commodity <u>Charge</u> <u>Rate/GJ</u>
		<u>Fuel and Commodity Charge</u>		<u>Shipper Supplied Fuel</u>		<u>AND</u>	
		<u>Fuel Ratio</u>		<u>Fuel Ratio</u>			
		Apr.1-Oct.31 <u>Rate/GJ</u>	Nov.1-Mar.31 <u>Rate/GJ</u>	Apr.1-Oct.31 <u>%</u>	Nov.1-Mar.31 <u>%</u>		
a) Firm Transportation							
Between:							
St.Clair & Dawn	\$1.045	\$0.010	\$0.013	0.207%	0.266%		\$0.000
Ojibway & Dawn	\$1.045	\$0.022	\$0.015	0.447%	0.303%		\$0.000
Bluewater & Dawn	\$1.045	\$0.010	\$0.013	0.207%	0.266%		\$0.000
From:							
Parkway to Kirkwall	\$0.837	\$0.014	\$0.008	0.293%	0.157%		\$0.000
Parkway to Dawn	\$0.837	\$0.014	\$0.008	0.293%	0.157%		\$0.000
Kirkwall to Dawn	\$1.475	\$0.008	\$0.008	0.157%	0.157%		\$0.000
Dawn to Kirkwall	\$2.865	\$0.016	\$0.037	0.318%	0.756%		\$0.000
Dawn to Parkway (TCPL)	\$3.402	\$0.028	\$0.050	0.571%	1.026%		\$0.000
Kirkwall to Parkway	\$0.537	\$0.020	\$0.021	0.410%	0.427%		\$0.000
b) Firm Transportation between two points within Dawn							
Dawn to Dawn-Vector	\$0.029	n/a	n/a	0.339%	0.157%		\$0.000
Dawn to Dawn-TCPL	\$0.138	n/a	n/a	0.157%	0.351%		\$0.000
c) Interruptible Transportation between two points within Dawn*							
*includes Dawn (TCPL), Dawn Facilities, Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE)				0.157%	0.157%		\$0.000
d) Interruptible and Short Term (1 year or less) Firm Transportation:							
Maximum		\$75.00					

**(C) Rates (Cont'd)****Authorized Overrun:**

The following Overrun rates are applied to any quantities transported in excess of the Contract parameters. Overrun will be authorized at Union's sole discretion.

	Union Supplied Fuel		Shipper Supplied Fuel		
	Commodity Charge		Fuel Ratio		Commodity Charge
	Apr.1-Oct.31	Nov.1-Mar.31	Apr.1-Oct.31	Nov.1-Mar.31	
	<u>Rate/GJ</u>	<u>Rate/GJ</u>	<u>%</u>	<u>%</u>	<u>Rate/GJ</u>
a) Firm Transportation					
Between:					
St.Clair & Dawn	\$0.044	\$0.047	0.207%	0.266%	\$0.034
Ojibway & Dawn	\$0.056	\$0.049	0.447%	0.303%	\$0.034
Bluewater & Dawn	\$0.044	\$0.047	0.207%	0.266%	\$0.034
From:					
Parkway to Kirkwall	\$0.156	\$0.150	0.910%	0.774%	\$0.112
Parkway to Dawn	\$0.156	\$0.150	0.910%	0.774%	\$0.112
Kirkwall to Dawn	\$0.056	\$0.056	0.157%	0.157%	\$0.049
Dawn to Kirkwall	\$0.140	\$0.161	0.935%	1.373%	\$0.094
Dawn to Parkway (TCPL)	\$0.170	\$0.192	1.188%	1.643%	\$0.112
Kirkwall to Parkway	\$0.068	\$0.069	1.027%	1.044%	\$0.018
b) Firm Transportation within Dawn					
Dawn to Dawn-Vector	n/a	n/a	0.339%	0.157%	\$0.001
Dawn to Dawn-TCPL	n/a	n/a	0.157%	0.351%	\$0.005

Authorized overrun for short-term firm transportation is available at negotiated rates.

Unauthorized Overrun:

The Unauthorized Overrun rate shall be the higher of the reported daily spot price of gas at either, Dawn, Parkway, Niagara, Iroquois or Chicago in the month of or the month following the month in which the overrun occurred plus 25% for all usage on any day in excess of 102% of Union's contractual obligation.

Notes for Section (C) Rates:

- (1) A demand charge of \$0.070/GJ/day/month will be applicable to customers contracting for firm all day transportation service in addition to the demand charges appearing on this schedule for all firm transportation service paths.

(D) Terms of Service

The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A" for contracts in effect before October 1, 2010. The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A 2010" for contracts in effect on or after October 1, 2010.

(E) Nominations

Nominations under this rate schedule shall be in accordance with the attached Schedule "B" for contracts in effect before October 1, 2010. Nominations under this rate schedule shall be in accordance with the attached Schedule "B 2010" for contracts in effect on or after October 1, 2010.

(F) Receipt and Delivery Points and Pressures

Receipt and Delivery Points and Pressures under this rate schedule shall be in accordance with Schedule "C 2010" for contracts in effect on or after October 1, 2010.

Effective

January 1, 2017
O.E.B. Order # EB-2016-0245

Chatham, Ontario

Supersedes EB-2016-0247 Rate Schedule effective October 1, 2016.

2017 Rates
Overview of Working Papers

- Schedule 1** **Calculation of Price Cap Index (PCI)** – This schedule provides the calculation of the average annual percentage change in the GDP IPI FDD over the four quarters ending June 2016.
- Schedule 2** **Calculation of Price Cap Adjustment** – This schedule provides the 2017 PCI applied to the 2016 approved revenue adjusted for DSM, PDO, capital pass-through, and upstream transportation costs to arrive at the total price cap adjustment.
- Schedule 3** **Summary of 2017 Proposed Rates** – This schedule summarizes the proposed 2017 rate changes by rate class.
- Schedule 4** **Detailed In-franchise and Ex-franchise Rates** – This schedule provides detailed support for the proposed rate changes summarized in Schedule 3.
- Schedule 5** **Rate Impact Continuity** – This schedule provides the rate class-specific impacts of each of the 2016 revenue adjustments to arrive at the final 2017 revenue.
- Schedule 6** **Percentage Change in Average Unit Price** – This schedule identifies average unit price changes for in-franchise rate classes.
- Schedule 7** **Summary of Approved 2016 Revenue Changes** – This schedule summarizes the approved revenue changes that occurred during 2016.
- Schedule 8** **General Service Customer Bill Impacts** – This schedule provides illustrative customer bill impacts for general service customers in Rate M1, Rate M2, Rate 01, and Rate 10.
- Schedule 9** **Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers** – This schedule provides illustrative customer bill impacts for all Union North and Union South in-franchise rate classes based on typical small and large customers within each rate class.
- Schedule 10** **Summary of 2017 Capital Pass-Through Adjustments** – This schedule summarizes the 2017 cost adjustments by rate class related to Union’s capital pass-through projects.

- Schedule 11** **Calculation of 2017 DSM Budget** – This schedule provides the calculation of the 2017 DSM budget included in rates.
- Schedule 12** **Calculation of 2017 NAC Target Percentage Change** – This schedule provides the calculation of the NAC target percentage change used to adjust billing units for general service classes (Rate M1, Rate M2, Rate 01 and Rate 10).
- Schedule 13** **Summary of S&T Transactional Margin Included in 2017 Rates** – This schedule provides the S&T transactional margin included in in-franchise rates.
- Schedule 14** **Summary of Gas Supply Optimization Margin Included in 2017 Rates** – This schedule summarizes the gas supply optimization margin amounts included in rates and shows the allocation of the ratepayer portion of the margin to rate classes.
- Schedule 15** **Total Upstream Transportation Costs in Union North Rates** – This schedule summarizes the approved changes to upstream transportation costs that occurred during 2016 through the QRAM process that are not subject to the price cap adjustment.
- Schedule 16** **Calculation of 2017 Gas Supply Administration Charge** – This schedule provides the calculation of the 2017 gas supply administration charge included in commodity rates.
- Schedule 17** **LRAM Volume Adjustment** – This schedule provides the LRAM-related volume adjustments by contract rate class included in the for 2017 rate calculations.
- Schedule 18** **Calculation of Supplemental Service Charges** – This schedule provides the calculation of Union’s supplemental service charges.
- Schedule 19** **Unbundled Delivery Rate Detail - Southern Operations Area** – This schedule provides the derivation of the Rate U2 delivery rates.
- Schedule 20** **Parkway Delivery Obligation (PDO) Rate Adjustments** – This schedule provides the 2017 costs related to the PDO and the Parkway Delivery Commitment Incentive (PDCI).

- Schedule 21*** **Ex-Franchise Transportation Fuel Ratios** – This schedule provides the fuel ratios adjustments related to the PCI, the PDO compressor fuel and PDCI compressor fuel, as shown at Working Paper Schedule 20, page 2.
- Schedule 22*** **In-Franchise Transportation Fuel Ratios** – This schedule provides the fuel ratio adjustments related to the PCI, the PDO compressor fuel and PDCI compressor fuel, as shown at Working Paper Schedule 20, page 2.
- Schedule 23*** **Union North Storage and Transportation Costs by Rate Class** – This schedule provides the allocation of Union North storage and transportation costs for each of the Union North West and Union North East Zones by rate class.

UNION GAS LIMITED
Estimated Calculation of Price Cap Index
Effective January 1, 2017

Line No.	Particulars	Annual % Change in GDP IPI FDD (1)		
1	July - September 2015	1.67%		
2	October - December 2015	1.75%		
3	January - March 2016	1.75%		
4	April - June 2016	1.48%		
5	Inflation Factor (Average % Change)	1.66%		
		Inflation Factor (a)	X Factor (2) (b)	2017 PCI (c) = (a-b)
6	2017 Price Cap Index	1.66%	1.00%	0.66%

Notes:

- (1) Gross Domestic Product Implicit Price Index Final Domestic Demand, sourced from Statistics Canada CanSim Table 380-0066.
- (2) Equal to 60% of the Inflation factor in column (a) per EB-2013-0202 Settlement Agreement, p.12.

UNION GAS LIMITED
Calculation of Price Cap Adjustment
Effective January 1, 2017

Line No.	Particulars (\$000's)	General Service (a)	In-Franchise Contract (b)	Total In-Franchise (c) = (a+b)	Ex-Franchise (d)	Total Company (e) = (c+d)	
	<u>Calculation of Price Cap Base Revenue</u>						
1	2016 Current Approved Revenue (1)	772,959	141,657	914,616	210,724	1,125,340	
	Current year's pre-cap adjustments:						
2	2016 DSM	(39,247)	(17,575)	(56,821)	-	(56,821)	(2)
3	2016 Capital Pass-Throughs	8,136	582	8,718	(38,979)	(30,261)	(3)
4	2016 Parkway Delivery Obligation	(4,289)	(2,275)	(6,564)	(896)	(7,460)	(4)
5	Upstream Transportation	(110,049)	(10,740)	(120,789)	-	(120,789)	(5)
6	Price Cap Base Revenue	<u>627,511</u>	<u>111,649</u>	<u>739,160</u>	<u>170,848</u>	<u>910,009</u>	
7	2017 Price Cap Adjustment (Line 6 * PCI %)	<u>4,142</u>	<u>737</u>	<u>4,878</u>	<u>1,128</u>	<u>6,006</u>	
8	2017 PCI %	0.66%	(6)				

Notes:

- (1) Rate Order, Working Papers, Schedule 3, column (a). Rates per Board-approved October 1, 2016 QRAM (EB-2016-0247), excluding Gas Supply Admin charge revenue, Rate C1 Market Based Storage Services, Short-Term Transportation, Exchanges and Other Transactional revenue not subject to escalation.
- (2) Rate Order, Working Papers, Schedule 3, column (c).
- (3) Rate Order, Working Papers, Schedule 3, column (d), excluding Gas Supply Admin charge.
- (4) Rate Order, Working Papers, Schedule 3, column (e).
- (5) Rate Order, Working Papers, Schedule 15, column (c).
- (6) Rate Order, Working Papers, Schedule 1, column (c).

UNION GAS LIMITED
Summary of 2017 Proposed Rates

Line No.	Particulars	Current Approved Revenue (1) (\$000's)	Current Approved Rates (2) (cents / m³)	Adjustments to 2016 Base Rates					Adjusted Revenue (8) (\$000's)	Price Cap Index (7) (\$000's)	Adjustments to 2017 Rates						Proposed Revenue (16) (\$000's)	Excluding Customer-Related GHG Obligation		Customer-Related GHG Unit Rate (cents / m³)	Including Customer-Related GHG Obligation	
				2016 DSM (3) (\$000's)	2016 Capital Pass-Throughs (4) (\$000's)	2016 Delivery Obligation (5) (\$000's)	Upstream Transportation (6) (\$000's)	Union North Redesign Revenue (8) (\$000's)			2017 DSM (9) (\$000's)	2017 Capital Pass-Throughs (10) (\$000's)	2017 Delivery Obligation (11) (\$000's)	2017 Facility-Related GHG Obligation (13) (\$000's)	Add Back Upstream Transportation (14) (\$000's)	Proposed Rates (cents / m³)		Rate Change (%)	Proposed Rates (cents / m³)		Rate Change (%)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)			
North Delivery																						
1	Rate 01	162,721	16.8730	(7,576)	4,335	-	(1,836)	157,644	1,040	-	8,100	(7,509)	-		1,836	161,111	17.7105	5.0%				
2	Rate 10	21,090	5.8013	(2,675)	544	-	(485)	18,474	122	-	2,951	(941)	-		485	21,091	6.2564	7.8%				
3	Rate 20	14,135	2.3209	(1,895)	448	-	(132)	12,557	83	-	1,734	(783)	-		132	13,723	2.2638	-2.5%				
4	Rate 25	4,414	2.7662	-	138	-	-	4,552	30	-	-	(242)	-		-	4,340	2.7201	-1.7%				
5	Rate 100	15,643	0.8595	(2,096)	381	-	(9)	13,919	92	-	1,882	(665)	-		9	15,237	0.8396	-2.3%				
6	Total North Delivery	218,003		(14,241)	5,846	-	(2,461)	207,146	1,367	-	14,667	(10,140)	-		2,461	215,502						
South Delivery & Storage																						
7	Rate M1	400,762	13.2799	(19,979)	7,204	(3,198)	-	384,788	2,540	-	21,550	(8,077)	11,478		-	412,278	14.2303	7.2%				
8	Rate M2	56,771	4.8506	(9,017)	309	(1,080)	-	46,983	310	-	9,992	963	3,887		-	62,135	5.5132	13.7%				
9	Rate M4	14,052	3.8788	(2,958)	30	(332)	-	10,792	71	-	2,696	419	1,233		-	15,211	4.3552	12.3%				
10	Rate M5A	14,285	2.9619	(3,937)	338	(39)	-	10,646	70	-	3,589	(577)	212		-	13,941	2.9952	1.1%				
11	Rate M7	4,451	3.5224	(1,032)	(24)	(150)	-	3,245	21	-	940	220	552		-	4,979	3.9884	13.2%				
12	Rate M9	812	1.3360	-	(30)	(57)	-	725	5	-	-	111	215		-	1,055	1.7370	30.0%				
13	Rate M10	11	5.9327	-	(0)	(1)	-	9	0	-	-	2	5		-	17	6.8119	14.8%				
14	Rate T1	10,791	2.0873	(1,664)	61	(192)	-	8,996	59	-	1,532	269	755		-	11,611	2.2711	8.8%				
15	Rate T2	45,827	0.9886	(3,994)	(286)	(1,158)	-	40,389	267	-	3,605	3,199	4,404		-	51,863	1.1281	14.1%				
16	Rate T3	5,084	1.8643	-	(234)	(345)	-	4,505	30	-	-	815	1,365		-	6,715	2.4625	32.1%				
17	Total South Delivery & Storage	552,844		(42,580)	7,368	(6,552)	-	511,080	3,373	-	43,903	(2,656)	24,106		-	579,806						
18	Total In-Franchise Delivery	770,847		(56,821)	13,214	(6,552)	(2,461)	718,226	4,740	-	58,570	(12,796)	24,106		2,461	795,307						

Notes:

- (1) Rate Order, Working Papers, Schedule 7, column (f).
- (2) Rate Order, Working Papers, Schedule 4, column (c).
- (3) Rate Order, Working Papers, Schedule 11, column (a).
- (4) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (l).
- (5) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (n).
- (6) Rate Order, Working Papers, Schedule 15, column (c).
- (7) Rate Order, Working Papers, Schedule 2, line 7.

Notes:

- (8) Rate Order, Working Papers, Schedule 23, excluding Union North Transportation and Storage adjusted revenue and PCI of \$21.1 million (p.2, line 6, column (g) + column (h)).
- (9) Rate Order, Working Papers, Schedule 11, column (b).
- (10) Rate Order, Working Papers, Schedule 10.
- (11) Rate Order, Working Papers, Schedule 20, p. 1, column (i).

UNION GAS LIMITED
Summary of 2017 Proposed Rates

Line No.	Particulars	Current Approved Revenue (1) (\$000's)	Current Approved Rates (2) (cents / m³)	Adjustments to 2016 Base Rates					Adjustments to 2017 Rates							Proposed Revenue (\$000's)	Excluding Customer-Related GHG Obligation		Customer-Related GHG Unit Rate (cents / m²)	Including Customer-Related GHG Obligation	
				2016 DSM (3) (\$000's)	2016 Capital Pass-Throughs (4) (\$000's)	2016 Parkway Delivery Obligation (5) (\$000's)	Upstream Transportation (6) (\$000's)	Adjusted Revenue (\$000's)	Price Cap Index (7) (\$000's)	Union North Redesign Revenue (8) (\$000's)	2017 DSM (9) (\$000's)	2017 Capital Pass-Throughs (10) (\$000's)	2017 Parkway Delivery Obligation (11) (\$000's)	2017 Facility-Related GHG Obligation (\$000's)	Add Back Upstream Transportation (\$000's)		Proposed Rates (cents / m²)	Rate Change (%)		Proposed Rates (cents / m²)	Rate Change (%)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)		
North Transportation & Storage																					
1	Rate 01	100,252	10.3954	-	(3,386)	(8)	(81,369)	15,489	102	65,447	-	4,769	8	-	85,815	9.4334	-9.3%				
2	Rate 10	31,364	8.6273	-	(870)	(3)	(26,359)	4,132	27	19,839	-	1,220	2	-	25,221	7.4815	-13.3%				
3	Rate 20	10,127	8.3057	-	(228)	(1)	(8,710)	1,189	8	6,399	-	318	1	-	7,914	6.4904	-21.9%				
4	Rate 25	1,809	3.9483	-	2	-	(1,791)	20	0	672	-	(4)	-	-	688	1.6030	-59.4%				
5	Rate 100	217	-	-	(15)	(0)	(98)	105	1	208	-	20	0	-	334	-					
6	Total North Transportation & Storage	143,769		-	(4,495)	(12)	(118,328)	20,935	138	92,564	-	6,324	11	-	119,972						
7	Gas Supply Admin Charge	6,749		-	40	-	-	6,789	-	-	-	(66)	-	-	6,723						
8	Total In-Franchise	921,365		(56,821)	8,758	(6,564)	(120,789)	745,949	4,878	92,564	58,570	(6,537)	24,117	2,461	922,003						
Ex-Franchise																					
9	Rate M12	201,100		-	(38,490)	(673)	-	161,937	1,069	-	-	81,408	652	-	245,065		21.9%				
10	Rate M13	421		-	1	-	-	422	3	-	-	(5)	-	-	420		-0.3%				
11	Rate M16	754		-	6	(3)	-	757	5	-	-	(10)	3	-	755		0.2%				
12	Rate C1	45,932		-	(496)	(220)	-	45,217	51	-	-	1,922	213	-	47,403		3.2%				
13	Total Ex-Franchise	248,207		-	(38,979)	(896)	-	208,332	1,128	-	-	83,315	868	-	293,643						
14	Total In-Franchise & Ex-Franchise	1,169,572		(56,821)	(30,221)	(7,460)	(120,789)	954,281	6,006	92,564	58,570	76,778	24,985	2,461	1,215,646						

Notes:

- (1) Rate Order, Working Papers, Schedule 7, column (f).
- (2) Rate Order, Working Papers, Schedule 4, column (c).
- (3) Rate Order, Working Papers, Schedule 11, column (a).
- (4) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (l).
- (5) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (n).
- (6) Rate Order, Working Papers, Schedule 15, column (c).
- (7) Rate Order, Working Papers, Schedule 2, line 7.

Notes:

- (8) Rate Order, Working Papers, Schedule 23, excluding Union North Transportation and Storage adjusted revenue and PCI of \$21.1 million (p.2, line 6, column (g) + column (h)).
- (9) Rate Order, Working Papers, Schedule 11, column (b).
- (10) Rate Order, Working Papers, Schedule 10.
- (11) Rate Order, Working Papers, Schedule 20, p. 1, column (i).

UNION GAS LIMITED
Union North
In-Franchise Customers
Effective January 1, 2017

			Current	Current	Current	Adjustments to 2016 Base Rates						
Line		Billing	Current	Current	Current	2016	2016 Capital	2016 Parkway	Upstream	Adjusted	Price Cap	Price Cap
No.	Particulars	Units	Approved	Approved	Approved	DSM	Pass-Throughs	Delivery	Transportation	Revenue	Index	Index
			Usage	Revenue	Rates	(4)	(5)	Obligation	(7)	(h) = (b+d+e+f+g)	0.66%	(%)
			(1)	(\$000s)	(3)	(\$000s)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(i)
			(a)	(b)	(c)	(d)	(e)	(f)	(g)			(j)
1	Rate 01 General Service											
	Monthly Charge	bills	3,839,732	80,634	\$21.00	-	3,173	-	-	83,808	553	
	Monthly Delivery Charge - All Zones											
2	First 100 m³	10³m³	284,370	25,332	8.9080	(2,338)	358	-	(578)	22,774	150	
3	Next 200 m³	10³m³	322,895	28,035	8.6825	(2,587)	397	-	(621)	25,224	166	
4	Next 200 m³	10³m³	140,860	11,732	8.3287	(1,083)	166	-	(260)	10,555	70	
5	Next 500 m³	10³m³	96,209	7,701	8.0040	(711)	109	-	(171)	6,928	46	
6	Over 1,000 m³	10³m³	120,052	9,287	7.7358	(857)	131	-	(206)	8,356	55	
7	Delivery Commodity charge - 01		964,386	82,086	8.5118	(7,576)	1,161	-	(1,836)	73,836	487	0.66%
8	Total Delivery - 01		964,386	162,721	16.8730	(7,576)	4,335	-	(1,836)	157,644	1,040	0.66%
	Gas Transportation - Current Approved											
9	Fort Frances	10³m³	12,888	750	5.8185	-	(1)	-	(748)	1	0	
10	Western	10³m³	179,519	8,952	4.9868	-	(9)	-	(8,931)	12	0	
11	Northern	10³m³	403,458	26,191	6.4915	-	(26)	-	(26,129)	36	0	
12	Eastern	10³m³	331,099	25,699	7.7619	-	(25)	-	(25,639)	35	0	
13	Transportation - 01		926,963	61,592	6.6445	-	(60)	-	(61,447)	85	1	0.66%
	Union North Redesign											
14	Union North West	10³m³	267,830									
15	Union North East	10³m³	659,134									
16	Transportation - 01		926,963									
	Storage											
17	Fort Frances	10³m³	13,408	493	3.6786	-	(42)	(0)	(254)	197	1	
18	Western	10³m³	186,766	6,250	3.3463	-	(538)	(1)	(3,221)	2,490	16	
19	Northern	10³m³	419,746	16,570	3.9476	-	(1,425)	(3)	(8,539)	6,602	44	
20	Eastern	10³m³	344,466	15,347	4.4552	-	(1,320)	(3)	(7,908)	6,115	40	
21	Storage - 01		964,386	38,660	4.0087	-	(3,326)	(8)	(19,922)	15,404	102	0.66%
	Union North Redesign											
22	Union North West	10³m³	278,642									
23	Union North East	10³m³	685,744									
24	Storage - 01		964,386									
25	Total Rate 01		964,386	262,973	27.2684	(7,576)	949	(8)	(83,205)	173,133	1,143	0.66%

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (i).
- (2) Rate Order, Working Papers, Schedule 7, column (f).
- (3) EB-2016-0247, Appendix A, rates effective October 1, 2016 (excludes Price Adjustments).
- (4) EB-2015-0029, Rate Order, Working Papers, Schedule 2, column (b).
- (5) EB-2015-0116, Rate Order, Working Papers, Schedule 10, columns (d).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 20.
- (7) Rate Order, Working Papers, Schedule 15, column (c).

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													Proposed Rates				
		Adjustments to 2017 Rates											Excluding Customer-Related GHG Obligation		Customer-Related GHG	Including Customer-Related GHG Obligation	
Line		Billing	Union North	2017	2017 Capital	2017 Parkway	2017 Facility-	Add Back	Monthly		NAC / LRAM		Proposed				
No.	Particulars	Units	Redesign Revenue (8)	DSM (9)	Pass-Throughs (10)	Delivery Obligation (11)	Related GHG Obligation (12)	Upstream Transportation (13)	Customer Charge Adjustment (14)	Proposed Revenue (15)	Usage Adjustment (16)	Proposed Forecast Usage (17)	Rates (cents / m³)	Rate Change (%)	Unit Rate	Rates (cents / m³)	Rate Change (%)
			(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(u) = (r / t)	(v)	(w)	(x) = (u+w)	(y)
			(k)	(l)	(m)	(n)	(o)	(p) = (-g)	(q)	(r)= sum(h,q)	(s)	(t) = (a + s)					
1	Rate 01 General Service																
	Monthly Charge	bills		-	(5,499)	-	-	-	1,773	80,634	-	3,839,732	\$21.00				
	Monthly Delivery Charge - All Zones																
2	First 100 m³	10³m³	-	2,500	(620)	-	-	578	(550)	24,832	(16,128)	268,242	9.2574				
3	Next 200 m³	10³m³		2,766	(686)	-	-	621	(604)	27,487	(18,313)	304,582	9.0244				
4	Next 200 m³	10³m³	-	1,158	(287)	-	-	260	(253)	11,502	(7,989)	132,871	8.6567				
5	Next 500 m³	10³m³		760	(189)	-	-	171	(166)	7,550	(5,457)	90,752	8.3192				
6	Over 1,000 m³	10³m³	-	916	(227)	-	-	206	(200)	9,105	(6,809)	113,243	8.0404				
7	Delivery Commodity charge - 01		-	8,100	(2,010)	-	-	1,836	(1,773)	80,476	(54,697)	909,690	8.8466				
8	Total Delivery - 01		-	8,100	(7,509)	-	-	1,836	0	161,111	(54,697)	909,690	17.7105	5.0%			
	Gas Transportation - Current Approved																
9	Fort Frances	10³m³															
10	Western	10³m³															
11	Northern	10³m³															
12	Eastern	10³m³															
13	Transportation - 01																
14	Union North Redesign																
15	Union North West	10³m³	17,993	-	29	-	-	-	-	18,023	-	267,830	6.7292				
16	Union North East	10³m³	19,474	-	72	-	-	-	-	19,546	-	659,134	2.9655				
	Transportation - 01		37,468	-	101	-	-	-	-	37,569	-	926,963	4.0529	-39.0%			
	Storage																
17	Fort Frances	10³m³															
18	Western	10³m³															
19	Northern	10³m³															
20	Eastern	10³m³															
21	Storage - 01																
22	Union North Redesign																
23	Union North West	10³m³	4,061	-	1,349	2	-	-	-	5,412	(15,804)	262,839	2.0589				
24	Union North East	10³m³	39,510	-	3,319	5	-	-	-	42,834	(38,893)	646,851	6.6220				
	Storage - 01		43,570	-	4,668	8	-	-	-	48,246	(54,697)	909,690	5.3035	32.3%			
25	Total Rate 01		81,038	8,100	(2,740)	8	-	1,836	0	246,926	(54,697)	909,690	27.1439	-0.5%			

Notes:

- (8) Rate Order, Working Papers, Schedule 23.
(9) Rate Order, Working Papers, Schedule 11, column (b).
(10) Rate Order, Working Papers, Schedule 10, column (d).
(11) Rate Order, Working Papers, Schedule 20.
(12) Rate Order, Working Papers, Schedule 12, p. 2 and 3, column (c) and Rate Order, Working Papers, Schedule 17, column (a).

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Line No.	Particulars	Billing Units	Current Approved Forecast Usage	Current Approved Revenue	Current Approved Rates	Adjustments to 2016 Base Rates				Adjusted Revenue (\$'000's)	Price Cap Index 0.66% (\$'000's)	Price Cap Index (%)
			(1)	(2)	(3)	2016 DSM (4)	2016 Capital Pass-Throughs (5)	2016 Parkway Delivery Obligation (6)	Upstream Transportation (7)			
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
1	Rate 10 General Service											
	Monthly Charge	bills	24,629	1,724	\$70.00	-	175	-	-	1,899	13	
	Monthly Delivery Charge - All Zones											
2	First 1,000 m³	10³m³	26,664	1,928	7.2298	(266)	37	-	(49)	1,650	11	
3	Next 9,000 m³	10³m³	143,953	8,486	5.8947	(1,172)	162	-	(214)	7,261	48	
4	Next 20,000 m³	10³m³	91,566	4,771	5.2108	(659)	91	-	(118)	4,085	27	
5	Next 70,000 m³	10³m³	69,428	3,274	4.7160	(452)	62	-	(81)	2,803	19	
6	Over 100,000 m³	10³m³	31,934	907	2.8414	(125)	17	-	(22)	777	5	
7	Delivery Commodity charge - 10		363,545	19,366	5.3271	(2,675)	369	-	(485)	16,575	109	0.66%
8	Total Delivery - 10		363,545	21,090	5.8013	(2,675)	544	-	(485)	18,474	122	0.66%
	Gas Transportation											
9	Fort Frances	10³m³	2,824	145	5.1333	-	-	-	(145)	0	0	
10	Western	10³m³	48,124	2,070	4.3016	-	-	-	(2,069)	1	0	
11	Northern	10³m³	139,364	8,092	5.8063	-	-	-	(8,087)	5	0	
12	Eastern	10³m³	153,218	10,843	7.0767	-	-	-	(10,836)	6	0	
13	Transportation - 10		343,530	21,150	6.1566	-	1	-	(21,138)	13	0	0.66%
	Union North Redesign											
14	Union North West	10³m³	82,150									
15	Union North East	10³m³	261,380									
16	Transportation - 10		343,530									
	Storage											
17	Fort Frances	10³m³	2,989	72	2.4007	-	(6)	(0)	(37)	29	0	
18	Western	10³m³	50,928	1,053	2.0684	-	(90)	(0)	(538)	425	3	
19	Northern	10³m³	147,484	3,937	2.6697	-	(336)	(1)	(2,013)	1,588	10	
20	Eastern	10³m³	162,144	5,152	3.1773	-	(439)	(1)	(2,633)	2,078	14	
21	Storage - 10		363,545	10,214	2.8096	-	(871)	(3)	(5,221)	4,120	27	0.66%
	Union North Redesign											
22	Union North West	10³m³	86,936									
23	Union North East	10³m³	276,608									
24	Storage - 10		363,545									
25	Total Rate 10		363,545	52,454	14.4286	(2,675)	(326)	(3)	(26,844)	22,607	149	0.66%

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (i).
- (2) Rate Order, Working Papers, Schedule 7, column (f).
- (3) EB-2016-0247, Appendix A, rates effective October 1, 2016 (excludes Price Adjustments).
- (4) EB-2015-0029, Rate Order, Working Papers, Schedule 2, column (b).
- (5) EB-2015-0116, Rate Order, Working Papers, Schedule 10, columns (d).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 20.
- (7) Rate Order, Working Papers, Schedule 15, column (c).

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												Proposed Rates					
												Excluding Customer-Related GHG Obligation		Customer-Related GHG	Including Customer-Related GHG Obligation		
												Rates	Rate Change	Unit Rate	Rates	Rate Change	
												(cents / m³)	(%)	(cents / m³)	(cents / m³)	(%)	
												(u) = (r / t)	(v)	(w)	(x) = (u+w)	(y)	
Line No.	Particulars	Billing Units	Union North Redesign Revenue (8) (\$000's)	2017 DSM (9) (\$000's)	2017 Capital Pass-Throughs (10) (\$000's)	2017 Parkway Delivery Obligation (11) (\$000's)	2017 Facility-Related GHG Obligation (\$000's)	Add Back Upstream Transportation (\$000's)	Customer Charge Adjustment (\$000's)	Proposed Revenue (\$000's)	NAC / LRAM Usage Adjustment (12) (10³m³)	Proposed Forecast Usage					
			(k)	(l)	(m)	(n)	(o)	(p) = (-g)	(q)	(r)= sum(h,q)	(s)	(t) = (a + s)					
1	Rate 10 General Service Monthly Charge	bills	-	-	(303)	-	-	-	115	1,724	-	24,629	\$70.00				
	Monthly Delivery Charge - All Zones																
2	First 1,000 m³	10³m³	-	294	(63)	-	-	49	(21)	1,918	(1,939)	24,725	7.7571				
3	Next 9,000 m³	10³m³	-	1,293	(279)	-	-	214	(94)	8,442	(10,467)	133,487	6.3246				
4	Next 20,000 m³	10³m³	-	727	(157)	-	-	118	-	4,800	(6,658)	84,909	5.6530				
5	Next 70,000 m³	10³m³	-	499	(108)	-	-	81	-	3,294	(5,048)	64,380	5.1162				
6	Over 100,000 m³	10³m³	-	138	(30)	-	-	22	-	913	(2,322)	29,612	3.0825				
7	Delivery Commodity charge - 10		-	2,951	(638)	-	-	485	(115)	19,367	(26,433)	337,112	5.7450				
8	Total Delivery - 10		-	2,951	(941)	-	-	485	-	21,091	(26,433)	337,112	6.2564	7.8%			
	Gas Transportation																
9	Fort Frances	10³m³															
10	Western	10³m³															
11	Northern	10³m³															
12	Eastern	10³m³															
13	Transportation - 10																
14	Union North Redesign Union North West	10³m³	4,841	-	(0)	-	-	-	-	4,841	-	82,150	5.8929				
15	Union North East	10³m³	7,138	-	(1)	-	-	-	-	7,137	-	261,380	2.7303				
16	Transportation - 10		11,979	-	(2)	-	-	-	-	11,978	-	343,530	3.4866	-43.4%			
	Storage																
17	Fort Frances	10³m³															
18	Western	10³m³															
19	Northern	10³m³															
20	Eastern	10³m³															
21	Storage - 10																
22	Union North Redesign Union North West	10³m³	956	-	292	1	-	-	-	1,249	(6,321)	80,615	1.5495				
23	Union North East	10³m³	11,063	-	930	2	-	-	-	11,994	(20,112)	256,497	4.6762				
24	Storage - 10		12,019	-	1,222	2	-	-	-	13,243	(26,433)	337,112	3.9285	39.8%			
25	Total Rate 10		23,998	2,951	280	2	-	485	-	46,312	(26,433)	337,112	13.7379	-4.8%			

Notes:

- (8) Rate Order, Working Papers, Schedule 23.
(9) Rate Order, Working Papers, Schedule 11, column (b).
(10) Rate Order, Working Papers, Schedule 10, column (d).
(11) Rate Order, Working Papers, Schedule 20.
(12) Rate Order, Working Papers, Schedule 12, p. 2 and 3, column (c) and Rate Order, Working Papers, Schedule 17, column (a).

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Line No.	Particulars	Billing Units	Current Approved Forecast Usage	Current Approved Revenue	Current Approved Rates	Adjustments to 2016 Base Rates				Adjusted Revenue (\$'000's)	Price Cap Index 0.66% (\$'000's)	Price Cap Index (%)
			(1)	(2)	(3)	2016 DSM (4)	2016 Capital Pass-Throughs (5)	2016 Parkway Delivery Obligation (6)	Upstream Transportation (7)			
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
1	Rate 20 Medium Volume Firm Service Monthly Charge	bills	748	698	\$932.79	-	56	-	-	754	5	
2	Monthly Demand Charge											
3	First 70,000 m³	10³m³/d	23,260	6,816	29.3047	(822)	170	-	-	6,164	41	
4	All over 70,000 m³	10³m³/d	19,701	3,395	17.2326	(409)	85	-	-	3,070	20	
5	Monthly Commodity Charge											
6	First 852,000 m³	10³m³	320,282	1,887	0.5891	(401)	83	-	(80)	1,489	10	
7	All over 852,000 m³	10³m³	288,764	1,236	0.4282	(263)	54	-	(52)	976	6	
8	Delivery (Commodity/Demand)		609,046	13,334	2,1894	(1,895)	392	-	(132)	11,700	77	0.66%
9	Transportation Account Charge	10³m³	460	103	\$224.13	-	-	-	-	103	1	
10	Total Delivery - 20		609,046	14,135	2,3209	(1,895)	448	-	(132)	12,557	83	0.66%
11	Gas Supply Demand Charge											
12	Fort Frances	10³m³	-	-	55.7556	-	-	-	-	-	-	
13	Western	10³m³	2,650	915	34.5138	-	(41)	(0)	(890)	(16)	(0)	
14	Northern	10³m³	702	512	72.9435	-	(23)	(0)	(498)	(9)	(0)	
15	Eastern	10³m³	3,521	3,711	105.4062	-	(164)	(1)	(3,610)	(63)	(0)	
16	Union North Redesign											
17	Union North West	10³m³	2,962									
18	Union North East	10³m³	3,911									
19	Commodity Transportation 1											
20	Fort Frances	10³m³	-	-	4.4802	-	-	-	-	-	-	
21	Western	10³m³	24,899	1,000	4.0146	-	-	-	(1,017)	(18)	(0)	
22	Northern	10³m³	7,775	378	4.8570	-	-	-	(384)	(7)	(0)	
23	Eastern	10³m³	40,782	2,271	5.5682	-	-	-	(2,311)	(41)	(0)	
24	Union North Redesign											
25	Union North West	10³m³	28,383									
26	Union North East	10³m³	45,073									
27	Commodity Transportation 2											
28	Fort Frances		-	-	-	-	-	-	-	-	-	
29	Western	10³m³	10,903	-	-	-	-	-	-	-	-	
30	Northern	10³m³	6,194	-	-	-	-	-	-	-	-	
31	Eastern	10³m³	31,381	-	-	-	-	-	-	-	-	
32	Union North Redesign											
33	Union North West	10³m³	14,503									
34	Union North East	10³m³	33,976									
35	Storage (GJ's)											
36	Demand	GJ/d	99,288	1,240	12.489	-	-	-	-	1,240	8	
37	Commodity	GJ	639,477	102	0.159	-	-	-	-	102	1	
38	Union North Redesign											
39	Demand	GJ/d	99,288									
40	Commodity	GJ	639,477									
41	Gas Supply Transportation - 20		121,935	10,127	8.3057	-	(228)	(1)	(8,710)	1,189	8	0.66%
42	Total Rate 20		609,046	24,263	3.9837	(1,895)	221	(1)	(8,842)	13,746	91	0.66%

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (f).
- (2) Rate Order, Working Papers, Schedule 7, column (f).
- (3) EB-2016-0247, Appendix A, rates effective October 1, 2016 (excludes Price Adjustments).
- (4) EB-2015-0029, Rate Order, Working Papers, Schedule 2, column (b).
- (5) EB-2015-0116, Rate Order, Working Papers, Schedule 10, columns (d).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 20.
- (7) Rate Order, Working Papers, Schedule 15, column (c).

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Line No.	Particulars	Billing Units	Adjustments to 2017 Rates							Proposed Revenue (\$000's)	NAC / LRAM Usage Adjustment (12) (10³m³)	Proposed Forecast Usage	Proposed Rates				
			Union North	2017 DSM	2017 Capital	2017 Parkway	2017 Facility-	Add Back	Customer				Excluding	Customer-	Including	Unit Rate	Rate Change
			Redesign Revenue (8)	DSM (9)	Pass-Throughs (10)	Delivery Obligation (11)	Related GHG Obligation (11)	Upstream Transportation (12)	Charge Adjustment (13)				Customer-Related GHG Obligation	Related GHG	Customer-Related GHG Obligation		
			(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)				Rates (cents / m³)	Rate Change (%)	Rates (cents / m³)		
			(k)	(l)	(m)	(n)	(o)	(p) = (-g)	(q)	(r) = sum(h,q)	(s)	(t) = (a + s)	(u) = (r / t)	(v)	(w)	(x) = (u+w)	(y)
1	Rate 20 Medium Volume Firm Service Monthly Charge	bills	-	-	(97)	-	-	-	-	662	-	748	\$884.46				
2	Monthly Demand Charge																
3	First 70,000 m³	10³m³/d	-	752	(298)	-	-	-	-	6,660	-	23,260	28.6326				
4	All over 70,000 m³	10³m³/d	-	375	(148)	-	-	-	-	3,317	-	19,701	16.8374				
5	Monthly Commodity Charge																
6	First 852,000 m³	10³m³	-	367	(145)	-	-	80	-	1,801	(1,509)	318,773	0.5649				
7	All over 852,000 m³	10³m³	-	240	(95)	-	-	52	-	1,180	(1,361)	287,403	0.4106				
8	Delivery (Commodity/Demand)		-	1,734	(686)	-	-	132	-	12,958	(2,870)	606,176	2.1376	-2.4%			
9	Transportation Account Charge	10³m³	-	-	-	-	-	-	-	104	-	460	\$225.61				
10	Total Delivery - 20		-	1,734	(783)	-	-	132	-	13,723	(2,870)	606,176	2.2638	-2.5%			
11	Gas Supply Demand Charge																
12	Fort Frances	10³m³															
13	Western	10³m³															
14	Northern	10³m³															
15	Eastern	10³m³															
16	Union North Redesign																
17	Union North West	10³m³	1,517	-	137	0	-	-	-	1,654	-	2,962	55.8485				
18	Union North East	10³m³	1,763	-	181	0	-	-	-	1,945	-	3,911	49.7267				
19	Commodity Transportation 1																
20	Fort Frances	10³m³															
21	Western	10³m³															
22	Northern	10³m³															
23	Eastern	10³m³															
24	Union North Redesign																
25	Union North West	10³m³	1,011	-	-	-	-	-	-	1,011	-	28,383	3.5625				
26	Union North East	10³m³	1,175	-	-	-	-	-	-	1,175	-	45,073	2.6079				
27	Commodity Transportation 2																
28	Fort Frances	10³m³															
29	Western	10³m³															
30	Northern	10³m³															
31	Eastern	10³m³															
32	Union North Redesign																
33	Union North West	10³m³	-	-	-	-	-	-	-	-	-	14,503	-				
34	Union North East	10³m³	-	-	-	-	-	-	-	-	-	33,976	-				
35	Storage (GJ's)																
36	Demand	GJ/d															
37	Commodity	GJ															
38	Union North Redesign																
39	Demand	GJ/d	1,997	-	-	-	-	-	-	1,997	-	99,288	20.111				
40	Commodity	GJ	132	-	-	-	-	-	-	132	-	639,477	0.206				
41	Gas Supply Transportation - 20		7,595	-	318	1	-	-	-	7,914	-	121,935	6.4904	-21.9%			
42	Total Rate 20		7,595	1,734	(465)	1	-	132	-	21,637	(2,870)	606,176	3.5694	-10.4%			

Notes:

- (8) Rate Order, Working Papers, Schedule 23.
(9) Rate Order, Working Papers, Schedule 11, column (b).
(10) Rate Order, Working Papers, Schedule 10, column (d).
(11) Rate Order, Working Papers, Schedule 20.
(12) Rate Order, Working Papers, Schedule 12, p. 2 and 3, column (c) and Rate Order, Working Papers, Schedule 17, column (a).

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			Current	Current	Current	Adjustments to 2016 Base Rates						
Line		Billing	Approved	Approved	Approved	2016	2016 Capital	2016 Parkway	Upstream	Adjusted	Price Cap	Price Cap
No.	Particulars	Units	Usage	Revenue	Rates	DSM	Pass-Throughs	Delivery	Transportation	Revenue	Index	Index
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(h) = (b+d+e+f+g)	0.66%	(%)
			(a)	(b)	(c)	(d)	(e)	(f)	(g)		(i)	(j)
Rate 25 Large Volume Interruptible Service												
1	Monthly Charge	bills	842	279	\$331.70	-	31	-	-	310	2	
2	Monthly Delivery Charge	10³m³	159,555	4,126	2.5861	-	107	-	-	4,234	28	
3	Transportation Account Charge	bills	36	8	\$224.13	-	-	-	-	8	0	
4	Total Delivery - 25		159,555	4,414	2.7662	-	138	-	-	4,552	30	0.66%
5	Gas Supply Transportation	10³m³	42,913	1,809	3.9483	-	2	-	(1.791)	20	0	
6	Total Rate 25		159,555	6,222	3.8998	-	141	-	(1.791)	4,571	30	0.66%
Rate 100 Large Volume Firm Service												
7	Monthly Charge	bills	226	322	\$1,423.71	-	19	-	-	340	2	
8	Demand	10³m³/d	71,975	11,172	15.5220	(1,572)	272	-	-	9,872	65	
9	Commodity	10³m³	1,819,999	4,099	0.2252	(524)	91	-	(9)	3,656	24	
10	Delivery (Commodity/Demand)		1,819,999	15,592	0.8567	(2,096)	362	-	(9)	13,850	92	0.66%
11	Transportation Account Charge	bills	226	51	\$224.13	-	-	-	-	51	0	
12	Total Delivery - 100		1,819,999	15,643	0.8595	(2,096)	381	-	(9)	13,919	92	0.66%
Gas Supply Demand Charge												
13	Fort Frances	10³m³/d	-	-	103.8605	-	-	-	-	-	-	
14	Western	10³m³/d	-	-	79.0784	-	-	-	-	-	-	
15	Northern	10³m³/d	-	-	123.9130	-	-	-	-	-	-	
16	Eastern	10³m³/d	-	-	161.7862	-	-	-	-	-	-	
Union North Redesign												
17	Union North West	10³m³	-	-	-	-	-	-	-	-	-	
18	Union North East	10³m³	-	-	-	-	-	-	-	-	-	
Commodity Transportation 1												
19	Fort Frances	10³m³	-	-	7.1222	-	-	-	-	-	-	
20	Western	10³m³	-	-	6.7730	-	-	-	-	-	-	
21	Northern	10³m³	-	-	7.4048	-	-	-	-	-	-	
22	Eastern	10³m³	-	-	7.9382	-	-	-	-	-	-	
Union North Redesign												
23	Union North West	10³m³	-	-	-	-	-	-	-	-	-	
24	Union North East	10³m³	-	-	-	-	-	-	-	-	-	
Commodity Transportation 2												
25	Fort Frances	10³m³	-	-	-	-	-	-	-	-	-	
26	Western	10³m³	-	-	-	-	-	-	-	-	-	
27	Northern	10³m³	-	-	-	-	-	-	-	-	-	
28	Eastern	10³m³	-	-	-	-	-	-	-	-	-	
Union North Redesign												
29	Union North West	10³m³	-	-	-	-	-	-	-	-	-	
30	Union North East	10³m³	-	-	-	-	-	-	-	-	-	
Storage (GJ's)												
31	Demand	GJ/d	15,600	201	12.489	-	(14)	(0)	(98)	90	1	
32	Commodity	GJ	100,000	17	0.159	-	(1)	(0)	-	15	0	
Union North Redesign												
33	Demand	GJ/d	15,600	-	-	-	-	-	-	-	-	
34	Commodity	GJ	100,000	-	-	-	-	-	-	-	-	
35	Gas Supply - 100		-	217	-	-	(15)	(0)	(98)	105	1	0.66%
36	Total Rate 100		1,819,999	15,860	0.8715	(2,096)	366	(0)	(107)	14,024	93	0.66%

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (f).
- (2) Rate Order, Working Papers, Schedule 7, column (f).
- (3) EB-2016-0247, Appendix A, rates effective October 1, 2016 (excludes Price Adjustments).
- (4) EB-2015-0029, Rate Order, Working Papers, Schedule 2, column (b).
- (5) EB-2015-0116, Rate Order, Working Papers, Schedule 10, columns (d).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 20.
- (7) Rate Order, Working Papers, Schedule 15, column (c).

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Proposed Rates																	
Adjustments to 2017 Rates											Excluding Customer-Related GHG Obligation		Customer-Related GHG	Including Customer-Related GHG Obligation			
Line No.	Particulars	Billing Units	Union North Redesign Revenue (8) (\$'000's)	2017 DSM (9) (\$'000's)	2017 Capital Pass-Throughs (10) (\$'000's)	2017 Parkway Delivery Obligation (11) (\$'000's)	2017 Facility-Related GHG Obligation (\$'000's)	Add Back Upstream Transportation (\$'000's)	Customer Charge Adjustment (\$'000's)	Proposed Revenue (\$'000's)	NAC / LRAM Usage Adjustment (12) (10³m³)	Proposed Forecast Usage	Rates (cents / m³)	Rate Change (%)	Unit Rate (cents / m³)	Rates (cents / m³)	Rate Change (%)
			(k)	(l)	(m)	(q)	(o)	(p) = (-g)	(q)	(r)= sum(h,q)	(s)	(t) = (a + s)	(u) = (r / t)	(v)	(w)	(x) = (u+w)	(y)
1	Rate 25 Large Volume Interruptible Service																
2	Monthly Charge	bills	-	-	(54)	-	-	-	-	258	-	842	\$306.75				
3	Monthly Delivery Charge	10³m³	-	-	(188)	-	-	-	-	4,074	-	159,555	2.5531				
4	Transportation Account Charge	bills	-	-	-	-	-	-	-	8	-	36	\$225.61				
5	Total Delivery - 25		-	-	(242)	-	-	-	-	4,340	-	159,555	2.7201	-1.7%			
6	Gas Supply Transportation	10³m³	692	-	(4)	-	-	-	-	688	-	42,913	1.6030				
7	Total Rate 25		692	-	(246)	-	-	-	-	5,028	-	159,555	3.1512	-19.2%			
8	Rate 100 Large Volume Firm Service																
9	Monthly Charge	bills	-	-	(32)	-	-	-	-	310	-	226	\$1,372.75				
10	Demand	10³m³/d	-	1,411	(474)	-	-	-	-	10,874	-	71,975	15.1083				
11	Commodity	10³m³	-	470	(158)	-	-	9	-	4,002	(5,132)	1,814,867	0.2205				
12	Delivery (Commodity/Demand)		-	1,882	(632)	-	-	9	-	15,186	(5,132)	1,814,867	0.8368	-2.3%			
13	Transportation Account Charge	bills	-	-	-	-	-	-	-	51	-	226	\$225.61				
14	Total Delivery - 100		-	1,882	(665)	-	-	9	-	15,237	(5,132)	1,814,867	0.8396	-2.3%			
15	Gas Supply Demand Charge																
16	Fort Frances	10³m³/d															
17	Western	10³m³/d															
18	Northern	10³m³/d															
19	Eastern	10³m³/d															
20	Union North Redesign																
21	Union North West	10³m³	-	-	-	-	-	-	-	-	-	-	112.0994				
22	Union North East	10³m³	-	-	-	-	-	-	-	-	-	-	158.4424				
23	Commodity Transportation 1																
24	Fort Frances	10³m³															
25	Western	10³m³															
26	Northern	10³m³															
27	Eastern	10³m³															
28	Union North Redesign																
29	Union North West	10³m³	-	-	-	-	-	-	-	-	-	-	6.2885				
30	Union North East	10³m³	-	-	-	-	-	-	-	-	-	-	9.0613				
31	Commodity Transportation 2																
32	Fort Frances	10³m³															
33	Western	10³m³															
34	Northern	10³m³															
35	Eastern	10³m³															
36	Union North Redesign																
37	Union North West	10³m³	-	-	-	-	-	-	-	-	-	-					
38	Union North East	10³m³	-	-	-	-	-	-	-	-	-	-					
39	Storage (GJ's)																
40	Demand	GJ/d															
41	Commodity	GJ															
42	Union North Redesign																
43	Demand	GJ/d	295	-	19	0	-	-	-	314	-	15,600	20.111				
44	Commodity	GJ	19	-	2	0	-	-	-	21	-	100,000	0.206				
45	Gas Supply - 100		314	-	20	0	-	-	-	334	-	115,600	-				
46	Total Rate 100		314	1,882	(644)	0	-	9	-	15,572	(5,132)	1,814,867	0.8580	-1.5%			

Notes:

- (8) Rate Order, Working Papers, Schedule 23.
(9) Rate Order, Working Papers, Schedule 11, column (b).
(10) Rate Order, Working Papers, Schedule 10, column (d).
(11) Rate Order, Working Papers, Schedule 20.
(12) Rate Order, Working Papers, Schedule 12, p. 2 and 3, column (c) and Rate Order, Working Papers, Schedule 17, column (a).

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Line No.	Particulars	Billing Units	Current Approved Forecast Usage	Current Approved Revenue	Current Approved Rates	Adjustments to 2016 Base Rates				Adjusted Revenue (\$000's)	Price Cap Index 0.66% (\$000's)	Price Cap Index (%)
			(1)	(2)	(3)	2016 DSM (4)	2016 Capital Pass-Throughs (5)	2016 Parkway Delivery Obligation (6)	Upstream Transportation (7)			
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
1	M1 Monthly Charge	bills	12,706,802	266,843	\$21.00	-	7,170	-	-	274,013	1,808	
	Monthly Delivery Commodity Charge											
2	First 100 m³	10³m³	908,925	37,386	4.1132	(6,627)	(327)	(1,061)	-	29,371	194	
3	Next 150 m³	10³m³	807,099	31,514	3.9046	(5,586)	(276)	(894)	-	24,758	163	
4	All over 250 m³	10³m³	1,301,783	43,813	3.3656	(7,766)	(383)	(1,243)	-	34,420	227	
5	Total Delivery - M1		<u>3,017,807</u>	<u>379,556</u>	<u>12.5772</u>	<u>(19,979)</u>	<u>6,184</u>	<u>(3,198)</u>	<u>-</u>	<u>362,562</u>	<u>2,393</u>	<u>0.66%</u>
6	Storage	10³m³	3,017,807	21,206	0.7027	-	1,020	-	-	22,226	147	
7	Total Rate M1		<u>3,017,807</u>	<u>400,762</u>	<u>13.2799</u>	<u>(19,979)</u>	<u>7,204</u>	<u>(3,198)</u>	<u>-</u>	<u>384,788</u>	<u>2,540</u>	<u>0.66%</u>
8	M2 Monthly Charge	bills	81,451	5,702	\$70.00	-	223	-	-	5,925	39	
	Monthly Delivery Commodity Charge											
9	First 1,000 m³	10³m³	63,640	2,578	4.0507	(530)	(15)	(63)	-	1,969	13	
10	Next 6,000 m³	10³m³	309,707	12,312	3.9755	(2,531)	(73)	(303)	-	9,405	62	
11	Next 13,000 m³	10³m³	349,953	13,252	3.7869	(2,724)	(79)	(326)	-	10,123	67	
12	All over 20,000 m³	10³m³	447,082	15,716	3.5152	(3,231)	(94)	(387)	-	12,004	79	
13	Total Delivery - M2		<u>1,170,382</u>	<u>49,560</u>	<u>4.2345</u>	<u>(9,017)</u>	<u>(38)</u>	<u>(1,080)</u>	<u>-</u>	<u>39,425</u>	<u>260</u>	<u>0.66%</u>
14	Storage	10³m³	1,170,382	7,211	0.6161	-	348	-	-	7,558	50	
15	Total Rate M2		<u>1,170,382</u>	<u>56,771</u>	<u>4.8506</u>	<u>(9,017)</u>	<u>309</u>	<u>(1,080)</u>	<u>-</u>	<u>46,983</u>	<u>310</u>	<u>0.66%</u>

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (i).
- (2) Rate Order, Working Papers, Schedule 7, column (f).
- (3) EB-2016-0247, Appendix A, rates effective October 1, 2016 (excludes Price Adjustments).
- (4) EB-2015-0029, Rate Order, Working Papers, Schedule 2, column (b).
- (5) EB-2015-0116, Rate Order, Working Papers, Schedule 10, columns (d).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 20.
- (7) Rate Order, Working Papers, Schedule 15, column (c).

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													Proposed Rates				
		Adjustments to 2017 Rates										Excluding Customer-Related GHG Obligation		Customer-Related GHG	Including Customer-Related GHG Obligation		
Line		Billing	Union North	2017	2017 Capital	2017 Parkway	2017 Facility-	Add Back	Customer	Proposed	NAC / LRAM	Proposed	Rates	Rate	Unit Rate	Rates	Rate
No.	Particulars	Units	Redesign Revenue (8)	DSM (9)	Pass-Throughs (10)	Delivery Obligation (11)	Related GHG Obligation	Upstream Transportation	Charge Adjustment	Revenue	Adjustment	Forecast Usage	(cents / m³)	Change (%)	(cents / m³)	(cents / m³)	Change (%)
			(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	Usage	(u) = (r / t)	(v)	(w)	(x) = (u+w)	(y)
			(k)	(l)	(m)	(n)	(o)	(p) = (-g)	(q)	(r)= sum(h,q)	(s)	(t) = (a + s)					
1	M1																
	Monthly Charge	bills	-	-	(12,469)	-	-	-	3,490	266,843	-	12,706,802	\$21.00				
	Monthly Delivery Commodity Charge																
2	First 100 m³	10³m³	-	7,148	2,004	3,807	-	-	(1,158)	41,366	(36,331)	872,593	4.7406				
3	Next 150 m³	10³m³	-	6,025	1,689	3,209	-	-	(976)	34,869	(32,261)	774,838	4.5002				
4	All over 250 m³	10³m³	-	8,377	2,348	4,462	-	-	(1,357)	48,477	(52,035)	1,249,748	3.8790				
5	Total Delivery - M1		-	21,550	(6,428)	11,478	-	-	-	391,556	(120,628)	2,897,179	13.5151	7.5%			
6	Storage	10³m³	-	-	(1,650)	-	-	-	-	20,723	(120,628)	2,897,179	0.7153	1.8%			
7	Total Rate M1		-	21,550	(8,077)	11,478	-	-	-	412,278	(120,628)	2,897,179	14.2303	7.2%			
8	M2																
	Monthly Charge	bills	-	-	(388)	-	-	-	126	5,702	-	81,451	\$70.00				
	Monthly Delivery Commodity Charge																
9	First 1,000 m³	10³m³	-	587	112	228	-	-	(22)	2,889	(2,357)	61,283	4.7134				
10	Next 6,000 m³	10³m³	-	2,805	537	1,091	-	-	(104)	13,796	(11,472)	298,234	4.6259				
11	Next 13,000 m³	10³m³	-	3,019	578	1,175	-	-	-	14,961	(12,963)	336,990	4.4396				
12	All over 20,000 m³	10³m³	-	3,580	685	1,393	-	-	-	17,742	(16,561)	430,521	4.1211				
13	Total Delivery - M2		-	9,992	1,525	3,887	-	-	-	55,090	(43,354)	1,127,028	4.8880	15.4%			
14	Storage	10³m³	-	-	(563)	-	-	-	-	7,046	(43,354)	1,127,028	0.6252	1.5%			
15	Total Rate M2		-	9,992	963	3,887	-	-	-	62,135	(43,354)	1,127,028	5.5132	13.7%			

Notes:

- (8) Rate Order, Working Papers, Schedule 23.
(9) Rate Order, Working Papers, Schedule 11, column (b).
(10) Rate Order, Working Papers, Schedule 10, column (d).
(11) Rate Order, Working Papers, Schedule 20.
(12) Rate Order, Working Papers, Schedule 12, p. 2 and 3, column (c) and Rate Order, Working Papers, Schedule 17, column (a).

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Line No.	Particulars	Billing Units	Current	Current	Current	Adjustments to 2016 Base Rates				Adjusted Revenue (\$000's)	Price Cap Index 0.66% (\$000's)	Price Cap Index (%)
			Approved Forecast Usage (1)	Approved Revenue (2)	Approved Rates (3)	2016 DSM (4)	2016 Capital Pass-Throughs (5)	2016 Parkway Delivery Obligation (6)	Upstream Transportation (7)			
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
M4 Firm Commercial/Industrial Contract Rate												
Monthly Demand Charge												
1	First 8,450 m³	10³m³/d	12,905	6,830	52.9231	(1,263)	13	(142)	-	5,438	36	
2	Next 19,700 m³	10³m³/d	7,864	1,866	23.7294	(345)	4	(39)	-	1,486	10	
3	All over 28,150 m³	10³m³/d	4,507	899	19.9360	(166)	2	(19)	-	715	5	
Monthly Delivery Commodity Charge												
4	First Block	10³m³	354,638	4,417	1.2454	(1,172)	12	(132)	-	3,125	21	
5	All remaining use	10³m³	7,632	40	0.5301	(11)	0	(1)	-	29	0	
7	Total Rate M4		<u>362,270</u>	<u>14,052</u>	<u>3.8788</u>	<u>(2,958)</u>	<u>30</u>	<u>(332)</u>	<u>-</u>	<u>10,792</u>	<u>71</u>	<u>0.66%</u>
M5A Interruptible Commercial/Industrial Contract Rate												
Firm contracts												
8	Monthly Demand Charge	10³m³/d	626	192	30.7027	(45)	5	(3)	-	149	1	
9	Monthly Delivery Commodity Charge	10³m³	15,668	359	2.2944	(84)	2	(1)	-	277	2	
10	Total Delivery - Firm M5A		<u>15,668</u>	<u>552</u>	<u>3.5202</u>	<u>(128)</u>	<u>7</u>	<u>(4)</u>	<u>-</u>	<u>426</u>	<u>3</u>	<u>0.66%</u>
Interruptible contracts												
11	Monthly Charge	bills	1,692	1,133	\$669.55	-	45	-	-	1,178	8	
12	Delivery Commodity Charge (Avg Price)	10³m³	466,611	12,600	2.7004	(3,809)	286	(35)	-	9,042	60	
13	Total Delivery - Interruptible M5A		<u>466,611</u>	<u>13,733</u>	<u>2.9432</u>	<u>(3,809)</u>	<u>331</u>	<u>(35)</u>	<u>-</u>	<u>10,221</u>	<u>67</u>	<u>0.66%</u>
14	Total Rate M5A		<u>482,279</u>	<u>14,285</u>	<u>2.9619</u>	<u>(3,937)</u>	<u>338</u>	<u>(39)</u>	<u>-</u>	<u>10,646</u>	<u>70</u>	<u>0.66%</u>

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (f).
- (2) Rate Order, Working Papers, Schedule 7, column (f).
- (3) EB-2016-0247, Appendix A, rates effective October 1, 2016 (excludes Price Adjustments).
- (4) EB-2015-0029, Rate Order, Working Papers, Schedule 2, column (b).
- (5) EB-2015-0116, Rate Order, Working Papers, Schedule 10, columns (d).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 20.
- (7) Rate Order, Working Papers, Schedule 15, column (c).

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													Proposed Rates				
		Adjustments to 2017 Rates											Excluding Customer-Related GHG Obligation		Customer-Related GHG	Including Customer-Related GHG Obligation	
Line		Billing	Union North	2017	2017 Capital	2017 Parkway	2017 Facility-	Add Back	Customer	Proposed	NAC / LRAM	Proposed			Unit Rate		
No.	Particulars	Units	Redesign Revenue (8)	DSM (9)	Pass-Throughs (10)	Delivery Obligation (11)	Related GHG Obligation (\$000's)	Upstream Transportation (\$000's)	Charge Adjustment (\$000's)	Revenue (\$000's)	Usage Adjustment (12) (10³m³)	Forecast Usage (t)	Rates (cents / m³)	Rate Change (%)	(cents / m³)	Rates (cents / m³)	Rate Change (%)
			(k)	(l)	(m)	(n)	(o)	(p) = (-g)	(q)	(r)= sum(h,q)	(s)	(t) = (a + s)	(u) = (r / t)	(v)	(w)	(x) = (u+w)	(y)
M4 Firm Commercial/Industrial Contract Rate																	
Monthly Demand Charge																	
1	First 8,450 m³	10³m³/d	-	1,151	179	527	-	-	-	7,331	-	12,905	56.8027				
2	Next 19,700 m³	10³m³/d	-	315	49	144	-	-	-	2,003	-	7,864	25.4689				
3	All over 28,150 m³	10³m³/d	-	151	24	69	-	-	-	964	-	4,507	21.3974				
Monthly Delivery Commodity Charge																	
4	First Block	10³m³	-	1,068	166	489	-	-	-	4,869	(12,733)	341,905	1.4240				
5	All remaining use	10³m³	-	10	2	4	-	-	-	45	(274)	7,358	0.6061				
7	Total Rate M4		-	2,696	419	1,233	-	-	-	15,211	(13,007)	349,263	4.3552	12.3%			
M5A Interruptible Commercial/Industrial Contract Rate																	
Firm contracts																	
8	Monthly Demand Charge	10³m³/d	-	41	(1)	9	-	-	-	199	-	626	31.7959				
9	Monthly Delivery Commodity Charge	10³m³	-	76	(3)	7	-	-	-	359	(547)	15,121	2.3718				
10	Total Delivery - Firm M5A		-	117	(4)	16	-	-	-	558	(547)	15,121	3.6872	4.7%			
Interruptible contracts																	
11	Monthly Charge	bills	-	-	(79)	-	-	-	-	1,107	-	1,692	\$654.15				
12	Delivery Commodity Charge (Avg Price)	10³m³	-	3,472	(493)	196	-	-	-	12,277	(16,282)	450,329	2.7261				
13	Total Delivery -Interruptible M5A		-	3,472	(573)	196	-	-	-	13,383	(16,282)	450,329	2.9719	1.0%			
14	Total Rate M5A		-	3,589	(577)	212	-	-	-	13,941	(16,829)	465,451	2.9952	1.1%			

Notes:

- (8) Rate Order, Working Papers, Schedule 23.
- (9) Rate Order, Working Papers, Schedule 11, column (b).
- (10) Rate Order, Working Papers, Schedule 10, column (d).
- (11) Rate Order, Working Papers, Schedule 20.
- (12) Rate Order, Working Papers, Schedule 12, p. 2 and 3, column (c) and Rate Order, Working Papers, Schedule 17, column (a).

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Line No.	Particulars	Billing Units	Current Approved Forecast Usage	Current Approved Revenue	Current Approved Rates	Adjustments to 2016 Base Rates				Adjusted Revenue (\$'000's)	Price Cap Index 0.66% (\$'000's)	Price Cap Index (%)
			(1)	(2)	(3)	2016 DSM (4)	2016 Capital Pass-Throughs (5)	2016 Parkway Delivery Obligation (6)	Upstream Transportation (7)			
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
M7 Special Large Volume Contract Rate Firm Contracts												
1	Monthly Demand Charge	10³m³/d	14,220	3,936	27.6801	(895)	(28)	(130)	-	2,883	19	
2	Monthly Delivery Commodity Charge	10³m³	122,354	457	0.3734	(104)	0	(20)	-	333	2	
3	Total Delivery - Firm M7		122,354	4,393	3.5904	(999)	(28)	(150)	-	3,216	21	0.66%
Interruptible / Seasonal Contracts												
4	Monthly Delivery Commodity Charge	10³m³	3,997	58	1.4412	(33)	4	-	-	29	0	
5	Total Rate M7		126,351	4,451	3.5224	(1,032)	(24)	(150)	-	3,245	21	0.66%
M9 Large Wholesale Service												
6	Monthly Demand Charge	10³m³/d	3,993	696	17.4339	-	(30)	(47)	-	619	4	
7	Monthly Delivery Commodity Charge	10³m³	60,750	116	0.1902	-	0	(10)	-	105	1	
8	Total Rate M9		60,750	812	1.3360	-	(30)	(57)	-	725	5	0.66%
M10 Small Wholesale Service												
9	Monthly Delivery Commodity Charge	10³m³	189	11	5.9327	-	(0)	(1)	-	9	0	
10	Total Rate M10		189	11	5.9327	-	(0)	(1)	-	9	0	0.66%

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (f).
- (2) Rate Order, Working Papers, Schedule 7, column (f).
- (3) EB-2016-0247, Appendix A, rates effective October 1, 2016 (excludes Price Adjustments).
- (4) EB-2015-0029, Rate Order, Working Papers, Schedule 2, column (b).
- (5) EB-2015-0116, Rate Order, Working Papers, Schedule 10, columns (d).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 20.
- (7) Rate Order, Working Papers, Schedule 15, column (c).

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													Proposed Rates				
													Excluding Customer-Related GHG Obligation		Customer-Related GHG	Including Customer-Related GHG Obligation	
													Rates	Rate Change	Unit Rate	Rates	Rate Change
Line No.	Particulars	Billing Units	Union North Redesign Revenue (8) (\$000's)	2017 DSM (9) (\$000's)	2017 Capital Pass-Throughs (10) (\$000's)	2017 Parkway Delivery Obligation (11) (\$000's)	2017 Facility-Related GHG Obligation (12) (\$000's)	Add Back Upstream Transportation (\$000's)	Customer Charge Adjustment (\$000's)	Proposed Revenue (\$000's)	NAC / LRAM Usage Adjustment (12) (10³m³)	Proposed Forecast Usage	(u) = (r / t)	(v)	(w)	(x) = (u+w)	(y)
			(k)	(l)	(m)	(n)	(o)	(p) = (-g)	(q)	(r)= sum(h;q)	(s)	(t) = (a + s)	(u) = (r / t)	(v)	(w)	(x) = (u+w)	(y)
M7 Special Large Volume Contract Rate Firm Contracts																	
1	Monthly Demand Charge	10³m³/d	-	816	227	438		-		4,383	-	14,220	30.8246				
2	Monthly Delivery Commodity Charge	10³m³	-	95	(0)	114		-		543	(1,475)	120,879	0.4496				
3	Total Delivery - Firm M7		-	910	227	552		-	-	4,927	(1,475)	120,879	4.0757	13.5%			
Interruptible / Seasonal Contracts																	
4	Monthly Delivery Commodity Charge	10³m³	-	30	(7)	-		-		52	(48)	3,949	1.3162	-8.7%			
5	Total Rate M7		-	940	220	552		-	-	4,979	(1,523)	124,828	3.9884	13.2%			
M9 Large Wholesale Service																	
6	Monthly Demand Charge	10³m³/d	-	-	111	157		-		891	-	3,993	22.3154				
7	Monthly Delivery Commodity Charge	10³m³	-	-	(0)	58		-		164	-	60,750	0.2703				
8	Total Rate M9		-	-	111	215		-	-	1,055	-	60,750	1.7370	30.0%			
M10 Small Wholesale Service																	
9	Monthly Delivery Commodity Charge	10³m³	-	-	2	5		-		17	-	189	6.8119				
10	Total Rate M10		-	-	2	5		-	-	17	-	189	6.8119	14.8%			

Notes:

- (8) Rate Order, Working Papers, Schedule 23.
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- (12) Rate Order, Working Papers, Schedule 12, p. 2 and 3, column (c) and Rate Order, Working Papers, Schedule 17, column (a).

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Line No.	Particulars	Billing Units	Current Approved Usage	Current Approved Revenue	Current Approved Rates	Adjustments to 2016 Base Rates				Adjusted Revenue (\$000's)	Price Cap Index	Price Cap Index
			(1)	(2)	(3)	2016 DSM	2016 Capital Pass-Throughs	2016 Parkway Delivery Obligation	Upstream Transportation		(i)	(j)
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)		
T1 Storage and Transportation												
Storage (\$/GJ's)												
Demand:												
Firm injection / withdrawal												
1	Union provides deliverability inventory	GJ/d/mo.	492,360	773	1.570	-	23	-	-	796	5	
2	Customer provides deliverability inventory	GJ/d/mo.	166,800	200	1.195	-	6	-	-	206	1	
3	Incremental firm injection right	GJ/d/mo.	-	-	1.195	-	-	-	-	-	-	
4	Interruptible	GJ/d/mo.	62,244	77	1.195	-	-	-	-	77	1	
5	Space	GJ/d/mo.	22,396,680	250	0.011	-	9	-	-	259	2	
6	Commodity (Customer Provides)	GJ	2,750,300	21	0.008	-	0	-	-	21	0	
7	Commodity (Union Provides)	GJ	-	-	0.028	-	-	-	-	-	-	
8	Customer supplied fuel	GJ	16,442	54	-	-	-	-	-	54	0	
Transportation (cents/ m3)												
Demand												
9	First 28,150 m³	10³m³/d/mo	12,448	4,053	32.5602	(927)	(10)	(81)	-	3,035	20	
10	Next 112,720 m³	10³m³/d/mo	13,002	2,925	22.4954	(669)	(7)	(58)	-	2,190	14	
Commodity												
Firm												
11	All Volumes	10³m³	457,370	348	0.0760	-	2	-	-	350	2	
12	Interruptible	10³m³	59,595	773	1.2973	(68)	16	-	-	721	5	
13	Monthly Charges	Meter/mo.	528	1,016	\$1,924.04	-	22	-	-	1,038	7	
14	Customer supplied fuel	10³m³	2,979	302	-	-	-	(53)	-	249	2	
15	Total Rate T1		<u>516,965</u>	<u>10,791</u>	<u>2.0873</u>	<u>(1,664)</u>	<u>61</u>	<u>(192)</u>	<u>-</u>	<u>8,996</u>	<u>59</u>	<u>0.66%</u>
T2 Storage and Transportation												
Storage (\$/GJ's)												
Demand:												
Firm injection / withdrawal												
16	Union provides deliverability inventory	GJ/d/mo.	1,516,920	2,382	1.570	-	73	-	-	2,455	16	
17	Customer provides deliverability inventory	GJ/d/mo.	1,336,556	1,598	1.195	-	49	-	-	1,647	11	
18	Incremental firm injection right	GJ/d/mo.	-	-	1.195	-	-	-	-	-	-	
19	Interruptible	GJ/d/mo.	415,704	508	1.195	-	-	-	-	508	3	
20	Space	GJ/d/mo.	106,645,056	1,191	0.011	-	42	-	-	1,234	8	
21	Commodity (Customer Provides)	GJ	7,869,782	60	0.008	-	1	-	-	60	0	
22	Commodity (Union Provides)	GJ	-	-	0.028	-	-	-	-	-	-	
23	Customer supplied fuel	GJ	47,061	153	-	-	-	-	-	153	1	
Transportation (cents/ m3)												
Demand												
24	First 140,870 m³	10³m³/d/mo	49,971	11,364	22.7402	(1,385)	(258)	(327)	-	9,394	62	
25	All Over 140,870 m³	10³m³/d/mo	167,088	20,098	12.0285	(2,450)	(455)	(578)	-	16,615	110	
Commodity												
Firm												
26	All Volumes	10³m³	4,295,031	354	0.0082	-	3	-	-	357	2	
27	Interruptible	10³m³	340,506	3,419	1.0042	(159)	89	-	-	3,349	22	
28	Monthly Charges	Meter/mo.	444	2,553	\$5,751.12	-	170	-	-	2,723	18	
29	Customer supplied fuel	10³m³	23,922	2,147	-	-	-	(253)	-	1,894	13	
30	Total Rate T2		<u>4,635,537</u>	<u>45,827</u>	<u>0.9886</u>	<u>(3,994)</u>	<u>(286)</u>	<u>(1,158)</u>	<u>-</u>	<u>40,389</u>	<u>267</u>	<u>0.66%</u>

Notes:

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Line No.	Particulars	Billing Units	Adjustments to 2017 Rates										Proposed Rates				
			Union North	2017	2017 Capital	2017 Parkway	2017 Facility-	Add Back	Customer	Proposed	NAC / LRAM	Proposed	Excluding	Customer-	Including		
			Redesign	DSM	Pass-Throughs	Delivery	Related GHG	Upstream	Charge	Revenue	Usage	Forecast	Customer-Related	Related	Customer-Related		
			(8)	(9)	(10)	(11)	Obligation	Transportation	Adjustment	(000's)	(12)	Usage	GHG Obligation	GHG	GHG Obligation	Unit Rate	Rate
			(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(n) = sum(h:q)	(10 ³ m ³)	(t) = (a + s)	Rates	Rate	Rates	Rate	Rate
			(k)	(l)	(m)	(n)	(o)	(p) = (-g)	(q)		(s)		(u) = (r / t)	(v)	(w)	(x) = (u+w)	(y)
T1 Storage and Transportation																	
Storage (\$/GJ's)																	
Demand:																	
	Firm injection / withdrawal																
1	Union provides deliverability inventory	GJ/d.mo.	-	-	(32)	-	-	-	-	769	-	492,360	1.561				
2	Customer provides deliverability inventory	GJ/d.mo.	-	-	(8)	-	-	-	-	199	-	166,800	1.186				
3	Incremental firm injection right	GJ/d.mo.	-	-	-	-	-	-	-	-	-	-	1.186				
4	Interruptible	GJ/d.mo.	-	-	-	-	-	-	-	77	-	62,244	1.186				
5	Space	GJ/d.mo.	-	-	(16)	-	-	-	-	245	-	22,396,680	0.011				
6	Commodity (Customer Provides)	GJ	-	-	(0)	-	-	-	-	21	-	2,750,300	0.008				
7	Commodity (Union Provides)	GJ	-	-	-	-	-	-	-	-	-	-	0.028				
8	Customer supplied fuel	GJ	-	-	-	-	-	-	-	54	-	16,442	-				
Transportation (cents/ m3)																	
Demand																	
9	First 28,150 m ³	10 ³ m ³ /d.mo	-	854	230	273	-	-	-	4,411	-	12,448	35.4376				
10	Next 112,720 m ³	10 ³ m ³ /d.mo	-	616	166	197	-	-	-	3,183	-	13,002	24.4833				
Commodity																	
Firm																	
11	All Volumes	10 ³ m ³	-	-	(4)	215	-	-	-	563	(5,070)	452,300	0.1245				
12	Interruptible	10 ³ m ³	-	62	(27)	23	-	-	-	784	(661)	58,934	1.3298				
13	Monthly Charges	Meter/mo.	-	-	(38)	-	-	-	-	1,006	-	528	\$1,905.94				
14	Customer supplied fuel	10 ³ m ³	-	-	-	48	-	-	-	299	-	2,979	-				
15	Total Rate T1		-	1,532	269	755	-	-	-	11,611	(5,730)	511,234	2.2711	8.8%			
T2 Storage and Transportation																	
Storage (\$/GJ's)																	
Demand:																	
	Firm injection / withdrawal																
16	Union provides deliverability inventory	GJ/d.mo.	-	-	(104)	-	-	-	-	2,367	-	1,516,920	1.561				
17	Customer provides deliverability inventory	GJ/d.mo.	-	-	(70)	-	-	-	-	1,588	-	1,336,556	1.186				
18	Incremental firm injection right	GJ/d.mo.	-	-	-	-	-	-	-	-	-	-	1.186				
19	Interruptible	GJ/d.mo.	-	-	-	-	-	-	-	512	-	415,704	1.186				
20	Space	GJ/d.mo.	-	-	(75)	-	-	-	-	1,167	-	106,645,056	0.011				
21	Commodity (Customer Provides)	GJ	-	-	(1)	-	-	-	-	60	-	7,869,782	0.008				
22	Commodity (Union Provides)	GJ	-	-	-	-	-	-	-	-	-	-	0.028				
23	Customer supplied fuel	GJ	-	-	-	-	-	-	-	154	-	47,061	-				
Transportation (cents/ m3)																	
Demand																	
24	First 140,870 m ³	10 ³ m ³ /d.mo	-	1,250	1,409	1,100	-	-	-	13,215	-	49,971	26.4455				
25	All Over 140,870 m ³	10 ³ m ³ /d.mo	-	2,211	2,492	1,945	-	-	-	23,373	-	167,088	13.9884				
Commodity																	
Firm																	
26	All Volumes	10 ³ m ³	-	-	(4)	1,105	-	-	-	1,460	(35,458)	4,259,573	0.0343				
27	Interruptible	10 ³ m ³	-	143	(154)	26	-	-	-	3,387	(2,811)	337,695	1.0028				
28	Monthly Charges	Meter/mo.	-	-	(293)	-	-	-	-	2,448	-	444	\$5,513.81				
29	Customer supplied fuel	10 ³ m ³	-	-	-	228	-	-	-	2,134	-	23,922	-				
30	Total Rate T2		-	3,605	3,199	4,404	-	-	-	51,863	(38,269)	4,597,268	1.1281	14.1%			

Notes:

- (8) Rate Order, Working Papers, Schedule 23.
(9) Rate Order, Working Papers, Schedule 11, column (b).
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Line No.	Particulars	Billing Units	Current	Current	Current	Adjustments to 2016 Base Rates				Adjusted Revenue (\$000's)	Price Cap Index 0.66% (\$000's)	Price Cap Index (%)
			Approved Forecast Usage (1)	Approved Revenue (2)	Approved Rates (3)	2016 DSM (4)	2016 Capital Pass-Throughs (5)	2016 Parkway Delivery Obligation (6)	Upstream Transportation (7)			
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
T3												
Storage (\$/GJ's)												
Demand:												
Firm injection / withdrawal												
1	Union provides deliverability inventory	GJ/d/mo.	-	-	1.570	-	-	-	-	-	-	-
2	Customer provides deliverability inventory	GJ/d/mo.	679,320	808	1.195	-	29	-	-	838	6	-
3	Incremental firm injection right	GJ/d/mo.	-	-	1.195	-	-	-	-	-	-	-
4	Interruptible	GJ/d/mo.	-	-	1.195	-	-	-	-	-	-	-
5	Space	GJ/d/mo.	36,614,256	409	0.011	-	15	-	-	424	3	-
6	Commodity (Customer Provides)	GJ	4,459,672	34	0.008	-	0	-	-	34	0	-
7	Commodity (Union Provides)	GJ	-	-	0.028	-	-	-	-	-	-	-
8	Customer supplied fuel	GJ	26,668	87	-	-	-	-	-	87	1	-
Transportation (cents/ m3)												
9	Demand	10 ³ m ³ /d/mo	28,200	3,281	11.6340	-	(284)	(296)	-	2,700	18	-
10	Commodity	10 ³ m ³	272,712	29	0.0108	-	0	-	-	30	0	-
11	Monthly Charges	Meter/mo.	12	242	\$20,208.17	-	6	-	-	249	2	-
12	Customer supplied fuel	10 ³ m ³	1,972	193	-	-	-	(49)	-	144	1	-
13	Total Rate T3		<u>272,712</u>	<u>5,084</u>	<u>1.8643</u>	<u>-</u>	<u>(234)</u>	<u>(345)</u>	<u>-</u>	<u>4,505</u>	<u>30</u>	<u>0.66%</u>
14	Total In-franchise (excluding Gas Supply Admin Charge)			<u>914,616</u>		<u>(56,821)</u>	<u>8,718</u>	<u>(6,564)</u>	<u>(120,789)</u>	<u>739,160</u>	<u>4,878</u>	

Notes:

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- (5) EB-2015-0116, Rate Order, Working Papers, Schedule 10, columns (d).
- (6) EB-2015-0116, Rate Order, Working Papers, Schedule 20.
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Line No.	Particulars	Billing Units	Adjustments to 2017 Rates							Proposed Revenue (\$000's)	NAC / LRAM Usage Adjustment (12) (10³m³)	Proposed Forecast Usage (t) = (a + s)	Proposed Rates				
			Union North Redesign Revenue (8) (\$000's)	2017 DSM (9) (\$000's)	2017 Capital Pass-Throughs (10) (\$000's)	2017 Parkway Delivery Obligation (11) (\$000's)	2017 Facility-Related GHG Obligation (\$000's)	Add Back Upstream Transportation (\$000's)	Customer Charge Adjustment (\$000's)				Excluding Customer-Related GHG Obligation Rates (cents / m³)	Rate Change (%)	Customer-Related GHG Unit Rate (cents / m³)	Including Customer-Related GHG Obligation Rates (cents / m³)	Rate Change (%)
			(k)	(l)	(m)	(n)	(o)	(p) = (-g)	(q)	(r) = sum(h,q)	(s)	(t)	(u) = (r / t)	(v)	(w)	(x) = (u+w)	(y)
T3	Storage (\$/GJ's)																
	Demand:																
	Firm injection / withdrawal																
1	Union provides deliverability inventory	GJ/d.mo.	-	-	-	-	-	-	-	-	-	-	1.561				
2	Customer provides deliverability inventory	GJ/d.mo.	-	-	(42)	-	-	-	-	802	-	679,320	1.186				
3	Incremental firm injection right	GJ/d.mo.	-	-	-	-	-	-	-	-	-	-	1.186				
4	Interruptible	GJ/d.mo.	-	-	-	-	-	-	-	-	-	-	1.186				
5	Space	GJ/d.mo.	-	-	(26)	-	-	-	-	400	-	36,614,256	0.011				
6	Commodity (Customer Provides)	GJ	-	-	(1)	-	-	-	-	34	-	4,459,672	0.008				
7	Commodity (Union Provides)	GJ	-	-	-	-	-	-	-	-	-	-	0.028				
8	Customer supplied fuel	GJ	-	-	-	-	-	-	-	87	-	26,668	-				
	Transportation (cents/ m3)																
9	Demand	10³m³/d/mo	-	-	894	1,103	-	-	-	4,715	-	28,200	16.7213				
10	Commodity	10³m³	-	-	(0)	218	-	-	-	248	-	272,712	0.0909				
11	Monthly Charges	Meter/mo.	-	-	(11)	-	-	-	-	240	-	12	\$19,968.19				
12	Customer supplied fuel	10³m³	-	-	-	44	-	-	-	189	-	1,972	0				
13	Total Rate T3		-	-	815	1,365	-	-	-	6,715	-	272,712	2.4625	32.1%			
14	Total In-franchise (excluding Gas Supply Admin Charge)		113,637	58,570	(6,471)	24,117	-	2,461	0	915,280							

Notes:

- (8) Rate Order, Working Papers, Schedule 23.
(9) Rate Order, Working Papers, Schedule 11, column (b).
(10) Rate Order, Working Papers, Schedule 10, column (d).
(11) Rate Order, Working Papers, Schedule 20.
(12) Rate Order, Working Papers, Schedule 12, p. 2 and 3, column (c) and Rate Order, Working Papers, Schedule 17, column (a).

UNION GAS LIMITED
Union South
Ex-Franchise Customers
Effective January 1, 2017

Line No.	Particulars	Billing Units	Adjustments to 2016 Base Rates									
			Current Approved Forecast Usage	Current Approved Revenue	Current Approved Rates	2016 Parkway				Adjusted Revenue	Price Cap Index	Price Cap Index
			(1)	(2)	(3)	2016 DSM	2016 Capital Pass-Throughs	Delivery Obligation	Upstream Transportation			
			(\$000's)	(\$000's)	(\$/ GJ)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(h) = (b+d+e+f+g)	0.66%	(%)
			(a)	(b)	(c)	(d)	(e)	(f)	(g)		(i)	(j)
M12 Transportation Service												
<u>Demand:</u>												
Dawn to Kirkwall												
1	- 12 months	GJ/d/mo	419,318	13,621	2.421	-	(1,981)	-	-	11,640	77	
2	- 10 months	GJ/d/mo	304,563	7,374	2.421	-	(1,073)	-	-	6,301	42	
3	- 2 months	GJ/d/mo	18,365	89	2.421	-	(13)	-	-	76	1	
4	- F24-T - 12 months	GJ/d/mo	49,500	41	0.069	-	0	-	-	41	0	
Dawn to Parkway												
5	- 12 months	GJ/d/mo	3,634,172	136,340	2.883	-	(32,396)	-	-	103,944	686	
6	- 10 months	GJ/d/mo	65,000	1,874	2.883	-	(280)	-	-	1,594	11	
7	- 3 months	GJ/d/mo	2,000	17	2.883	-	(2)	-	-	15	0	
8	- F24-T - 12 months	GJ/d/mo	307,000	326	0.069	-	0	-	-	326	2	
M12-X Easterly (between Dawn, Kirkwall and Parkway)												
9	- 12 months	GJ/d/mo	391,011	13,527	2.883	-	(2,023)	-	-	11,503	76	
M12-X Westerly (between Dawn, Kirkwall and Parkway)												
10	- 12 months	GJ/d/mo	391,011	3,374	0.719	-	(577)	-	-	2,797	18	
Kirkwall to Parkway												
11	- 12 months	GJ/d/mo	94,547	524	0.462	-	(117)	-	-	406	3	
12	- 2 months	GJ/d/mo	174,752	161	0.462	-	(28)	-	-	134	1	
<u>Fuel and Commodity Charges:</u>												
Fuel												
13	Easterly - Providing Own Fuel	GJ	705,499,899	23,783		-	-	(673)	-	23,110	153	
14	Westerly - Providing Own Fuel	GJ	5,936,749	50		-	-	-	-	50	0	
Commodity Charges												
15	Dawn to Kirkwall / Parkway (Cons) / Lisgar	GJ	246,989,954	-	0.000	-	-	-	-	-	-	
16	Kirkwall to Parkway	GJ	47,726,097	-	0.000	-	-	-	-	-	-	
17	Dawn to Parkway (TCPL / EGT)	GJ	410,783,848	-	0.000	-	-	-	-	-	-	
18	Parkway to Dawn / Kirkwall	GJ	905,475	-	0.000	-	-	-	-	-	-	
19	Kirkwall to Dawn	GJ	5,031,274	-	0.000	-	-	-	-	-	-	
20	Total Rate M12		<u>711,436,648</u>	<u>201,100</u>		<u>-</u>	<u>(38,490)</u>	<u>(673)</u>	<u>-</u>	<u>161,937</u>	<u>1,069</u>	<u>0.66%</u>

Notes:
(1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (r).
(2) Rate Order, Working Papers, Schedule 7, p. 2, column (f).
(3) EB-2016-0247 Appendix A, rates effective October 1, 2016.
(4) EB-2015-0116, Rate Order, Working Papers, Schedule 10, columns (d).
(5) EB-2015-0116, Rate Order, Working Papers, Schedule 20.

UNION GAS LIMITED
Union South
Ex-Franchise Customers
Effective January 1, 2017

Line No.	Particulars	Billing Units	Adjustment to 2017 Rates							Proposed Rates				
			Union North Redesign Revenue (\$000's)	2017 DSM (\$000's)	2017 Capital Pass-Throughs (6) (\$000's)	2017 Parkway Delivery Obligation (7) (\$000's)	2017 Facility-Related GHG Obligation (\$000's)	Add Back Upstream Transportation (\$000's)	Proposed Revenue (\$000's)	Proposed Rates (\$/ GJ)	Demand Adjustment (GJ/d/mo)	Usage including Adjustment (t) = (a + s)	Rates (\$/ GJ) (u) = (q / t)	Rate Change (%) (v)
			(k)	(l)	(m)	(n)	(o)	(p) = (-g)	(q) = sum(h:p)	(r) = (q / a)	(s)	(t) = (a + s)	(u) = (q / t)	(v)
M12 Transportation Service														
<u>Demand:</u>														
1	Dawn to Kirkwall													
	- 12 months	GJ/d/mo	-	-	4,402	-	-	-	16,118		-	419,318	2.865	
2	- 10 months	GJ/d/mo	-	-	2,383	-	-	-	8,726		-	304,563	2.865	
3	- 2 months	GJ/d/mo	-	-	29	-	-	-	105		-	18,365	2.865	
4	- F24-T - 12 months	GJ/d/mo	-	-	(0)	-	-	-	41		-	49,500	0.070	
	Dawn to Parkway													
5	- 12 months	GJ/d/mo	-	-	67,947	-	-	-	172,578		285,958	3,920,130	3.402	
6	- 10 months	GJ/d/mo	-	-	607	-	-	-	2,211		-	65,000	3.402	
7	- 3 months	GJ/d/mo	-	-	5	-	-	-	20		-	2,000	3.402	
8	- F24-T - 12 months	GJ/d/mo	-	-	(0)	-	-	-	328		-	307,000	0.070	
	M12-X Easterly (between Dawn, Kirkwall and Parkway)													
9	- 12 months	GJ/d/mo	-	-	4,384	-	-	-	15,963		-	391,011	3.402	
	M12-X Westerly (between Dawn, Kirkwall and Parkway)													
10	- 12 months	GJ/d/mo	-	-	1,110	-	-	-	3,926		-	391,011	0.837	
	Kirkwall to Parkway													
11	- 12 months	GJ/d/mo	-	-	486	-	-	-	896		44,393	138,940	0.537	
12	- 2 months	GJ/d/mo	-	-	53	-	-	-	188		-	174,752	0.537	
<u>Fuel and Commodity Charges:</u>														
	Fuel													
13	Easterly - Providing Own Fuel	GJ	-	-	-	652	-	-	23,914		-	705,499,899		
14	Westerly - Providing Own Fuel	GJ	-	-	-	-	-	-	50		-	5,936,749		
	Commodity Charges													
15	Dawn to Kirkwall / Parkway (Cons) / Lisgar	GJ	-	-	-	-	-	-	-		-	246,989,954	0.000	
16	Kirkwall to Parkway	GJ	-	-	-	-	-	-	-		-	47,726,097	0.000	
17	Dawn to Parkway (TCPL / EGT)	GJ	-	-	-	-	-	-	-		-	410,783,848	0.000	
18	Parkway to Dawn / Kirkwall	GJ	-	-	-	-	-	-	-		-	905,475	0.000	
19	Kirkwall to Dawn	GJ	-	-	-	-	-	-	-		-	5,031,274	0.000	
20	Total Rate M12		-	-	81,408	652	-	-	245,065	-	330,351	711,436,648		21.9%

Notes:
(6) Rate Order, Working Papers, Schedule 10, column (d).
(7) Rate Order, Working Papers, Schedule 20, column (c).

UNION GAS LIMITED
Union South
Ex-Franchise Customers
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Line No.	Particulars	Billing Units	Current Approved Forecast Usage	Current Approved Revenue	Current Approved Rates	Adjustments to 2016 Base Rates							Price Cap Index	Price Cap Index (%)
			(1)	(2)	(3)	2016 DSM	2016 Capital Pass-Throughs	2016 Parkway Delivery Obligation	Upstream Transportation	Adjusted Revenue				
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)			(i)	(j)
	<u>M13 Transportation of Locally Produced Gas</u>													
1	Monthly Fixed Charge	monthly	15	170	\$946.47	-	-	-	-	170		1		
2	Transmission Commodity Charge	GJ	5,934,507	205	0.035	-	1	-	-	206		1		
3	Commodity - Providing Own Fuel	GJ	5,934,507	45	0.008	-	-	-	-	45		0		
4	Commodity - Shipper Providing Own Fuel	GJ	5,934,507	-	0.000	-	-	-	-	-		-		
5	Total Rate M13		<u>5,934,507</u>	<u>421</u>		<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>422</u>		<u>3</u>		<u>0.66%</u>
	<u>M16 Transportation Service</u>													
5	Monthly Fixed Charge	monthly	4	72	\$1,505.73	-	-	-	-	72		0		
6	Transmission Commodity Charge	GJ	6,236,394	216	0.035	-	0	-	-	216		1		
	Charges West of Dawn:													
7	Firm Demand Charge	GJ/d	17,846	226	1.055	-	6	-	-	232		2		
8	Fuel & UFG to Dawn	GJ	4,098,775	31	0.008	-	-	-	-	31		0		
9	Fuel & UFG to Pool	GJ	4,098,775	89	0.022	-	-	-	-	89		1		
10	Commodity Charge - To Dawn	GJ	4,098,775	-	0.000	-	-	-	-	-		-		
11	Commodity Charge - To Pool	GJ	4,098,775	-	0.000	-	-	-	-	-		-		
	Charges East of Dawn:													
12	Firm Demand Charge	GJ/d	9,067	83	0.765	-	-	-	-	83		1		
13	Fuel & UFG to Dawn	GJ	2,137,619	16	0.008	-	-	-	-	16		0		
14	Fuel & UFG to Pool	GJ	2,137,619	20	0.009	-	-	(3)	-	17		0		
15	Commodity Charge - To Dawn	GJ	2,137,619	-	0.000	-	-	-	-	-		-		
16	Commodity Charge - To Pool	GJ	2,137,619	-	0.000	-	-	-	-	-		-		
17	Total Rate M16		<u>12,472,788</u>	<u>754</u>		<u>-</u>	<u>6</u>	<u>(3)</u>	<u>-</u>	<u>757</u>		<u>5</u>		<u>0.66%</u>

Notes:
(1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (r).
(2) Rate Order, Working Papers, Schedule 7, p. 2, column (f).
(3) EB-2016-0247 Appendix A, rates effective October 1, 2016.
(4) EB-2015-0116, Rate Order, Working Papers, Schedule 10, columns (d).
(5) EB-2015-0116, Rate Order, Working Papers, Schedule 20.

UNION GAS LIMITED
Union South
Ex-Franchise Customers
Effective January 1, 2017

Line No.	Particulars	Billing Units	Adjustment to 2017 Rates							Proposed Rates				
			Union North	2017 DSM (\$000's)	2017 Capital	2017 Parkway	2017 Facility-	Add Back	Proposed Revenue (\$000's)	Proposed Rates (\$/ GJ)	Demand Adjustment (GJ/d/mo)	Usage including Adjustment (t) = (a + s)	Rates (\$/ GJ)	Rate Change (%)
			Redesign Revenue (\$000's)		Pass-Throughs (6) (\$000's)	Delivery Obligation (7) (\$000's)	Related GHG Obligation (\$000's)	Upstream Transportation (\$000's)						
			(k)	(l)	(m)	(n)	(o)	(p) = (-g)	(q) = sum(h:p)	(r) = (q / a)	(s)	(t) = (a + s)	(u) = (q / t)	(v)
M13 Transportation of Locally Produced Gas														
1	Monthly Fixed Charge	monthly	-	-	-	-	-	-	171		-	15	\$952.72	
2	Transmission Commodity Charge	GJ	-	-	(5)	-	-	-	203		-	5,934,507	0.035	
3	Commodity - Providing Own Fuel	GJ	-	-	-	-	-	-	46		-	5,934,507	0.008	
4	Commodity - Shipper Providing Own Fuel	GJ	-	-	-	-	0	-	-		-	5,934,507	0.000	
5	Total Rate M13		-	-	(5)	-	-	-	420	-	-	5,934,507		-0.3%
M16 Transportation Service														
5	Monthly Fixed Charge	monthly	-	-	-	-	-	-	73		-	4	\$1,515.67	
6	Transmission Commodity Charge	GJ	-	-	(0)	-	-	-	217		-	6,236,394	0.035	
Charges West of Dawn:														
7	Firm Demand Charge	GJ/d	-	-	(9)	-	-	-	224		-	17,846	\$1.045	
8	Fuel & UFG to Dawn	GJ	-	-	-	-	-	-	31		-	4,098,775	0.008	
9	Fuel & UFG to Pool	GJ	-	-	-	-	-	-	89		-	4,098,775	0.022	
10	Commodity Charge - To Dawn	GJ	-	-	-	-	0	-	-		-	4,098,775	0.000	
11	Commodity Charge - To Pool	GJ	-	-	-	-	0	-	-		-	4,098,775	0.000	
Charges East of Dawn:														
12	Firm Demand Charge	GJ/d	-	-	-	-	-	-	84		-	9,067	\$0.770	
13	Fuel & UFG to Dawn	GJ	-	-	-	-	-	-	16		-	2,137,619	0.008	
14	Fuel & UFG to Pool	GJ	-	-	-	3	-	-	20		-	2,137,619	0.009	
15	Commodity Charge - To Dawn	GJ	-	-	-	-	0	-	-		-	2,137,619	0.000	
16	Commodity Charge - To Pool	GJ	-	-	-	-	0	-	-		-	2,137,619	0.000	
17	Total Rate M16		-	-	(10)	3	-	-	755	-	-	12,472,788		0.2%

Notes:
(6) Rate Order, Working Papers, Schedule 10, column (d).
(7) Rate Order, Working Papers, Schedule 20, column (c).

UNION GAS LIMITED
Union South
Ex-Franchise Customers
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Line No.	Particulars	Billing Units	Adjustments to 2016 Base Rates									
			Current Approved Forecast Usage	Current Approved Revenue	Current Approved Rates	2016 Parkway						
			(1)	(2)	(3)	2016 DSM	2016 Capital Pass-Throughs	Delivery Obligation	Upstream Transportation	Adjusted Revenue	Price Cap Index	Price Cap Index
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
	C1 Cross Franchise Transportation Service											
	Storage Service:											
1	Peak Storage (Short-term)	GJ	22,489,337	7,754		-	150	-	-	7,904	n/a	
	Commodity											
2	Off Peak Storage/ Balancing / Loans	GJ	-	2,500		-	-	-	-	2,500	n/a	
	Transportation Service:											
	Demand:											
3	St.Clair & Dawn / Ojibway & Dawn - 12 months	GJ/mo	85,460	3,243	1.055	-	27	-	-	3,269	22	
	Parkway to Dawn/Kirkwall											
4	- 12 months	GJ/mo	347,371	2,997	0.719	-	(513)	-	-	2,485	16	
5	- 3 months	GJ/mo	54,357	117	0.719	-	(20)	-	-	97	1	
6	Kirkwall to Dawn	GJ/mo	-	-	1.268	-	-	-	-	-	-	
	Dawn to Parkway											
7	- 12 months	GJ/mo	7,065	421	2.883	-	-	-	-	421	3	
8	- 12 months North T-Service	GJ/mo	4,853	168	2.883	-	(168)	-	-	-	-	
9	Kirkwall to Parkway	GJ/mo	-	-	0.462	-	-	-	-	-	-	
	Dawn to Dawn-Vector											
10	- 12 months	GJ/mo	92,845	33	0.029	-	-	-	-	33	0	
	Dawn to Dawn-TCPL											
11	- 12 months	GJ/mo	500,000	822	0.137	-	-	-	-	822	5	
	Firm Commodity											
	Easterly											
	Union Providing Fuel											
12	Dawn to Parkway (TCPL / EGT)	GJ	2,423,295	93		-	-	(8)	-	86	1	
	Providing Own Fuel											
13	Dawn to Dawn-TCPL	GJ	5,000,000	84		-	-	-	-	84	1	
14	Dawn to Dawn-Vector	GJ	18,280,703	249		-	-	-	-	249	2	
15	Ojibway to Dawn	GJ	9,968,577	168		-	-	-	-	168	1	
	Westerly - Providing Own Fuel											
16	Parkway to Kirkwall	GJ	-	-		-	-	-	-	-	-	
17	Parkway to Dawn	GJ	3,990,264	52		-	-	-	-	52	0	
18	Short-term Transportation	GJ	177,529,686	11,245		-	29	(212)	-	11,061	n/a	
19	Exchanges			14,918		-	-	-	-	14,918	n/a	
20	Other Transactional			1,067		-	-	-	-	1,067	n/a	
	Commodity Charges:											
21	Dawn to Parkway (TCPL / EGT)		2,423,295			-	-	-	-	-	-	
22	Dawn to Dawn-TCPL		5,000,000			-	-	-	-	-	-	
23	Dawn to Dawn-Vector		18,280,703			-	-	-	-	-	-	
24	St. Clair / Ojibway / Bluewater & Dawn		9,968,577			-	-	-	-	-	-	
25	Parkway to Dawn / Kirkwall		3,990,264			-	-	-	-	-	-	
26	Short-term Transportation		177,529,686			-	-	-	-	-	-	
27	Total Rate C1		<u>217,192,525</u>	<u>45,932</u>		<u>-</u>	<u>(496)</u>	<u>(220)</u>	<u>-</u>	<u>45,217</u>	<u>51</u>	
28	Total Ex-Franchise			<u>248,207</u>		<u>-</u>	<u>(38,979)</u>	<u>(896)</u>	<u>-</u>	<u>208,332</u>	<u>1,128</u>	<u>0.54%</u>

Notes:
(1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (r).
(2) Rate Order, Working Papers, Schedule 7, p. 2, column (f).
(3) EB-2016-0247 Appendix A, rates effective October 1, 2016.
(4) EB-2015-0116, Rate Order, Working Papers, Schedule 10, columns (d).
(5) EB-2015-0116, Rate Order, Working Papers, Schedule 20.

UNION GAS LIMITED
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Line No.	Particulars	Billing Units	Adjustment to 2017 Rates							Proposed Rates				
			Union North Redesign Revenue (\$000's)	2017 DSM (\$000's)	2017 Capital Pass-Throughs (6) (\$000's)	2017 Parkway Delivery Obligation (7) (\$000's)	2017 Facility-Related GHG Obligation (\$000's)	Add Back Upstream Transportation (\$000's)	Proposed Revenue (\$000's)	Proposed Rates (\$/ GJ)	Demand Adjustment (GJ/d/mo)	Usage including Adjustment (t) = (a + s)	Rates (\$/ GJ)	Rate Change (%)
			(k)	(l)	(m)	(n)	(o)	(p) = (-g)	(q) = sum(h:p)	(r) = (q / a)	(s)		(u) = (q / t)	(v)
	C1 Cross Franchise Transportation Service													
	Storage Service:													
1	Peak Storage (Short-term)	GJ	-	-	(239)	-	-	-	7,665		-	22,489,337		
	Commodity													
2	Off Peak Storage/ Balancing / Loans	GJ	-	-	-	-	-	-	2,500		-	-		
	Transportation Service:													
	Demand:													
3	St.Claire & Dawn / Ojibway & Dawn - 12 months	GJ/mo	-	-	(45)	-	-	-	3,246		-	85,460	1.045	
	Parkway to Dawn/Kirkwall													
4	- 12 months	GJ/mo	-	-	986	-	-	-	3,488		-	347,371	0.837	
5	- 3 months	GJ/mo	-	-	39	-	-	-	136		-	54,357	0.837	
6	Kirkwall to Dawn	GJ/mo	-	-	-	-	-	-	-		-	-	1.475	
	Dawn to Parkway													
7	- 12 months	GJ/mo	-	-	-	-	-	-	424		0	7,065	3.402	
8	- 12 months North T-Service	GJ/mo	-	-	1,229	-	-	-	1,229		25,258	30,111	3.402	
9	Kirkwall to Parkway	GJ/mo	-	-	-	-	-	-	-		-	0	0.537	
	Dawn to Dawn-Vector													
10	- 12 months	GJ/mo	-	-	-	-	-	-	33		-	92,845	0.029	
	Dawn to Dawn-TCPL													
11	- 12 months	GJ/mo	-	-	-	-	-	-	828		-	500,000	0.138	
	Firm Commodity													
	Easterly													
	Union Providing Fuel													
12	Dawn to Parkway (TCPL / EGT)	GJ	-	-	-	7	-	-	94		-	2,423,295		
	Providing Own Fuel													
13	Dawn to Dawn-TCPL	GJ	-	-	-	-	-	-	85		-	5,000,000		
14	Dawn to Dawn-Vector	GJ	-	-	-	-	-	-	251		-	18,280,703		
15	Ojibway to Dawn	GJ	-	-	-	-	-	-	169		-	9,968,577		
	Westerly - Providing Own Fuel													
16	Parkway to Kirkwall	GJ	-	-	-	-	-	-	-		-	-		
17	Parkway to Dawn	GJ	-	-	-	-	-	-	53		-	3,990,264		
18	Short-term Transportation	GJ	-	-	(48)	206	-	-	11,218		-	177,529,686		
19	Exchanges		-	-	-	-	-	-	14,918		-	-		
20	Other Transactional		-	-	-	-	-	-	1,067		-	-		
	Commodity Charges:													
21	Dawn to Parkway (TCPL / EGT)		-	-	-	-	0	-	-		-	2,423,295	0.000	
22	Dawn to Dawn-TCPL		-	-	-	-	0	-	-		-	5,000,000	0.000	
23	Dawn to Dawn-Vector		-	-	-	-	0	-	-		-	18,280,703	0.000	
24	St. Clair / Ojibway / Bluewater & Dawn		-	-	-	-	0	-	-		-	9,968,577	0.000	
25	Parkway to Dawn / Kirkwall		-	-	-	-	0	-	-		-	3,990,264	0.000	
26	Short-term Transportation		-	-	-	-	0	-	-		-	177,529,686		
27	Total Rate C1		-	-	1,922	213	-	-	47,403	-	25,258	217,192,525		3.2%
28	Total Ex-Franchise		-	-	83,315	868	-	-	293,643	-	355,609			

Notes:
(6) Rate Order, Working Papers, Schedule 10, column (d).
(7) Rate Order, Working Papers, Schedule 20, column (c).

UNION GAS LIMITED
Rate Impact Continuity
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Line No.	Particulars	2016 Current Approved Revenue (2) (\$000s) (a)	Price Cap Index (2) (\$000s) (b)	Union North Redesign Revenue (3) (\$000's) (c)	DSM (2) (\$000s) (d)	Capital Pass-Throughs (2) (\$000s) (e)	Parkway Delivery Obligation (2) (\$000s) (f)	Facility-Related GHG Obligation (2) (\$000's) (g)	Upstream Transportation (\$000's) (h)	Total Excluding Volume Adjustments (i)	Volume Adjustments (j)	Total Including Volume Adjustments (k)	Customer-Related GHG Obligation (l)	Total Including Customer-Related GHG Obligation (m)
<u>North Delivery</u>														
1	R01	Revenue (\$000s)	162,721	1,040	-	524	(3,175)	-	-	161,111		161,111		
2		Volumes (10³m³)	964,386	964,386	964,386	964,386	964,386	964,386	964,386	964,386	(54,697)	909,690		
3		Average rate (cents / m³)	16.8730	0.1079	-	0.0544	(0.3292)	-	-	16.7060	1.0045	17.7105		
4		Average rate change (1)		0.6%	0.0%	0.3%	-2.0%	0.0%	0.0%	-1.0%	6.0%	5.0%		
5	R10	Revenue (\$000s)	21,090	122	-	276	(397)	-	-	21,091		21,091		
6		Volumes (10³m³)	363,545	363,545	363,545	363,545	363,545	363,545	363,545	363,545	(26,433)	337,112		
7		Average rate (cents / m³)	5.8013	0.0335	-	0.0758	(0.1092)	-	-	5.8015	0.4549	6.2564		
8		Average rate change (1)		0.6%	0.0%	1.3%	-1.9%	0.0%	0.0%	0.0%	7.8%	7.8%		
9	R20	Revenue (\$000s)	14,135	83	-	(160)	(335)	-	-	13,723		13,723		
10		Volumes (10³m³)	609,046	609,046	609,046	609,046	609,046	609,046	609,046	609,046	(2,870)	606,176		
11		Average rate (cents / m³)	2.3209	0.0136	-	(0.0263)	(0.0550)	-	-	2.2532	0.0107	2.2638		
12		Average rate change (1)		0.6%	0.0%	-1.1%	-2.4%	0.0%	0.0%	-2.9%	0.5%	-2.5%		
13	R25	Revenue (\$000s)	4,414	30	-	-	(104)	-	-	4,340		4,340		
14		Volumes (10³m³)	159,555	159,555	159,555	159,555	159,555	159,555	159,555	159,555	-	159,555		
15		Average rate (cents / m³)	2.7662	0.0188	-	-	(0.0650)	-	-	2.7201	-	2.7201		
16		Average rate change (1)		0.7%	0.0%	0.0%	-2.3%	0.0%	0.0%	-1.7%	0.0%	-1.7%		
17	R100	Revenue (\$000s)	15,643	92	-	(214)	(284)	-	-	15,237		15,237		
18		Volumes (10³m³)	1,819,999	1,819,999	1,819,999	1,819,999	1,819,999	1,819,999	1,819,999	1,819,999	(5,132)	1,814,867		
19		Average rate (cents / m³)	0.8595	0.0050	-	(0.0118)	(0.0156)	-	-	0.8372	0.0024	0.8396		
20		Average rate change (1)		0.6%	0.0%	-1.4%	-1.8%	0.0%	0.0%	-2.6%	0.3%	-2.3%		

Notes:

(1) Average rate change is compared to column (a).

(2) Rate Order, Working Paper, Schedule 3.

(3) Union North redesign revenue change is based on the approved changes to the Union North storage and transportation costs per Union EB-2015-0181, updated for October 2016 QRAM (EB-2016-0247).

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Rate Impact Continuity
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Line No.	Particulars	2016 Current Approved Revenue (2) (\$000s)	Price Cap Index (2) (\$000s)	Union North Redesign Revenue (3) (\$000's)	DSM (2) (\$000s)	Capital Pass-Throughs (2) (\$000s)	Parkway Delivery Obligation (2) (\$000s)	Facility-Related GHG Obligation (2) (\$000's)	Upstream Transportation (\$000's)	Total Excluding Volume Adjustments (i)	Volume Adjustments (j)	Total Including Volume Adjustments (k)	Customer-Related GHG Obligation (l)	Total Including Customer-Related GHG Obligation (m)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
<u>South Delivery & Storage</u>														
1	M1 - Delivery	Revenue (\$000s)	379,556	2,393	-	1,571	(243)	8,280	-	-	391,556			391,556
2		Volumes (10³m³)	3,017,807	3,017,807	3,017,807	3,017,807	3,017,807	3,017,807	3,017,807	3,017,807	(120,628)	2,897,179		2,897,179
3		Average rate (cents / m³)	12.5772	0.0793	-	0.0520	(0.0081)	0.2744	-	-	12.9748	0.5402		13.5151
4	M1 - Storage	Revenue (\$000s)	21,206	147	-	-	(630)	-	-	-	20,723			20,723
5		Volumes (10³m³)	3,017,807	3,017,807	3,017,807	3,017,807	3,017,807	3,017,807	3,017,807	3,017,807	(120,628)	2,897,179		2,897,179
6		Average rate (cents / m³)	0.7027	0.0049	-	-	(0.0209)	-	-	-	0.6867	0.0286		0.7153
7	M1	Revenue (\$000s)	400,762	2,540	-	1,571	(873)	8,280	-	-	412,278	-		412,278
8		Total Average rate (cents / m³)	13.2799	0.0842	-	0.0520	(0.0289)	0.2744	-	-	13.6615	0.5688		14.2303
9		Average rate change (1)		0.6%	0.0%	0.4%	-0.2%	2.1%	0.0%	0.0%	2.9%	4.3%		7.2%
10	M2 - Delivery	Revenue (\$000s)	49,560	260	-	975	1,487	2,807	-	-	55,090			55,090
11		Volumes (10³m³)	1,170,382	1,170,382	1,170,382	1,170,382	1,170,382	1,170,382	1,170,382	1,170,382	(43,354)	1,127,028		1,127,028
12		Average rate (cents / m³)	4.2345	0.0222	-	0.0833	0.1270	0.2399	-	-	4.7070	0.1811		4.8880
13	M2 - Storage	Revenue (\$000s)	7,211	50	-	-	(215)	-	-	-	7,046			7,046
14		Volumes (10³m³)	1,170,382	1,170,382	1,170,382	1,170,382	1,170,382	1,170,382	1,170,382	1,170,382	(43,354)	1,127,028		1,127,028
15		Average rate (cents / m³)	0.6161	0.0043	-	-	(0.0184)	-	-	-	0.6020	0.0232		0.6252
16	M2	Revenue (\$000s)	56,771	310	-	975	1,272	2,807	-	-	62,135	-		62,135
17		Total Average rate (cents / m³)	4.8506	0.0265	-	0.0833	0.1087	0.2399	-	-	5.3090	0.2042		5.5132
18		Average rate change (1)		0.5%	0.0%	1.7%	2.2%	4.9%	0.0%	0.0%	9.4%	4.2%		13.7%
19	M4	Revenue (\$000s)	14,052	71	-	(262)	449	901	-	-	15,211			15,211
20		Volumes (10³m³)	362,270	362,270	362,270	362,270	362,270	362,270	362,270	362,270	(13,007)	349,263		349,263
21		Average rate (cents / m³)	3.8788	0.0197	-	(0.0723)	0.1241	0.2486	-	-	4.1988	0.1564		4.3552
22		Average rate change (1)		0.5%	0.0%	-1.9%	3.2%	6.4%	0.0%	0.0%	8.3%	4.0%		12.3%
23	M5	Revenue (\$000s)	14,285	70	-	(349)	(239)	174	-	-	13,941			13,941
24		Volumes (10³m³)	482,279	482,279	482,279	482,279	482,279	482,279	482,279	482,279	(16,829)	465,451		465,451
25		Average rate (cents / m³)	2.9619	0.0146	-	(0.0723)	(0.0496)	0.0360	-	-	2.8906	0.1045		2.9952
26		Average rate change (1)		0.5%	0.0%	-2.4%	-1.7%	1.2%	0.0%	0.0%	-2.4%	3.5%		1.1%

Notes:

(1) Average rate change is compared to column (a).

(2) Rate Order, Working Paper, Schedule 3.

(3) Union North redesign revenue change is based on the approved changes to the Union North storage and transportation costs per Union EB-2015-0181, updated for October 2016 QRAM (EB-2016-0247).

UNION GAS LIMITED
Rate Impact Continuity
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Line No.	Particulars	2016 Current Approved Revenue (2) (\$000s) (a)	Price Cap Index (2) (\$000s) (b)	Union North Redesign Revenue (3) (\$000's) (c)	DSM (2) (\$000s) (d)	Capital Pass-Throughs (2) (\$000s) (e)	Parkway Delivery Obligation (2) (\$000s) (f)	Facility-Related GHG Obligation (2) (\$000's) (g)	Upstream Transportation (\$000's) (h)	Total Excluding Volume Adjustments (i)	Volume Adjustments (j)	Total Including Volume Adjustments (k)	Customer-Related GHG Obligation (l)	Total Including Customer-Related GHG Obligation (m)
<u>South Delivery & Storage (cont.)</u>														
1	M7 Revenue (\$000s)	4,451	21	-	(91)	196	402	-	-	4,979		4,979		
2	Volumes (10³m³)	126,351	126,351	126,351	126,351	126,351	126,351	126,351	126,351	126,351	(1,523)	124,828		
3	Average rate (cents / m³)	3.5224	0.0170	-	(0.0723)	0.1555	0.3178	-	-	3.9404	0.0481	3.9884		
4	Average rate change (1)		0.5%	0.0%	-2.1%	4.4%	9.0%	0.0%	0.0%	11.9%	1.4%	13.2%		
5	M9 Revenue (\$000s)	812	5	-	-	81	158	-	-	1,055		1,055		
6	Volumes (10³m³)	60,750	60,750	60,750	60,750	60,750	60,750	60,750	60,750	60,750	-	60,750		
7	Average rate (cents / m³)	1.3360	0.0079	-	-	0.1326	0.2604	-	-	1.7370	-	1.7370		
8	Average rate change (1)		0.6%	0.0%	0.0%	9.9%	19.5%	0.0%	0.0%	30.0%	0.0%	30.0%		
9	M10 Revenue (\$000s)	11	0	-	-	2	4	-	-	17		17		
10	Volumes (10³m³)	189	189	189	189	189	189	189	189	189	-	189		
11	Average rate (cents / m³)	5.9327	0.0328	-	-	1.0861	1.8767	-	-	8.9283	(2.1164)	6.8119		
12	Average rate change (1)		0.6%	0.0%	0.0%	18.3%	31.6%	0.0%	0.0%	50.5%	-35.7%	14.8%		
13	T1 Revenue (\$000s)	10,791	59	-	(132)	330	562	-	-	11,611		11,611		
14	Volumes (10³m³)	516,965	516,965	516,965	516,965	516,965	516,965	516,965	516,965	516,965	(5,730)	511,234		
15	Average rate (cents / m³)	2.0873	0.0115	-	(0.0255)	0.0639	0.1088	-	-	2.2459	0.0252	2.2711		
16	Average rate change (1)		0.6%	0.0%	-1.2%	3.1%	5.2%	0.0%	0.0%	7.6%	1.2%	8.8%		
17	T2 Revenue (\$000s)	45,827	267	-	(389)	2,913	3,246	-	-	51,863		51,863		
18	Volumes (10³m³)	4,635,537	4,635,537	4,635,537	4,635,537	4,635,537	4,635,537	4,635,537	4,635,537	4,635,537	(38,269)	4,597,268		
19	Average rate (cents / m³)	0.9886	0.0058	-	(0.0084)	0.0628	0.0700	-	-	1.1188	0.0093	1.1281		
20	Average rate change (1)		0.6%	0.0%	-0.8%	6.4%	7.1%	0.0%	0.0%	13.2%	0.9%	14.1%		
21	T3 Revenue (\$000s)	5,084	30	-	-	581	1,020	-	-	6,715		6,715		
22	Volumes (10³m³)	272,712	272,712	272,712	272,712	272,712	272,712	272,712	272,712	272,712	-	272,712		
23	Average rate (cents / m³)	1.8643	0.0109	-	-	0.2131	0.3742	-	-	2.4625	-	2.4625		
24	Average rate change (1)		0.6%	0.0%	0.0%	11.4%	20.1%	0.0%	0.0%	32.1%	0.0%	32.1%		

Notes:

- (1) Average rate change is compared to column (a).
- (2) Rate Order, Working Paper, Schedule 3.
- (3) Union North redesign revenue change is based on the approved changes to the Union North storage and transportation costs per Union EB-2015-0181, updated for October 2016 QRAM (EB-2016-0247).

UNION GAS LIMITED
Rate Impact Continuity
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Line No.	Particulars	2016 Current Approved Revenue (2) (\$000s) (a)	Price Cap Index (2) (\$000s) (b)	Union North Redesign Revenue (3) (\$000's) (c)	DSM (2) (\$000s) (d)	Capital Pass-Throughs (2) (\$000s) (e)	Parkway Delivery Obligation (2) (\$000s) (f)	Facility-Related GHG Obligation (2) (\$000's) (g)	Upstream Transportation (\$000's) (h)	Total Excluding Volume Adjustments (i)	Volume Adjustments (j)	Total Including Volume Adjustments (k)	Customer-Related GHG Obligation (l)	Total Including Customer-Related GHG Obligation (m)
<u>North Transportation & Storage</u>														
1	R01 Revenue (\$000s)	100,252	102	(15,922)	-	1,383	(0)	-	-	85,815		85,815		
2	Volumes (10 ³ m ³)	964,386	964,386	964,386	964,386	964,386	964,386	964,386	964,386	964,386	(54,697)	909,690		
3	Average rate (cents / m ³)	10.3954	0.0106	(1.6510)	-	0.1435	(0.0000)	-	-	8.8984	0.5350	9.4334		
4	Average rate change (1)		0.1%	-15.9%	0.0%	1.4%	0.0%	0.0%	0.0%	-14.4%	5.1%	-9.3%		
5	R10 Revenue (\$000s)	31,364	27	(6,521)	-	351	(0)	-	-	25,221		25,221		
6	Volumes (10 ³ m ³)	363,545	363,545	363,545	363,545	363,545	363,545	363,545	363,545	363,545	(26,433)	337,112		
7	Average rate (cents / m ³)	8.6273	0.0075	(1.7937)	-	0.0965	(0.0000)	-	-	6.9375	0.5440	7.4815		
8	Average rate change (1)		0.1%	-20.8%	0.0%	1.1%	0.0%	0.0%	0.0%	-19.6%	6.3%	-13.3%		
9	R20 Revenue (\$000s)	10,127	8	(2,312)	-	91	(0)	-	-	7,914		7,914		
10	Volumes (10 ³ m ³)	121,935	121,935	121,935	121,935	121,935	121,935	121,935	121,935	121,935	-	121,935		
11	Average rate (cents / m ³)	8.3057	0.0064	(1.8960)	-	0.0743	(0.0000)	-	-	6.4904	-	6.4904		
12	Average rate change (1)		0.1%	-22.8%	0.0%	0.9%	0.0%	0.0%	0.0%	-21.9%	0.0%	-21.9%		
13	R25 Revenue (\$000s)	1,809	0	(1,119)	-	(2)	-	-	-	688		688		
14	Volumes (10 ³ m ³)	42,913	42,913	42,913	42,913	42,913	42,913	42,913	42,913	42,913	-	42,913		
15	Average rate (cents / m ³)	3.9483	0.0003	(2.6085)	-	(0.0035)	-	-	-	1.6030	-	1.6030		
16	Average rate change (1)		0.0%	-66.1%	0.0%	-0.1%	0.0%	0.0%	0.0%	-59.4%	0.0%	-59.4%		
17	R100 Revenue (\$000s)	217	1	111	-	6	(0)	-	-	334		334		
18	Change (1)		0.3%	50.8%	0.0%	2.6%	0.0%	0.0%	0.0%	53.7%	0.0%	53.7%		
<u>Ex-Franchise</u>														
19	M12 Revenue (\$000s)	201,100	1,069	-	-	42,917	(21)	-	-	245,065	-	245,065		
20	Change (1)		0.5%	0.0%	0.0%	21.3%	0.0%	0.0%	0.0%	21.9%	0.0%	21.9%		
21	M13 Revenue (\$000s)	421	3	-	-	(4)	-	-	-	420	-	420		
22	Change (1)		0.7%	0.0%	0.0%	-1.0%	0.0%	0.0%	0.0%	-0.3%	0.0%	-0.3%		
23	M16 Revenue (\$000s)	754	5	-	-	(4)	(0)	-	-	755	-	755		
24	Change (1)		0.7%	0.0%	0.0%	-0.5%	0.0%	0.0%	0.0%	0.2%	0.0%	0.2%		
25	C1 Revenue (\$000s)	45,932	51	-	-	1,426	(7)	-	-	47,403	-	47,403		
26	Change (1)		0.1%	0.0%	0.0%	3.1%	0.0%	0.0%	0.0%	3.2%	0.0%	3.2%		
27	Gas Supply Admin	6,749	-	-	-	(26)	-	-	-	6,723	-	6,723		
28	Totals	1,169,572	6,006	(25,764)	1,749	46,557	17,525	-	-	1,215,646	-	1,215,646		

Notes:

(1) Average rate change is compared to column (a).

(2) Rate Order, Working Paper, Schedule 3.

(3) Union North redesign revenue change is based on the approved changes to the Union North storage and transportation costs per Union EB-2015-0181, updated for October 2016 QRAM (EB-2016-0247).

UNION GAS LIMITED
Union North
Percentage Change in Average Unit Price
Effective January 1, 2017

Line No.	Particulars (cents/m³)	Rate Class	Current Approved Rates (1) (cents / m³) (a)	Excluding Customer-Related GHG Obligation		Including Customer-Related GHG Obligation		Percent Change (3) (%) (g) = (f/a)
				Proposed Rates (2) (cents / m³) (b)	Rate Change (c) = (b-a)	Proposed Rates (4) (cents / m³) (e)	Rate Change (f) = (e-a)	
	Small Volume General Service	01						
1	Delivery		16.8730	17.7105	0.8375			5.0%
2	Gas Supply Transportation		6.6445	4.0529	(2.5916)			-39.0%
3	Storage		4.0087	5.3035	1.2948			32.3%
4	Total		<u>27.5262</u>	<u>27.0669</u>	<u>(0.4593)</u>			<u>-1.7%</u>
	Large Volume General Service	10						
5	Delivery		5.8013	6.2564	0.4551			7.8%
6	Gas Supply Transportation		6.1566	3.4866	(2.6700)			-43.4%
7	Storage		2.8096	3.9285	1.1189			39.8%
8	Total		<u>14.7675</u>	<u>13.6715</u>	<u>(1.0960)</u>			<u>-7.4%</u>
	Medium Volume Firm Service	20						
9	Delivery		2.3209	2.2638	(0.0571)			-2.5%
10	Gas Supply Transportation		8.3057	6.4904	(1.8153)			-21.9%
11	Total		<u>10.6266</u>	<u>8.7542</u>	<u>(1.8724)</u>			<u>-17.6%</u>
	Large Volume High Load Factor	100						
12	Delivery		<u>0.8595</u>	<u>0.8396</u>	<u>(0.0199)</u>			<u>-2.3%</u>
	Large Volume Interruptible	25						
13	Delivery		<u>2.7662</u>	<u>2.7201</u>	<u>(0.0461)</u>			<u>-1.7%</u>

Notes:

- (1) Rate Order, Working Papers, Schedule 4, column (c).
- (2) Rate Order, Working Papers, Schedule 4, column (u).
- (3) Excludes Gas Supply Commodity related costs.
- (4) Rate Order, Working Papers, Schedule 4, column (x).

UNION GAS LIMITED
Union South
Percentage Change in Average Unit Price
Effective January 1, 2017

Line No.	Particulars (cents/m ³)	Rate Class	Current	Excluding Customer-Related GHG Obligation		Including Customer-Related GHG Obligation		Percent Change (3) (%)	Percent Change (3) (%)
			Approved Rates (1) (cents / m ³) (a)	Proposed Rates (2) (cents / m ³) (b)	Rate Change (c) = (b-a) (c) = (b-a)	Proposed Rates (4) (cents / m ³) (e)	Rate Change (f) = (e-a) (f) = (e-a)		
	General Service	M1							
1	Delivery		12.5772	13.5151	0.9379			7.5%	
2	Storage		0.7027	0.7153	0.0126			1.8%	
3	Total		<u>13.2799</u>	<u>14.2304</u>	<u>0.9505</u>			<u>7.2%</u>	
	General Service	M2							
4	Delivery		4.2345	4.8880	0.6535			15.4%	
5	Storage		0.6161	0.6252	0.0091			1.5%	
6	Total		<u>4.8506</u>	<u>5.5132</u>	<u>0.6626</u>			<u>13.7%</u>	
7	Firm Contract Commercial / Industrial Delivery	M4	<u>3.8788</u>	<u>4.3552</u>	<u>0.4764</u>			<u>12.3%</u>	
8	Firm Contract Commercial / Industrial Delivery	M5 (F)	<u>3.5202</u>	<u>3.6872</u>	<u>0.1670</u>			<u>4.7%</u>	
9	Interruptible Contract Commercial / Industrial Delivery	M5 (I)	<u>2.9432</u>	<u>2.9719</u>	<u>0.0287</u>			<u>1.0%</u>	
10	Firm Special Large Volume Contract Delivery	M7 (F)	<u>3.5904</u>	<u>4.0757</u>	<u>0.4853</u>			<u>13.5%</u>	
11	Interruptible Special Large Volume Contract Delivery	M7 (I)	<u>1.4412</u>	<u>1.3162</u>	<u>(0.1250)</u>			<u>-8.7%</u>	
12	Large Wholesale Service Delivery	M9	<u>1.3360</u>	<u>1.7370</u>	<u>0.4010</u>			<u>30.0%</u>	
13	Small Wholesale Service Delivery	M10	<u>5.9327</u>	<u>6.8119</u>	<u>0.8792</u>			<u>14.8%</u>	
14	Storage and Transportation Delivery	T1 (F/I)	<u>2.0873</u>	<u>2.2711</u>	<u>0.1838</u>			<u>8.8%</u>	
15	Delivery excluding fuel		<u>2.0185</u>	<u>2.2021</u>	<u>0.1836</u>			<u>9.1%</u>	
16	Storage and Transportation Delivery	T2 (F/I)	<u>0.9886</u>	<u>1.1281</u>	<u>0.1395</u>			<u>14.1%</u>	
17	Delivery excluding fuel		<u>0.9390</u>	<u>1.0784</u>	<u>0.1394</u>			<u>14.8%</u>	
18	Storage and Transportation Distributor	T3	<u>1.8643</u>	<u>2.4625</u>	<u>0.5982</u>			<u>32.1%</u>	

Notes:

- (1) Rate Order, Working Papers, Schedule 4, column (c).
- (2) Rate Order, Working Papers, Schedule 4, column (u).
- (3) Excludes Gas Supply Commodity related costs.
- (4) Rate Order, Working Papers, Schedule 4, column (x).

UNION GAS LIMITED
Summary of Approved 2016 Revenue Changes

Line No.	Particulars (\$000's)	2016 Revenue EB-2015-0029 2016 Rates (1)	2016 Revenue Changes				Updated 2016 Revenue EB-2016-0245 2017 Rates (6)
		(a)	EB-2015-0340 Jan 2016 QRAM (2)	EB-2016-0040 Apr 2016 QRAM (3)	EB-2016-0181 Jul 2016 QRAM (4)	EB-2016-0247 Oct 2016 QRAM (5)	(f) = (a+b+c+d+e)
	<u>North Delivery</u>		(b)	(c)	(d)	(e)	
1	Rate 01	162,954	(475)	(293)	149	387	162,721
2	Rate 10	21,160	(144)	(88)	45	117	21,090
3	Rate 20	14,158	(48)	(30)	15	40	14,135
4	Rate 25	4,414	-	-	-	-	4,414
5	Rate 100	15,645	(2)	(2)	-	2	15,643
6	Total In-Franchise North Delivery	<u>218,332</u>	<u>(669)</u>	<u>(413)</u>	<u>209</u>	<u>545</u>	<u>218,003</u>
	<u>South Delivery & Storage</u>						
7	Rate M1	401,194	(873)	(537)	272	706	400,762
8	Rate M2	56,916	(294)	(180)	91	238	56,771
9	Rate M4	14,097	(92)	(57)	29	75	14,051
10	Rate M5A	14,342	(117)	(72)	37	95	14,285
11	Rate M7	4,467	(34)	(21)	11	28	4,451
12	Rate M9	819	(15)	(9)	5	12	812
13	Rate M10	11	(0)	(0)	0	0	11
14	Rate T1	10,799	(15)	(12)	5	14	10,791
15	Rate T2	45,851	(47)	(36)	17	42	45,827
16	Rate T3	5,084	-	-	-	-	5,084
17	Total In-Franchise South Delivery and Storage	<u>553,582</u>	<u>(1,487)</u>	<u>(925)</u>	<u>466</u>	<u>1,210</u>	<u>552,843</u>
18	Total In-franchise Delivery	<u>771,913</u>	<u>(2,156)</u>	<u>(1,338)</u>	<u>675</u>	<u>1,755</u>	<u>770,847</u>

Notes:

- (1) EB-2015-0116, Working Papers, Schedule 3, updated per EB-2015-0029, Rate Order, Appendix D, column (c).
- (2) EB-2015-0340, Tab 2, Schedule 4, column (g).
- (3) EB-2016-0040, Tab 2, Schedule 4, column (g) & EB-2016-0040, Working Papers, Schedule 4, p.2.
- (4) EB-2016-0181, Tab 2, Schedule 4, column (g).
- (5) EB-2016-0247, Tab 2, Schedule 4, column (g).
- (6) Rate Order, Working Papers, Schedule 3, column (a).

UNION GAS LIMITED
Summary of Approved 2016 Revenue Changes

Line No.	Particulars (\$000's)	2016 Revenue	2016 Revenue Changes				Updated 2016
		EB-2015-0029 2016 Rates (1)	EB-2015-0340 Jan 2016 QRAM (2)	EB-2016-0040 Apr 2016 QRAM (3)	EB-2016-0181 Jul 2016 QRAM (4)	EB-2016-0247 Oct 2016 QRAM (5)	Revenue EB-2016-0245 2017 Rates (6)
		(a)	(b)	(c)	(d)	(e)	(f) = (a+b+c+d+e)
	<u>North Transportation & Storage</u>						
1	Rate 01	99,837	-	414	-	-	100,252
2	Rate 10	31,227	-	137	-	-	31,364
3	Rate 20	10,082	-	46	-	-	10,127
4	Rate 25	1,799	-	10	-	-	1,809
5	Rate 100	217	-	0	-	-	217
6	Total Northern Transportation and Storage	<u>143,161</u>	<u>-</u>	<u>608</u>	<u>-</u>	<u>-</u>	<u>143,769</u>
7	Gas Supply Admin Charge	<u>6,749</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,749</u>
8	Total In-Franchise	<u>921,824</u>	<u>(2,156)</u>	<u>(730)</u>	<u>675</u>	<u>1,755</u>	<u>921,365</u>
	<u>Ex-Franchise</u>						
9	Rate M12	201,100	-	-	-	-	201,100
10	Rate M13	423	(4)	(3)	1	3	421
11	Rate M16	763	(15)	(10)	4	11	754
12	Rate C1	45,932	-	-	-	-	45,932
13	Total Ex-Franchise	<u>248,218</u>	<u>(19)</u>	<u>(13)</u>	<u>6</u>	<u>15</u>	<u>248,207</u>
14	Total Union Gas	<u>1,170,042</u>	<u>(2,175)</u>	<u>(742)</u>	<u>680</u>	<u>1,770</u>	<u>1,169,572</u>

Notes:

- (1) EB-2015-0116, Working Papers, Schedule 3, updated per EB-2015-0029, Rate Order, Appendix D, column (c).
- (2) EB-2015-0340, Tab 2, Schedule 4, column (g).
- (3) EB-2016-0040, Tab 2, Schedule 4, column (g) & EB-2016-0040, Working Papers, Schedule 4, p.2.
- (4) EB-2016-0181, Tab 2, Schedule 4, column (g).
- (5) EB-2016-0247, Tab 2, Schedule 4, column (g).

UNION GAS LIMITED
Union South
General Service Customer Bill Impacts

		Rate M1 - Residential (Annual Consumption of 2,200 m³)					Rate M2 - Commercial (Annual Consumption of 73,000 m³)				
Line No.	Particulars	EB-2016-0247	EB-2016-0245	Impact (\$) (c) = (b) - (a)		EB-2016-0247	EB-2016-0245	Impact (\$) (f) = (e) - (d)			
		Approved 01-Oct-16	Proposed 01-Jan-17			Approved 01-Oct-16	Proposed 01-Jan-17				
		Total Bill (1) (\$) (a)	Total Bill (1) (\$) (b)			Total Bill (1) (\$) (d)	Total Bill (1) (\$) (e)				
<u>Delivery Charges</u>											
1	Monthly Charge	252.00	252.00	-		840.00	840.00	-			
	Delivery Commodity Charge										
2	Customer-Related GHG Obligation										
3	Other Delivery Commodity	85.77	98.84	13.07		2,877.35	3,354.03	476.68			
4	Storage Services	15.45	15.75	0.30		449.77	456.38	6.61			
5	Total Delivery Charge	353.22	366.59	13.37	3.8%	4,167.12	4,650.41	483.29	11.6%		
<u>Supply Charges</u>											
6	Transportation to Union	92.45	92.45	-		3,068.27	3,068.27	-			
7	Commodity & Fuel (2)	254.56	254.54	(0.02)		8,446.54	8,445.98	(0.56)			
8	Total Gas Supply Charge	347.01	346.99	(0.02)	0.0%	11,514.81	11,514.25	(0.56)	0.0%		
<u>Total Bill</u>											
9	Including Customer-Related GHG Obligation										
10	Excluding Customer-Related GHG Obligation	700.23	713.58	13.35	1.9%	15,681.93	16,164.66	482.73	3.1%		
<u>Impacts</u>											
Sales Service											
11	Including Customer-Related GHG Obligation (line 9)										
12	Excluding Customer-Related GHG Obligation (line 10)			13.35				482.73			
Direct Purchase											
13	Including Customer-Related GHG Obligation (line 5)										
14	Excluding Customer-Related GHG Obligation (line 5 - line 2)			13.37				483.29			

Notes:

- (1) Excludes temporary charges/(credits) and prospective recovery.
(2) The commodity and fuel rates are based on October 2016 QRAM (EB-2016-0247) and have not been updated to reflect the approved changes to the Union North zones.
Union will implement the Union North commodity and fuel changes with the January 2017 QRAM.

UNION GAS LIMITED
Union North
General Service Customer Bill Impacts

Union North West Zone Rate 01 - Residential (Annual Consumption of 2,200 m³)					Union North West Zone Rate 01 - Residential (Annual Consumption of 2,200 m³)				
Line No.	Particulars	Union North		Impact (\$) (c) = (b) - (a)	Union North		Impact (\$) (f) = (e) - (d)		
		Fort Frances	West Zone		Western Zone	West Zone			
		EB-2016-0247	EB-2016-0245		EB-2016-0247	EB-2016-0245			
		Approved 01-Oct-16 Total Bill (1) (\$) (a)	Proposed 01-Jan-17 Total Bill (1) (\$) (b)		Approved 01-Oct-16 Total Bill (1) (\$) (d)	Proposed 01-Jan-17 Total Bill (1) (\$) (e)			
1	<u>Delivery Charges</u>								
	Monthly Charge	252.00	252.00	-		252.00	252.00	-	
2	Delivery Commodity Charge								
3	Customer-Related GHG Obligation								
3	Other Delivery Commodity	192.77	200.33	7.56		192.77	200.33	7.56	
4	Total Delivery Charge	444.77	452.33	7.56	1.7%	444.77	452.33	7.56	
5	<u>Supply Charges</u>								
5	Transportation to Union	128.01	148.04	20.03		109.71	148.04	38.33	
6	Storage Services	80.92	45.29	(35.63)		73.61	45.29	(28.32)	
7	Subtotal	208.93	193.33	(15.60)		183.32	193.33	10.01	
8	Commodity (2)	247.99	247.98	(0.01)		249.80	249.78	(0.02)	
9	Total Gas Supply Charge	456.92	441.31	(15.61)	-3.4%	433.12	443.11	9.99	
10	<u>Total Bill</u>								
	Including Customer-Related GHG Obligation								
11	Excluding Customer-Related GHG Obligation	901.69	893.64	(8.05)	-0.9%	877.89	895.44	17.55	
	<u>Impacts</u>								
	Sales Service								
12	Including Customer-Related GHG Obligation (line 10)								
13	Excluding Customer-Related GHG Obligation (line 11)			(8.05)				17.55	
	Direct Purchase								
14	Including Customer-Related GHG Obligation (line 4+ line 7)								
15	Excluding Customer-Related GHG Obligation (line 4+ line 7 - line 2)			(8.04)				17.57	

Notes:

(1) Excludes temporary charges/(credits) and prospective recovery.

UNION GAS LIMITED
Union North
General Service Customer Bill Impacts

Line No.	Particulars	Union North West Zone Rate 01 - Residential (Annual Consumption of 2,200 m ³)				Union North East Zone Rate 01 - Residential (Annual Consumption of 2,200 m ³)			
		Northern Zone (Union SSMDA) EB-2016-0247 Approved 01-Oct-16 Total Bill (1)	Union North West Zone EB-2016-0245 Proposed 01-Jan-17 Total Bill (1)	Impact (\$)		Northern Zone (Union NDA) EB-2016-0247 Approved 01-Oct-16 Total Bill (1)	Union North East Zone EB-2016-0245 Proposed 01-Jan-17 Total Bill (1)	Impact (\$)	
		(\$)	(\$)	(\$)		(\$)	(\$)	(\$)	
		(a)	(b)	(c) = (b) - (a)		(d)	(e)	(f) = (e) - (d)	
	<u>Delivery Charges</u>								
1	Monthly Charge	252.00	252.00	-		252.00	252.00	-	
	Delivery Commodity Charge								
2	Customer-Related GHG Obligation								
3	Other Delivery Commodity	192.77	200.33	7.56		192.77	200.33	7.56	
4	Total Delivery Charge	444.77	452.33	7.56	1.7%	444.77	452.33	7.56	1.7%
	<u>Supply Charges</u>								
5	Transportation to Union	142.79	148.04	5.25		142.79	65.24	(77.55)	
6	Storage Services	86.83	45.29	(41.54)		86.83	145.67	58.84	
7	Subtotal	229.62	193.33	(36.29)		229.62	210.91	(18.71)	
8	Commodity (2)	252.56	252.54	(0.02)		252.56	252.54	(0.02)	
9	Total Gas Supply Charge	482.18	445.87	(36.31)	-7.5%	482.18	463.45	(18.73)	-3.9%
	<u>Total Bill</u>								
10	Including Customer-Related GHG Obligation								
11	Excluding Customer-Related GHG Obligation	926.95	898.20	(28.75)	-3.1%	926.95	915.78	(11.17)	-1.2%
	<u>Impacts</u>								
	Sales Service								
12	Including Customer-Related GHG Obligation (line 10)								
13	Excluding Customer-Related GHG Obligation (line 11)			(28.75)				(11.17)	
	Direct Purchase								
14	Including Customer-Related GHG Obligation (line 4+ line 7)								
15	Excluding Customer-Related GHG Obligation (line 4+ line 7 - line 2)			(28.73)				(11.15)	

Notes:

(1) Excludes temporary charges/(credits) and prospective recovery.

UNION GAS LIMITED
Union North
General Service Customer Bill Impacts

		Union North East Zone Rate 01 - Residential (Annual Consumption of 2,200 m³)			
		Union North		Impact (\$)	
		Eastern Zone EB-2016-0247 Approved 01-Oct-16 Total Bill (1)	East Zone EB-2016-0245 Proposed 01-Jan-17 Total Bill (1)		
Line No.	Particulars	(\$) (a)	(\$) (b)	(c) = (b) - (a)	
	<u>Delivery Charges</u>				
1	Monthly Charge	252.00	252.00	-	
	Delivery Commodity Charge				
2	Customer-Related GHG Obligation				
3	Other Delivery Commodity	192.77	200.33	7.56	
4	Total Delivery Charge	444.77	452.33	7.56	1.7%
	<u>Supply Charges</u>				
5	Transportation to Union	170.77	65.24	(105.53)	
6	Storage Services	98.00	145.67	47.67	
7	Subtotal	268.77	210.91	(57.86)	
8	Commodity (2)	254.80	254.77	(0.03)	
9	Total Gas Supply Charge	523.57	465.68	(57.89)	-11.1%
	<u>Total Bill</u>				
10	Including Customer-Related GHG Obligation				
11	Excluding Customer-Related GHG Obligation	968.34	918.01	(50.33)	-5.2%
	<u>Impacts</u>				
	Sales Service				
12	Including Customer-Related GHG Obligation (line 10)				
13	Excluding Customer-Related GHG Obligation (line 11)			(50.33)	
	Direct Purchase				
14	Including Customer-Related GHG Obligation (line 4+ line 7)				
15	Excluding Customer-Related GHG Obligation (line 4+ line 7 - line 2)			(50.30)	

Notes:

- (1) Excludes temporary charges/(credits) and prospective recovery.
(2) The commodity and fuel rates are based on October 2016 QRAM (EB-2016-0247) and have not been updated to reflect the approved changes to the Union North zones.
Union will implement the Union North commodity and fuel changes with the January 2017 QRAM.

UNION GAS LIMITED
Union North
General Service Customer Bill Impacts

Line No.	Particulars	Union North West Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 m³)				Union North West Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 m³)			
		Fort Frances EB-2016-0247 Approved 01-Oct-16 Total Bill (1) (\$) (a)	Union North West Zone EB-2016-0245 Proposed 01-Jan-17 Total Bill (1) (\$) (b)	Impact (\$) (c) = (b) - (a)		Western Zone EB-2016-0247 Approved 01-Oct-16 Total Bill (1) (\$) (d)	Union North West Zone EB-2016-0245 Proposed 01-Jan-17 Total Bill (1) (\$) (e)	Impact (\$) (f) = (e) - (d)	
	<u>Delivery Charges</u>								
1	Monthly Charge	840.00	840.00	-		840.00	840.00	-	
	Delivery Commodity Charge								
2	Customer-Related GHG Obligation								
3	Other Delivery Commodity	5,562.02	5,974.97	412.95		5,562.02	5,974.97	412.95	
4	Total Delivery Charge	6,402.02	6,814.97	412.95	6.5%	6,402.02	6,814.97	412.95	6.5%
	<u>Supply Charges</u>								
5	Transportation to Union	4,773.96	5,480.39	706.43		4,000.50	5,480.39	1,479.89	
6	Storage Services	2,232.65	1,441.05	(791.60)		1,923.61	1,441.05	(482.56)	
7	Subtotal	7,006.61	6,921.44	(85.17)	-1.2%	5,924.11	6,921.44	997.33	16.8%
8	Commodity (2)	10,483.53	10,482.78	(0.75)		10,559.40	10,558.66	(0.74)	
9	Total Gas Supply Charge	17,490.14	17,404.22	(85.92)		16,483.51	17,480.10	996.59	
	<u>Total Bill</u>								
10	Including Customer-Related GHG Obligation								
11	Excluding Customer-Related GHG Obligation	23,892.16	24,219.19	327.03	1.4%	22,885.53	24,295.07	1,409.54	6.2%
	<u>Impacts</u>								
	Sales Service								
12	Including Customer-Related GHG Obligation (line 10)								
13	Excluding Customer-Related GHG Obligation (line 11)			327.03				1,409.54	
	Direct Purchase								
14	Including Customer-Related GHG Obligation (line 4+ line 7)								
15	Excluding Customer-Related GHG Obligation (line 4+ line 7 - line 2)			327.78				1,410.28	

Notes:

- (1) Excludes temporary charges/(credits) and prospective recovery.
- (2) The commodity and fuel rates are based on October 2016 QRAM (EB-2016-0247) and have not been updated to reflect the approved changes to the Union North zones. Union will implement the Union North commodity and fuel changes with the January 2017 QRAM.

UNION GAS LIMITED
Union North
General Service Customer Bill Impacts

Line No.	Particulars	Union North West Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 m³)				Union North East Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 m³)			
		Northern Zone (Union SSMDA) EB-2016-0247 Approved 01-Oct-16 Total Bill (1) (\$) (a)	Union North West Zone EB-2016-0245 Proposed 01-Jan-17 Total Bill (1) (\$) (b)	Impact (\$) (c) = (b) - (a)		Northern Zone (Union NDA) EB-2016-0247 Approved 01-Oct-16 Total Bill (1) (\$) (d)	Union North East Zone EB-2016-0245 Proposed 01-Jan-17 Total Bill (1) (\$) (e)	Impact (\$) (f) = (e) - (d)	
	<u>Delivery Charges</u>								
1	Monthly Charge	840.00	840.00	-		840.00	840.00	-	
	Delivery Commodity Charge								
2	Customer-Related GHG Obligation								
3	Other Delivery Commodity	5,562.02	5,974.97	412.95		5,562.02	5,974.97	412.95	
4	Total Delivery Charge	6,402.02	6,814.97	412.95	6.5%	6,402.02	6,814.97	412.95	6.5%
	<u>Supply Charges</u>								
5	Transportation to Union	5,399.87	5,480.39	80.52		5,399.87	2,539.16	(2,860.71)	
6	Storage Services	2,482.83	1,441.05	(1,041.78)		2,482.83	4,348.88	1,866.05	
7	Subtotal	7,882.70	6,921.44	(961.26)	-12.2%	7,882.70	6,888.04	(994.66)	-12.6%
8	Commodity (2)	10,676.87	10,676.11	(0.76)		10,676.87	10,676.11	(0.76)	
9	Total Gas Supply Charge	18,559.57	17,597.55	(962.02)		18,559.57	17,564.15	(995.42)	
	<u>Total Bill</u>								
10	Including Customer-Related GHG Obligation								
11	Excluding Customer-Related GHG Obligation	24,961.59	24,412.52	(549.07)	-2.2%	24,961.59	24,379.12	(582.47)	-2.3%
	<u>Impacts</u>								
	Sales Service								
12	Including Customer-Related GHG Obligation (line 10)								
13	Excluding Customer-Related GHG Obligation (line 11)			(549.07)				(582.47)	
	Direct Purchase								
14	Including Customer-Related GHG Obligation (line 4+ line 7)								
15	Excluding Customer-Related GHG Obligation (line 4+ line 7 - line 2)			(548.31)				(581.71)	

Notes:

- (1) Excludes temporary charges/(credits) and prospective recovery.
- (2) The commodity and fuel rates are based on October 2016 QRAM (EB-2016-0247) and have not been updated to reflect the approved changes to the Union North zones.
Union will implement the Union North commodity and fuel changes with the January 2017 QRAM.

UNION GAS LIMITED
Union North
General Service Customer Bill Impacts

		Union North East Rate 10 - Commercial / Industrial (Annual Consumption of 93,000 m³)		
		Eastern Zone EB-2016-0247 Approved 01-Oct-16 Total Bill (1) (\$) (a)	East Zone EB-2016-0245 Proposed 01-Jan-17 Total Bill (1) (\$) (b)	Impact (\$) (c) = (b) - (a)
Line No.	Particulars			
	<u>Delivery Charges</u>			
1	Monthly Charge	840.00	840.00	-
	Delivery Commodity Charge			
2	Customer-Related GHG Obligation			
3	Other Delivery Commodity	5,562.02	5,974.97	412.95
4	Total Delivery Charge	6,402.02	6,814.97	412.95
				6.5%
	<u>Supply Charges</u>			
5	Transportation to Union	6,581.30	2,539.16	(4,042.14)
6	Storage Services	2,954.89	4,348.88	1,393.99
7	Subtotal	9,536.19	6,888.04	(2,648.15)
				-27.8%
8	Commodity (2)	10,770.15	10,769.41	(0.74)
9	Total Gas Supply Charge	20,306.34	17,657.45	(2,648.89)
	<u>Total Bill</u>			
10	Including Customer-Related GHG Obligation			
11	Excluding Customer-Related GHG Obligation	26,708.36	24,472.42	(2,235.94)
				-8.4%
	<u>Impacts</u>			
	Sales Service			
12	Including Customer-Related GHG Obligation (line 10)			
13	Excluding Customer-Related GHG Obligation (line 11)			(2,235.94)
	Direct Purchase			
14	Including Customer-Related GHG Obligation (line 4+ line 7)			
15	Excluding Customer-Related GHG Obligation (line 4+ line 7 - line 2)			(2,235.20)

Notes:

- (1) Excludes temporary charges/(credits) and prospective recovery.
(2) The commodity and fuel rates are based on October 2016 QRAM (EB-2016-0247) and have not been updated to reflect the approved changes to the Union North zones.
Union will implement the Union North commodity and fuel changes with the January 2017 QRAM.

UNION GAS LIMITED
Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers - Union North

Line No.	Particulars	EB-2016-0247 (1) Current-Approved		Proposed - EB-2016-0245 Excluding Customer-Related GHG Obligation				Proposed - EB-2016-0245 Including Customer-Related GHG Obligation			
		Total Bill	Unit Rate	Total Bill	Unit Rate	Total Bill Change	Bill Impact	Total Bill	Unit Rate	Total Bill Change	Bill Impact
		(\$)	(cents/m ³)	(\$)	(cents/m ³)	(\$)	(%)	(\$)	(cents/m ³)	(\$)	(%)
		(a)	(b)	(c)	(d)	(e) = (c-a)	(f) = (e/a)	(g)	(h)	(i) = (g-a)	(j) = (i/a)
	<u>Small Rate 01</u>										
1	Delivery Charges	445	20.2168	452	20.5605	7.56	1.7%				
2	Gas Supply Charges	524	23.7986	466	21.1673	(57.89)	-11.1%				
3	Total Bill	968	44.0155	918	41.7277	(50.33)	-5.2%				
4	Sales Service Impact					(50.33)	-5.2%				
5	Bundled-T (Direct Purchase) Impact					(50.30)	-7.0%				
	<u>Small Rate 10</u>										
6	Delivery Charges	4,537	7.5617	4,807	8.0111	270	5.9%				
7	Gas Supply Charges	13,101	21.8348	11,392	18.9865	(1,709)	-13.0%				
8	Total Bill	17,638	29.3965	16,199	26.9976	(1,439)	-8.2%				
9	Sales Service Impact					(1,439)	-8.2%				
10	Bundled-T (Direct Purchase) Impact					(1,439)	-13.5%				
	<u>Large Rate 10</u>										
11	Delivery Charges	14,732	5.8929	15,828	6.3313	1,096	7.4%				
12	Gas Supply Charges	54,587	21.8348	47,466	18.9865	(7,121)	-13.0%				
13	Total Bill	69,319	27.7276	63,295	25.3178	(6,025)	-8.7%				
14	Sales Service Impact					(6,025)	-8.7%				
15	Bundled-T (Direct Purchase) Impact					(6,023)	-14.9%				
	<u>Small Rate 20</u>										
16	Delivery Charges	78,098	2.6033	75,663	2.5221	(2,435)	-3.1%				
17	Gas Supply Charges	630,531	21.0177	476,292	15.8764	(154,239)	-24.5%				
18	Total Bill	708,630	23.6210	551,956	18.3985	(156,674)	-22.1%				
19	Sales Service Impact					(156,674)	-22.1%				
20	Bundled-T (Direct Purchase) Impact					(156,650)	-42.4%				
	<u>Large Rate 20</u>										
21	Delivery Charges	302,868	2.0191	294,134	1.9609	(8,734)	-2.9%				
22	Gas Supply Charges	2,944,651	19.6310	2,283,610	15.2241	(661,041)	-22.4%				
23	Total Bill	3,247,519	21.6501	2,577,744	17.1850	(669,775)	-20.6%				
24	Sales Service Impact					(669,775)	-20.6%				
25	Bundled-T (Direct Purchase) Impact					(669,655)	-43.2%				
	<u>Average Rate 25</u>										
26	Delivery Charges	62,814	2.7611	61,764	2.7149	(1,050)	-1.7%				
27	Gas Supply Charges	347,144	15.2591	293,771	12.9130	(53,373)	-15.4%				
28	Total Bill	409,958	18.0201	355,535	15.6279	(54,423)	-13.3%				
29	Sales Service Impact					(54,423)	-13.3%				
30	T-Service (Direct Purchase) Impact					(1,050)	-1.7%				
	<u>Small Rate 100</u>										
31	Delivery Charges	264,153	0.9783	257,308	0.9530	(6,845)	-2.6%				
32	Gas Supply Charges	5,866,965	21.7295	5,949,939	22.0368	82,974	1.4%				
33	Total Bill	6,131,117	22.7078	6,207,246	22.9898	76,129	1.2%				
34	Sales Service Impact					76,129	1.2%				
35	T-Service (Direct Purchase) Impact					(6,845)	-2.6%				
	<u>Large Rate 100</u>										
36	Delivery Charges	2,140,809	0.8920	2,086,720	0.8695	(54,089)	-2.5%				
37	Gas Supply Charges	51,056,834	21.2737	51,762,030	21.5675	705,196	1.4%				
38	Total Bill	53,197,643	22.1657	53,848,750	22.4370	651,107	1.2%				
39	Sales Service Impact					651,107	1.2%				
40	T-Service (Direct Purchase) Impact					(54,089)	-2.5%				

Notes:

(1) Reflects Board-approved rates per October 2016 QRAM filing (EB-2016-0247), Appendix A.

UNION GAS LIMITED
Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers - Union South

Line No.	Particulars	EB-2016-0247 (1) Current-Approved		Proposed - EB-2016-0245 Excluding Customer-Related GHG Obligation				Proposed - EB-2016-0245 Including Customer-Related GHG Obligation			
		Total Bill	Unit Rate	Total Bill	Unit Rate	Total Bill Change	Bill Impact	Total Bill	Unit Rate	Total Bill Change	Bill Impact
		(\$)	(cents/m ³)	(\$)	(cents/m ³)	(\$)	(%)	(\$)	(cents/m ³)	(\$)	(%)
		(a)	(b)	(c)	(d)	(e) = (c-a)	(f) = (e/a)	(g)	(h)	(i) = (g-a)	(j) = (i/a)
	<u>Small Rate M1</u>										
1	Delivery Charges	353	16.0555	367	16.6632	13.37	3.8%				
2	Gas Supply Charges	347	15.7732	347	15.7723	(0.02)	0.0%				
3	Total Bill	700	31.8286	714	32.4355	13.35	1.9%				
4	Sales Service Impact					13.35	1.9%				
5	Direct Purchase Impact					13.37	3.8%				
	<u>Small Rate M2</u>										
6	Delivery Charges	3,586	5.9760	3,983	6.6384	397	11.1%				
7	Gas Supply Charges	9,464	15.7737	9,464	15.7729	(0)	0.0%				
8	Total Bill	13,050	21.7497	13,447	22.4113	397	3.0%				
9	Sales Service Impact					397	3.0%				
10	Direct Purchase Impact					397	11.1%				
	<u>Large Rate M2</u>										
11	Delivery Charges	11,785	4.7140	13,401	5.3606	1,617	13.7%				
12	Gas Supply Charges	39,434	15.7737	39,432	15.7729	(2)	0.0%				
13	Total Bill	51,219	20.4877	52,834	21.1335	1,615	3.2%				
14	Sales Service Impact					1,615	3.2%				
15	Direct Purchase Impact					1,617	13.7%				
	<u>Small Rate M4</u>										
16	Delivery Charges	41,381	4.7293	45,178	5.1632	3,797	9.2%				
17	Gas Supply Charges	138,020	15.7737	138,013	15.7729	(7)	0.0%				
18	Total Bill	179,401	20.5030	183,191	20.9361	3,790	2.1%				
19	Sales Service Impact					3,790	2.1%				
20	Direct Purchase Impact					3,797	9.2%				
	<u>Large Rate M4</u>										
21	Delivery Charges	311,481	2.5957	344,790	2.8733	33,310	10.7%				
22	Gas Supply Charges	1,892,844	15.7737	1,892,748	15.7729	(96)	0.0%				
23	Total Bill	2,204,325	18.3694	2,237,538	18.6462	33,214	1.5%				
24	Sales Service Impact					33,214	1.5%				
25	Direct Purchase Impact					33,310	10.7%				
	<u>Small Rate M5</u>										
26	Delivery Charges	32,831	3.9795	32,858	3.9828	27	0.1%				
27	Gas Supply Charges	130,133	15.7737	130,126	15.7729	(7)	0.0%				
28	Total Bill	162,964	19.7532	162,984	19.7557	21	0.0%				
29	Sales Service Impact					21	0.0%				
30	Direct Purchase Impact					27	0.1%				
	<u>Large Rate M5</u>										
31	Delivery Charges	187,402	2.8831	188,888	2.9060	1,486	0.8%				
32	Gas Supply Charges	1,025,291	15.7737	1,025,239	15.7729	(52)	0.0%				
33	Total Bill	1,212,693	18.6568	1,214,126	18.6789	1,434	0.1%				
34	Sales Service Impact					1,434	0.1%				
35	Direct Purchase Impact					1,486	0.8%				
	<u>Small Rate M7</u>										
36	Delivery Charges	682,490	1.8958	772,183	2.1450	89,693	13.1%				
37	Gas Supply Charges	5,678,532	15.7737	5,678,244	15.7729	(288)	0.0%				
38	Total Bill	6,361,022	17.6695	6,450,427	17.9179	89,405	1.4%				
39	Sales Service Impact					89,405	1.4%				
40	Direct Purchase Impact					89,693	13.1%				
	<u>Large Rate M7</u>										
41	Delivery Charges	2,585,729	4.9726	2,897,037	5.5712	311,309	12.0%				
42	Gas Supply Charges	8,202,324	15.7737	8,201,908	15.7729	(416)	0.0%				
43	Total Bill	10,788,053	20.7463	11,098,945	21.3441	310,893	2.9%				
44	Sales Service Impact					310,893	2.9%				
45	Direct Purchase Impact					311,309	12.0%				

Notes:

(1) Reflects Board-approved rates per October 2016 QRAM filing (EB-2016-0247), Appendix A.

UNION GAS LIMITED
Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers - Union South

Line No.	Particulars	EB-2016-0247 (1) Current-Approved		Proposed - EB-2016-0245 Excluding Customer-Related GHG Obligation				Proposed - EB-2016-0245 Including Customer-Related GHG Obligation			
		Total Bill	Unit Rate	Total Bill	Unit Rate	Total Bill Change	Bill Impact	Total Bill	Unit Rate	Total Bill Change	Bill Impact
		(\$)	(cents/m ³)	(\$)	(cents/m ³)	(\$)	(%)	(\$)	(cents/m ³)	(\$)	(%)
		(a)	(b)	(c)	(d)	(e) = (c-a)	(f) = (e/a)	(g)	(h)	(i) = (g-a)	(j) = (i/a)
<u>Small Rate M9</u>											
1	Delivery Charges	131,293	1.8891	169,921	2.4449	38,628	29.4%				
2	Gas Supply Charges	1,096,272	15.7737	1,096,217	15.7729	(56)	0.0%				
3	Total Bill	1,227,565	17.6628	1,266,137	18.2178	38,572	3.1%				
4	Sales Service Impact					38,572	3.1%				
5	Direct Purchase Impact					38,628	29.4%				
<u>Large Rate M9</u>											
6	Delivery Charges	390,055	1.9331	504,687	2.5012	114,632	29.4%				
7	Gas Supply Charges	3,182,817	15.7737	3,182,656	15.7729	(161)	0.0%				
8	Total Bill	3,572,872	17.7068	3,687,343	18.2741	114,471	3.2%				
9	Sales Service Impact					114,471	3.2%				
10	Direct Purchase Impact					114,632	29.4%				
<u>Average Rate M10</u>											
11	Delivery Charges	5,606	5.9327	6,437	6.8119	831	14.8%				
12	Gas Supply Charges	14,906	15.7737	14,905	15.7729	(1)	0.0%				
13	Total Bill	20,513	21.7064	21,343	22.5848	830	4.0%				
14	Sales Service Impact					830	4.0%				
15	Direct Purchase Impact					831	14.8%				
<u>Small Rate T1</u>											
16	Delivery Charges	129,428	1.7172	141,757	1.8808	12,329	9.5%				
17	Gas Supply Charges	1,188,864	15.7737	1,188,803	15.7729	(60)	0.0%				
18	Total Bill	1,318,291	17.4909	1,330,561	17.6537	12,269	0.9%				
19	Sales Service Impact					12,269	0.9%				
20	Direct Purchase Impact					12,329	9.5%				
<u>Average Rate T1</u>											
21	Delivery Charges	197,476	1.7074	217,502	1.8805	20,026	10.1%				
22	Gas Supply Charges	1,824,376	15.7737	1,824,284	15.7729	(93)	0.0%				
23	Total Bill	2,021,852	17.4811	2,041,786	17.6534	19,934	1.0%				
24	Sales Service Impact					19,934	1.0%				
25	Direct Purchase Impact					20,026	10.1%				
<u>Large Rate T1</u>											
26	Delivery Charges	435,588	1.6999	482,530	1.8831	46,942	10.8%				
27	Gas Supply Charges	4,041,866	15.7737	4,041,661	15.7729	(205)	0.0%				
28	Total Bill	4,477,454	17.4736	4,524,191	17.6560	46,737	1.0%				
29	Sales Service Impact					46,737	1.0%				
30	Direct Purchase Impact					46,942	10.8%				
<u>Small Rate T2</u>											
31	Delivery Charges	529,197	0.8931	616,006	1.0396	86,809	16.4%				
32	Gas Supply Charges	9,346,864	15.7737	9,346,390	15.7729	(474)	0.0%				
33	Total Bill	9,876,061	16.6668	9,962,395	16.8125	86,335	0.9%				
34	Sales Service Impact					86,335	0.9%				
35	Direct Purchase Impact					86,809	16.4%				
<u>Average Rate T2</u>											
36	Delivery Charges	1,231,955	0.6229	1,467,576	0.7420	235,621	19.1%				
37	Gas Supply Charges	31,198,778	15.7737	31,197,195	15.7729	(1,582)	0.0%				
38	Total Bill	32,430,733	16.3966	32,664,771	16.5149	234,039	0.7%				
39	Sales Service Impact					234,039	0.7%				
40	Direct Purchase Impact					235,621	19.1%				
<u>Large Rate T2</u>											
41	Delivery Charges	2,012,540	0.5438	2,418,016	0.6534	405,476	20.1%				
42	Gas Supply Charges	58,376,729	15.7737	58,373,768	15.7729	(2,961)	0.0%				
43	Total Bill	60,389,268	16.3175	60,791,784	16.4263	402,515	0.7%				
44	Sales Service Impact					402,515	0.7%				
45	Direct Purchase Impact					405,476	20.1%				
<u>Large Rate T3</u>											
46	Delivery Charges	3,552,739	1.3027	5,202,920	1.9078	1,650,181	46.4%				
47	Gas Supply Charges	43,016,773	15.7737	43,014,591	15.7729	(2,182)	0.0%				
48	Total Bill	46,569,512	17.0764	48,217,511	17.6807	1,647,999	3.5%				
49	Sales Service Impact					1,647,999	3.5%				
50	Direct Purchase Impact					1,650,181	46.4%				

Notes:

(1) Reflects Board-approved rates per October 2016 GRAM filing (EB-2016-0247), Appendix A.

UNION GAS LIMITED
Summary of 2017 Capital Pass-Through Adjustments
Related to Parkway Projects, Burlington - Oakville Pipeline, 2016 Dawn to Parkway, and 2017 Dawn to Parkway

Line No.	Particulars (\$000's)	Delivery (a)	Transportation (b)	Storage (c)	Total (d) = (a + b + c)
<u>Union North In-franchise</u>					
1	Rate 01	(7,509)	101	4,668	(2,740)
2	Rate 10	(941)	(2)	1,222	280
3	Rate 20	(783)	(8)	326	(465)
4	Rate 25	(242)	(4)	-	(246)
5	Rate 100	(665)	(2)	23	(644)
6	Total Union North In-Franchise	<u>(10,140)</u>	<u>85</u>	<u>6,239</u>	<u>(3,815)</u>
<u>Union South In-franchise</u>					
7	Rate M1	(6,428)	-	(1,650)	(8,077)
8	Rate M2	1,525	-	(563)	963
9	Rate M4	520	-	(101)	419
10	Rate M5A	(489)	-	(88)	(577)
11	Rate M7	257	-	(37)	220
12	Rate M9	124	-	(13)	111
13	Rate M10	3	-	(0)	2
14	Rate T1	325	-	(57)	269
15	Rate T2	3,449	-	(250)	3,199
16	Rate T3	883	-	(68)	815
17	Total Union South In-franchise	<u>171</u>	<u>-</u>	<u>(2,827)</u>	<u>(2,656)</u>
<u>Ex-franchise</u>					
18	Excess Utility Space	-	(38)	(201)	(239)
19	Rate M12	-	83,569	-	83,569
20	Rate M13	-	(5)	-	(5)
21	Rate M16	-	(10)	-	(10)
22	Rate C1	-	(0)	-	(0)
23	Total Ex-franchise	<u>-</u>	<u>83,516</u>	<u>(201)</u>	<u>83,316</u>
24	Total (line 6 + line 17 + line 23)	<u>(9,969)</u>	<u>83,602</u>	<u>3,211</u>	<u>76,844</u>
25	Gas Supply Admin				(66)
26	Total In-franchise and Ex-franchise (1)				<u>76,778</u>

Note:

- (1) Sum of projects from EB-2012-0433/EB-2013-0074 Parkway Projects, EB-2014-0182 Burlington Oakville, EB-2014-0261 Dawn to Parkway 2016 System Expansion, and EB-2015-0200 2017 Dawn to Parkway Project.

UNION GAS LIMITED
Summary of 2017 Capital Pass-Through Adjustments
Related to Parkway Projects, Burlington - Oakville Pipeline, 2016 Dawn to Parkway, and 2017 Dawn to Parkway

Line No.	Particulars (\$000's)	Parkway Projects (1) (a)	BOP (2) (b)	2016 D-P Expansion (3) (c)	2017 D-P Expansion (4) (d)	Total (e) = (a + b + c + d)
<u>Union North In-franchise</u>						
1	Rate 01	956	(757)	(270)	(2,669)	(2,740)
2	Rate 10	507	(110)	232	(349)	280
3	Rate 20	15	(78)	(102)	(299)	(465)
4	Rate 25	(57)	(22)	(75)	(92)	(246)
5	Rate 100	(136)	(61)	(193)	(254)	(644)
6	Total Union North In-Franchise	<u>1,285</u>	<u>(1,029)</u>	<u>(408)</u>	<u>(3,663)</u>	<u>(3,815)</u>
<u>Union South In-franchise</u>						
7	Rate M1	(3,046)	3,436	(2,625)	(5,843)	(8,077)
8	Rate M2	(91)	1,481	236	(663)	963
9	Rate M4	(15)	495	96	(156)	419
10	Rate M5A	(139)	(44)	(175)	(219)	(577)
11	Rate M7	14	181	69	(43)	220
12	Rate M9	14	61	37	(1)	111
13	Rate M10	0	2	1	(0)	2
14	Rate T1	(45)	431	5	(122)	269
15	Rate T2	(29)	3,306	352	(430)	3,199
16	Rate T3	109	425	268	13	815
17	Total Union South In-franchise	<u>(3,228)</u>	<u>9,773</u>	<u>(1,736)</u>	<u>(7,465)</u>	<u>(2,656)</u>
<u>Ex-franchise</u>						
18	Excess Utility Space	(60)	(24)	(81)	(73)	(239)
19	Rate M12	34,682	(429)	31,400	18,009	83,662
20	Rate M13	(1)	(1)	(1)	(2)	(5)
21	Rate M16	(2)	(0)	(3)	(4)	(10)
22	Rate C1	(32)	(3)	(31)	(28)	(94)
23	Total Ex-franchise	<u>34,587</u>	<u>(457)</u>	<u>31,283</u>	<u>17,902</u>	<u>83,316</u>
24	Total (line 6 + line 17 + line 23)	<u>32,645</u>	<u>8,287</u>	<u>29,139</u>	<u>6,774</u>	<u>76,844</u>
25	Gas Supply Admin	(29)	(2)	(18)	(16)	(66)
26	Total In-franchise and Ex-franchise	<u>32,615</u>	<u>8,284</u>	<u>29,121</u>	<u>6,758</u>	<u>76,778</u>

Note:

- (1) EB-2012-0433, Schedule 12-6 Updated and EB-2013-0074, Schedule 9-7.
- (2) EB-2014-0182, Exhibit A, Tab 9, Schedule 9.
- (3) EB-2014-0261, Settlement Agreement, Appendix 3, Schedule 6.
- (4) EB-2015-0200, Exhibit A, Tab 10, Schedule 5 Updated.

UNION GAS LIMITED
DSM Budget Allocation by Rate Class

Line No.	Particulars (\$000's)	Approved 2016 DSM Budget (1) (a)	Approved 2017 DSM Budget (b)
	<u>Union North</u>		
1	Rate 01	7,576	8,100
2	Rate 10	2,675	2,951
3	Rate 20	1,895	1,734
4	Rate 100	2,096	1,882
5	Total Union North	<u>14,241</u>	<u>14,667</u>
	<u>Union South</u>		
6	Rate M1	19,979	21,550
7	Rate M2	9,017	9,992
8	Rate M4	2,958	2,696
9	Rate M5A	3,937	3,589
10	Rate M7	1,032	940
11	Rate T1	1,664	1,532
12	Rate T2	3,994	3,605
13	Total Union South	<u>42,580</u>	<u>43,903</u>
14	Total Union (line 5 + line 13) (2)	<u>56,821</u>	<u>58,570</u>

Notes:

- (1) EB-2015-0029, Rate Order, Appendix D, column (b).
(2) EB-2015-0029, Decision and Order, p.56.

UNION GAS LIMITED
Calculation of 2017 NAC Target Percentage Change
to General Service Rate Classes

Line No.	Particulars (m ³)	2014 Actual NAC (1)(2) (a)	2015 Actual NAC (1)(3) (b)	NAC Variance (c) = (b - a)	2017 NAC Target % Change (d) = (c / a)
1	Rate 01	3,015	2,844	(171)	-5.7%
2	Rate 10	177,214	164,329	(12,885)	-7.3%
3	Rate M1	2,852	2,738	(114)	-4.0%
4	Rate M2	172,694	166,297	(6,397)	-3.7%

Notes:

- (1) NAC based on 2013 Board-approved 50:50 weather normal methodology.
- (2) 2014 actual NAC calculated using 2016 weather normal and
2014 actual NAC is adjusted for February 29th day.
- (3) 2015 actual NAC calculated using 2017 weather normal.

UNION GAS LIMITED
Calculation of 2017 NAC Target Percentage Change
Volumetric Adjustments to Union North General Service Rate Classes

Line No.	Particulars (10 ³ m ³)	Approved 2016 Billing Units (1) (a)	2017 NAC Target % Change (2) (b)	Change in Billing Units (c) = (a x b)	Proposed 2017 Billing Units (d) = (a + c)
<u>Rate 01 Delivery</u>					
1	First 100 m ³	284,370	-5.7%	(16,128)	268,242
2	Next 200 m ³	322,895	-5.7%	(18,313)	304,582
3	Next 200 m ³	140,860	-5.7%	(7,989)	132,871
4	Next 500 m ³	96,209	-5.7%	(5,457)	90,752
5	All Over 100 m ³	120,052	-5.7%	(6,809)	113,243
6	Total Rate 01 Delivery	<u>964,386</u>		<u>(54,697)</u>	<u>909,690</u>
<u>Rate 01 Storage</u>					
7	Union North West	278,642	-5.7%	(15,804)	262,839
8	Union North East	685,744	-5.7%	(38,893)	646,851
9	Total Rate 01 Storage	<u>964,386</u>		<u>(54,697)</u>	<u>909,690</u>
<u>Rate 10 Delivery</u>					
10	First 1,000 m ³	26,664	-7.3%	(1,939)	24,725
11	Next 9,000 m ³	143,953	-7.3%	(10,467)	133,487
12	Next 20,000 m ³	91,566	-7.3%	(6,658)	84,909
13	Next 70,000 m ³	69,428	-7.3%	(5,048)	64,380
14	All Over 100,000 m ³	31,934	-7.3%	(2,322)	29,612
15	Total Rate 10	<u>363,545</u>		<u>(26,433)</u>	<u>337,112</u>
<u>Rate 10 Storage</u>					
16	Union North West	86,936	-7.3%	(6,321)	80,615
17	Union North East	276,608	-7.3%	(20,112)	256,497
18	Total Rate 10 Storage	<u>363,545</u>		<u>(26,433)</u>	<u>337,112</u>

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (t).
- (2) Rate Order, Working Papers, Schedule 12, p.1, column (d).

UNION GAS LIMITED
Calculation of 2017 NAC Target Percentage Change
Volumetric Adjustments to Union South General Service Rate Classes

Line No.	Particulars (10 ³ m ³)	Approved 2016 Billing Units (1) (a)	2017 NAC Target % Change (2) (b)	Change in Billing Units (c) = (a x b)	Proposed 2017 Billing Units (d) = (a + c)
<u>Rate M1 Delivery</u>					
1	First 100 m ³	908,925	-4.0%	(36,331)	872,593
2	Next 150 m ³	807,099	-4.0%	(32,261)	774,838
3	All Over 250 m ³	1,301,783	-4.0%	(52,035)	1,249,748
4	Total Rate M1 Delivery	<u>3,017,807</u>		<u>(120,628)</u>	<u>2,897,179</u>
5	Rate M1 Storage	<u>3,017,807</u>	-4.0%	<u>(120,628)</u>	<u>2,897,179</u>
<u>Rate M2 Delivery</u>					
6	First 1,000 m ³	63,640	-3.7%	(2,357)	61,283
7	Next 6,000 m ³	309,707	-3.7%	(11,472)	298,234
8	Next 13,000 m ³	349,953	-3.7%	(12,963)	336,990
9	All Over 20,000 m ³	447,082	-3.7%	(16,561)	430,521
10	Total Rate M2 Delivery	<u>1,170,382</u>		<u>(43,354)</u>	<u>1,127,028</u>
11	Rate M2 Storage	<u>1,170,382</u>	-3.7%	<u>(43,354)</u>	<u>1,127,028</u>

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 4, column (t).
- (2) Rate Order, Working Papers, Schedule 12, p.1, column (d).

UNION GAS LIMITED
Summary of S&T Transactional Margin Included In 2017 In-Franchise Rates

Line No.	Particulars (\$000's)	Total Revenue (1) (a)	Allocated Cost (2) (b)	Total Margin (c) = (a - b)	Shareholder Portion of Margin (d) = (c) * 10%	Margin Included in 2013 In-Franchise Rates (e) = (c - d)	Margin Included in 2017 In-Franchise Rates (f)	Variance (g) = (f - e)
<u>Long-Term Transportation</u>								
1	M12 Long-term Transportation	120,604	125,384	(4,781)				
2	M12-X	13,896	11,623	2,272				
3	F24-T	359	359	0				
4	M12 Fuel	22,674	22,673	1				
5	C1 Long-term Transportation	6,954	1,669	5,286				
6	C1 Fuel	626	632	(6)				
7	M13	411	211	200				
8	M16	736	451	286				
9	Heritage Pool M16 Transmission Charge (3)			56				
10	Total Long-Term Transportation	<u>166,260</u>	<u>163,002</u>	<u>3,314</u>	<u>-</u>	<u>3,314</u>	<u>3,314</u>	<u>-</u>
<u>Short-Term Transportation</u>								
11	Short-term Transportation	11,067	5,843	5,224				
12	Other Transactional	<u>1,067</u>	<u>-</u>	<u>1,067</u>				
13	Total Short-Term Transportation	<u>12,134</u>	<u>5,843</u>	<u>6,291</u>	<u>-</u>	<u>6,291</u>	<u>6,291</u>	<u>-</u>
<u>Short-Term Storage and Other Balancing Services Acct. 179-70</u>								
14	Short-term Peak Storage Services	7,883	5,626	2,257				
15	Less: Non-utility System Integrity Costs (4)	-	(300)	300				
16	Off Peak Storage/Balancing/Loans Services	<u>2,500</u>	<u>-</u>	<u>2,500</u>				
17	Total Short-term Storage and Other Balancing Services	<u>10,383</u>	<u>5,327</u>	<u>5,056</u>	<u>506</u>	<u>4,551</u>	<u>4,551</u>	<u>-</u>
18	Total S&T Transactional Margin Included in Rates	<u>188,777</u>	<u>174,171</u>	<u>14,661</u>	<u>506</u>	<u>14,156</u>	<u>14,156</u>	<u>-</u>

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 14, pp. 9 - 11, column (g).
- (2) EB-2011-0210, Rate Order, Working Papers, Schedule 14, pp. 9 - 11, column (e).
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 39, line 4.
- (4) Excludes the non-utility portion of system integrity costs of \$0.300 million as per EB-2011-0210 Board Decision.

UNION GAS LIMITED
Summary of Gas Supply Optimization Margin

Line No.	Particulars (\$000's)	Total Revenue (1) (a)	Allocated Cost (b)	Total Margin (c) = (a - b)	Portion of Margin (d) = (c) * 10%	Margin in 2013 Gas Supply Rates (e) = (c - d)	Margin in 2017 Gas Supply Rates (f)	Variance (g) = (f - e)
	<u>Exchanges (2)</u>							
1	Base Exchanges	9,118	-	9,118	912	8,206	8,206	-
2	FT-RAM Related Exchanges	5,800	-	5,800	580	5,220	5,220	-
3	Total Exchanges Revenue	<u>14,918</u>	<u>-</u>	<u>14,918</u>	<u>1,492</u>	<u>13,426</u>	<u>13,426</u>	<u>-</u>

Notes:

(1) EB-2011-0210, Rate Order, Working Papers, Schedule 14, p.11, line 18, column (g).

(2) EB-2011-0210, Board Decision, p.40.

UNION GAS LIMITED
2017 Gas Supply Optimization Margin - Allocation of Ratepayer Portion and Calculation of Unit Rates

Line No.	Rate Class	Union North FT Demand Allocation Units TRANSALLO (\$000's) (a)	Union North Margin (\$000's) (b)	Union South Landed Supply Allocation Units S_SUPPLYVOL (10 ³ m ³) (c)	Union South Margin (\$000's) (d)	Total Margin (\$000's) (1) (e) = (b + d)	Billing Units (10 ³ m ³) (2) (f)	2017 Unit Rate (cents/m ³) (g) = (e / f)
1	Rate 01	65,876	(3,920)			(3,920)	926,963	(0.4229)
2	Rate 10	22,548	(1,342)			(1,342)	343,530	(0.3906)
3	Rate 20	8,016	(477)			(477) (3)		
4	Rate 100	-	-			-	-	-
5	Rate 25	1,961	(117)			(117)	42,913	(0.2720)
6	Total Union North	98,400	(5,856)			(5,856)		
7	Rate M1			2,271,443	(6,415)	(6,415)	2,271,443	(0.2824)
8	Rate M2			378,137	(1,068)	(1,068)	378,137	(0.2824)
9	Rate M4			16,855	(48)	(48)	16,855	(0.2824)
10	Rate M5 - Firm			226	(1)	(1)	226	(0.2824)
11	Rate M5 - Int			13,906	(39)	(39)	13,906	(0.2824)
12	Rate M10			48	(0)	(0)	48	(0.2824)
13	Total Union South			2,680,616	(7,571)	(7,571)	2,680,616	
14	Total Exchanges Revenue					(13,426)		

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 43, line 3, column (e).
(2) Union North transportation billing units per Rate Order, Working Papers, Schedule 4, column (t).
Union South billing units are 2013 Board-approved Sales volumes per EB-2011-0210.
(3) Rate 20 margin with be refunded 60% in the Gas Supply Demand Charge and 40% in the Commodity Transportation 1 Charge.
The Rate 20 unit rates are calculated below:

Margin Allocated to Gas Supply Demand Charge (\$000s)	(286)
Total Gas Supply Demand Billing Units (10 ³ m ³)	6,873
Unit Rate (cents/m ³)	(4.1642)
Margin Allocated to Commodity Transportation Charge 1 (\$000s)	(191)
Total Commodity Transportation 1 Billing Units (10 ³ m ³)	73,456
Unit Rate (cents/m ³)	(0.2597)

UNION GAS LIMITED
Allocation of Long-term and Short-term Transportation-related S&T Margin to Union North and Union South

Line No.	Particulars (\$000's)	Design Day Demand (10 ³ m ³ /d) (1) (a)	Easterly Flow Volume (10 ³ m ³ /d) (2) (b)	Available Capacity (10 ³ m ³ /d) (c) = (a - b)	Distance (km) (d)	Available Capacity - Distance (10 ³ m ³ /d x km) (e) = (c x d)	Allocated Proportion (%) (f)	Allocated Proportion (\$000's) (g)
	<u>Union North</u>							
1	North In-fran	6,956	938	6,018	228.94	1,377,858	37%	3,513
	<u>Union South</u>							
2	South: In-fran	43,674	21,874	21,800	82.15	1,790,897	48%	4,566
3	St. Clair	2,833	1,419	1,414	29.40	41,571	1%	106
4	Ojibway	9,619	4,818	4,801	116.05	557,186	15%	1,420
5	Total Union South	56,126	28,111	28,015		2,389,654	63%	6,092
6	Total Union North and Union South	63,082	29,048	34,034		3,767,512	100%	9,605 (3)

Notes:

- (1) EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, p.8, line 5, Union North, updated for EB-2011-0210 Board Decision.
EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, p.8, line 2, South In-fran, updated for EB-2011-0210 Board Decision.
EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, p.9, line 4, St. Clair-Ojibway, updated for EB-2011-0210 Board Decision.
- (2) Easterly annual volumes on Dawn to Parkway for Union North and Union South are 342,196 10³m³ and 10,260,364 10³m³ respectively divided by 365.
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 40, line 10 + line 13, column (e).

UNION GAS LIMITED
Total Upstream Transportation Costs in Union North Rates
Effective January 1, 2017

Line No.	Particulars (\$000's)	Upstream Transportation Costs per EB-2015-0116 (1) (a)	Change in Upstream Transportation Costs in 2016 (2) (b)	Upstream Transportation Costs per EB-2016-0247 (3) (c) = (a + b)
1	Rate 01	82,790	414	83,205
2	Rate 10	26,707	137	26,844
3	Rate 20	8,796	46	8,842
4	Rate 25	1,781	10	1,791
5	Rate 100	107	0	107
6	Total Union North	<u>120,181</u>	<u>608</u>	<u>120,789</u>

Notes:

- (1) EB-2015-0116, Working Papers, Schedule 15, column (c).
Excludes FT Transportation fuel of \$1.463 million and Black Creek Storage of \$0.042 million.
- (2) Change in upstream transportation costs per EB-2016-0040, Working Papers, Schedule 4, p.2.
- (3) Rate Order, Working Papers, Schedule 3, column (f).

UNION GAS LIMITED
Calculation of 2017 Gas Supply Administration Charge

Line No.	Particulars	2016 Approved EB-2016-0247 (a)	2017 Capital Pass- Throughs (3) (b)	2017 Proposed EB-2016-0245 (c) = (a + b)
1	Costs (\$000's)	6,749 (1)	(26)	6,723
2	2013 Approved Sales Volumes (10 ³ m ³) (2)	3,533,863		3,533,863
3	Gas Supply Admin Charge Unit Rate (cents/m ³) (4)	<u>0.1910</u>		<u>0.1902</u>

Notes:

- (1) EB-2015-0116, Rate Order, Working Papers, Schedule 16, column (c), line 1.
- (2) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (a).
- (3) Rate Order, Working Papers, Schedule 3, p.2, line 7, column (d) + column (k).
- (4) line 1 / line 2 x 100.

UNION GAS LIMITED
Lost Revenue Adjustment Mechanism ("LRAM")
Volume Adjustment for 2017 Rate Calculations

Line No.	Particulars (10 ³ m ³)	2015 - Pre-Audit Post RR Full Year Impact DSM Volumes by Rate Class	Customer Rate Class Adjustment (1)	Total Volume Adjustment by Rate Class
		(a)	(b)	(c) = (a + b)
	<u>Union South</u>			
1	Rate M4	(12,021)	(986)	(13,007)
2	Rate M5A	(3,889)	(12,939)	(16,829)
3	Rate M7	(15,449)	13,926	(1,523)
4	Rate T1	(5,730)	-	(5,730)
5	Rate T2	(38,269)	-	(38,269)
6	Total Union South	<u>(75,358)</u>	<u>-</u>	<u>(75,358)</u>
	<u>Union North</u>			
7	Rate 20	(2,870)	-	(2,870)
8	Rate 100	(5,132)	-	(5,132)
9	Total Union North	<u>(8,002)</u>	<u>-</u>	<u>(8,002)</u>
10	Total (line 6 + line 9)	<u>(83,360)</u>	<u>-</u>	<u>(83,360)</u>

Notes:

- (1) To attribute the Rate M7 LRAM volumes adjustments to Rate M4 and Rate M5 based on the rate class of the customer in 2013 Board-approved volumes.

UNION GAS LIMITED
Union North
Calculation of Supplemental Service Charges
Commissioning and Decommissioning Rates
Effective January 1, 2017

Line No.	Particulars	Including Customer-Related GHG Obligation		Excluding Customer-Related GHG Obligation	
		Union North West (a)	Union North East (b)	Union North West (c)	Union North East (d)
	<u>Rate 20 - At 50% Load Factor</u>				
	<u>Delivery (cents / m³)</u>				
1	Monthly Demand (1)			28.6326	28.6326
2	Line 1 x 12 months			343.5912	343.5912
3	Line 2 / 365 days			0.9413	0.9413
4	Line 3 @ 50% Load Factor			1.8827	1.8827
5	Delivery Commodity Charge (1)			0.5649	0.5649
6	Total Delivery Commissioning and Decommissioning			2.4476	2.4476
	<u>Gas Supply (cents / m³)</u>				
7	Monthly Demand (1)			55.8485	49.7267
8	Gas Supply Demand - Price Adjustment (1)			-	-
9	(Line 7 + Line 8) x 12 months			670.1820	596.7204
10	Line 9 / 365 days			1.8361	1.6349
11	Line 10 @ 50% Load Factor			3.6722	3.2697
12	Commodity Transportation 1 (1)			3.5625	2.6079
13	Commodity Transportation 1 - Price Adjustment			-	-
14	(Line 12 + Line 13) x (4/5)			2.8500	2.0863
15	Commodity Transportation 2 (1)			-	-
16	Line 15 * (1/5)			-	-
17	Total Commodity Transportation Charge for Commissioning and Decommissioning Rate			6.5222	5.3560
	<u>Rate 100 - At 70% Load Factor</u>				
	<u>Delivery (cents / m³)</u>				
18	Monthly Demand (2)			15.1083	15.1083
19	Line 18 x 12 months			181.2996	181.2996
20	Line 19 / 365 days			0.4967	0.4967
21	Line 20 @ 70% Load Factor			0.7096	0.7096
22	Commodity Charge (2)			0.2205	0.2205
23	Total Delivery Commissioning and Decommissioning			0.9301	0.9301
	<u>Gas Supply (cents / m³)</u>				
24	Monthly Demand (2)			112.0994	158.4424
25	Line 24 x 12 months			1,345.1927	1,901.3082
26	Line 25 / 365 days			3.6855	5.2091
27	Line 26 @ 70% Load Factor			5.2649	7.4415
28	Commodity Transportation 1 (2)			6.2885	9.0613
29	Line 28 * (3/7)			2.6951	3.8834
30	Commodity Transportation 2 (2)			-	-
31	Line 30 * (4/7)			-	-
32	Total Commodity Transportation Charge for Commissioning and Decommissioning Rate			7.9600	11.3249

Notes:

- (1) Appendix A, p.3.
(2) Appendix A, p.4.

UNION GAS LIMITED
Union South
Calculation of Supplemental Service Charges
Effective January 1, 2017

Line No.	Particulars		cents / m ³ (a)	\$ / GJ (b)
	<u>Minimum annual gas supply commodity charge - Rate M4, Rate M5A</u>			
1	Compressor Fuel		0.4662	
2	Transportation Tolls		4.2031	
3	Administration Charge		0.1902	
4	Minimum annual gas supply commodity charge		<u>4.8595</u>	<u>1.252</u>
	<u>Gas Supply Commodity Charges</u>			
5	Commodity Cost of Gas		10.9134	
6	FT Transportation Commodity		-	
7	FT Fuel		<u>0.4662</u>	
8	Total Gas Supply Commodity Charge		<u>11.3796</u>	<u>2.932</u>
	<u>Firm Gas Supply Service Monthly Demand Charge</u>			
9	FT Demand Charge		<u>230.0635</u>	<u>59.279</u>
	<u>Firm Backstop Gas:</u>			
	Demand:			
10	Monthly space charge	0.0427		
11	Units required (1)	43		
12	Number of months	<u>12</u>	22.0286 (a)	
	Inventory carrying costs:			
13	Sales WACOG	15.7729		
14	Overrun storage withdrawal	<u>0.3920</u>		
15		<u>16.1649</u>		
16	Units required (m ³)	43		
17	Pre-tax return (%)	8.170%	56.7888 (b)	
18	Annual demand charge		<u>78.8174 (a) + (b)</u>	
19	Number of months		<u>12</u>	
20	Monthly demand charge		<u>6.5681</u>	<u>1.692</u>
	Commodity:			
21	Sales WACOG		15.7729	
22	Overrun storage withdrawal		0.3920	
23	Overrun transportation		<u>1.3474</u>	
24	Commodity charge		<u>17.5123</u>	<u>4.512</u>

Notes:

(1) Each unit of added delivery requires 43 m³ of additional inventory.

UNION GAS LIMITED
Union South
Calculation of Supplemental Service Charges
Effective January 1, 2017

Line No.	Particulars	cents / m ³ (a)	\$ / GJ (b)
	<u>Reasonable Efforts Backstop Gas:</u>		
1	Rate M1 Block 1 delivery rate plus Rate M1 storage rate	5.4559	
2	Sales WACOG	15.7729	
3		<u>21.2288</u>	<u>5.470</u>
	<u>Supplemental Inventory:</u>		
4	Sales WACOG	15.7729	
5	Injection commodity	0.1941	
6	Space charge (p.2, line 10 x 12)	0.5123	
7		<u>16.4793</u>	<u>4.246</u>
8	Carrying costs (1/2 year) (line 7 x p.2, line 17) / 2	0.6732	
9	Total (line 7 + line 8)	<u>17.1525</u>	<u>4.420</u>
	<u>Supplemental Gas Sales:</u>		
10	Supplemental inventory	17.1525	
11	Overrun storage withdrawal	0.3920	
12	Overrun transportation	1.3474	
13	Total	<u>18.8919</u>	
	<u>Failure to Deliver:</u>		
14	Rate M1 Block 1 delivery rate plus Rate M1 storage rate	5.4559	1.406
15	Failure to Deliver Adjustment	5.1708	1.332
16	Failure to Deliver Charge	<u>10.6267</u>	<u>2.738</u>
	<u>Parkway Delivery Commitment Incentive ("PDCI")</u>		
17	Rate M12 Dawn to Parkway demand rate (1)		3.4020
18	Line 17 x 12 months		40.8240
19	Line 18 / 365 days		0.1118
20	Rate M12 average Dawn to Parkway (TCPL, EGT) fuel and commodity rate (2)		<u>0.0371</u>
21	Total (line 19 + line 20)		<u>0.149</u>

Notes:

- (1) Appendix A, p.14, line 2, column (c).
- (2) Rate M12 Rate Schedule, Appendix C, p.1, average of Dawn to Parkway (TCPL, EGT) monthly fuel rates.

UNION GAS LIMITED
Union South
Calculation of Supplemental Service Charges
Calculation of Minimum & Maximum Charges
Effective January 1, 2017

Line No.	Particulars	Including Customer-Related GHG Obligation cents / m ³ (b)	Excluding Customer-Related GHG Obligation cents / m ³ (a)
<u>Minimum Charges</u>			
1	Rate M4 (F) Minimum annual delivery commodity charge:		1.4240
2	Monthly delivery commodity charge (Rate M4 1st Block)		0.1902
3	Gas Supply Admin Charge		1.6142
	Minimum annual delivery commodity charge		
4	Rate M4 (I) / M5 Minimum annual delivery commodity charge:		3.0313
5	Monthly delivery commodity charge (Rate M5 1st Block)		0.1902
6	Gas Supply Admin Charge		3.2215
	Minimum annual delivery commodity charge		
<u>Maximum Charges</u>			
7	Rate 25 Interruptible Average Rate 10 Firm Delivery Charge		5.745
8	Percent of Average Firm Delivery Price		90%
9	Rate 25 Maximum interruptible delivery commodity charge (Excluding Customer-related GHG Obligation)		5.1705
10	Customer-related GHG Unit Rate		
11	Rate 25 Maximum interruptible delivery commodity charge (Including Customer-related GHG Obligation)		
12	Rate M7 Interruptible Maximum interruptible delivery commodity charge:		0.4496
13	Rate M7 firm commodity charge		5.1802
14	Rate M7 firm demand charge commoditized at a Load Factor of 19.56%		5.6298
	Rate M7 maximum interruptible charge		
15	Rate T1 Interruptible Maximum interruptible delivery commodity charge		5.6298
16	Rate T2 Interruptible Maximum interruptible delivery commodity charge		5.6298
<u>Rate M7 - Commissioning and Decommissioning Rate</u>			
17	Delivery (cents / m ³) Monthly Demand (1)		30.8246
18	Annual Demand (line 17 x 12 months)		369.8952
19	Daily Demand (line 18 / 365 days)		1.0134
20	@ Class Average Firm Load Factor of 27.95%		3.6262
21	Delivery Commodity Charge (1)		0.4496
22	Delivery - Price Adjustment		-
23	Total Delivery Commissioning and Decommissioning (line 20 + line 21 + line 22)		4.0758

Notes:

(1) Appendix A, p.9.

UNION GAS LIMITED
Union South
Calculation of Supplemental Service Charges
Effective January 1, 2017

Line No.	Particulars	Including Customer-Related GHG Obligation		Excluding Customer-Related GHG Obligation	
		Union Supplies Fuel	Customer Supplies Fuel	Union Supplies Fuel	Customer Supplies Fuel
		(a)	(b)	(c)	(d)
	<u>Rate T1 / Rate T2 / Rate T3 - At 100% Load Factor</u>				
	Authorized Storage Overrun (\$ / GJ)				
1	Monthly Demand (1)			1.561	1.561
2	Annual Demand (line 1 x 12 months)			18.732	18.732
3	Daily Demand (line 2 / 365 days)			0.051	0.051
4	@ 100% Load Factor			0.051	0.051
5	Commodity Charge (2)			0.050	0.008
6	Total Storage Overrun (line 4 + line 5)			0.101	0.059
	<u>Rate T1 - At 100% Load Factor</u>				
	Authorized Transportation Overrun (cents / m³)				
7	Monthly Demand (3)			35.4376	35.4376
8	Annual Demand (line 7 x 12 months)			425.2512	425.2512
9	Daily Demand (line 8 / 365 days)			1.1651	1.1651
10	@ 100% Load Factor			1.1651	1.1651
11	Commodity Charge (4)			0.1823	0.1245
12	Total Transportation Overrun (line 10 + line 11)			1.3474	1.2896
	<u>Rate T2 - At 100% Load Factor</u>				
	Authorized Transportation Overrun (cents / m³)				
13	Monthly Demand (5)			26.4455	26.4455
14	Annual Demand (line 13 x 12 months)			317.3460	317.3460
15	Daily Demand (line 14 / 365 days)			0.8694	0.8694
16	@ 100% Load Factor			0.8694	0.8694
17	Commodity Charge (6)			0.0880	0.0343
18	Total Transportation Overrun (line 16 + line 17)			0.9574	0.9037
	<u>Rate T3 - At 100% Load Factor</u>				
	Authorized Transportation Overrun (cents / m³)				
19	Monthly Demand (7)			16.7213	16.7213
20	Annual Demand (line 19 x 12 months)			200.6556	200.6556
21	Daily Demand (line 20 / 365 days)			0.5497	0.5497
22	@ 100% Load Factor			0.5497	0.5497
23	Commodity Charge (8)			0.1629	0.0909
24	Total Transportation Overrun (line 22+ line 23)			0.7126	0.6406

Notes:

- (1) Appendix A, p. 10.
- (2) Column (c) calculated as WACOG / Heat Value * Overrun Fuel Ratio + Injection Commodity = \$189.432 / 10³m³ / 38.81 GJ/10³m³ * 0.861% + \$0.008/GJ.
- (3) Appendix A, p. 10.
- (4) Column (c) calculated as WACOG / 10 * Transportation Fuel Ratio + Firm Commodity Transport = \$189.432 / 10³m³ / 10 * 0.305% + 0.1245 cents/m³.
- (5) Appendix A, p. 11.
- (6) Column (c) calculated as WACOG / 10 * Transportation Fuel Ratio + Firm Commodity Transport = \$189.432 / 10³m³ / 10 * 0.283% + 0.0343 cents/m³.
- (7) Appendix A, p. 12.
- (8) Column (c) calculated as WACOG / 10 * Transportation Fuel Ratio + Firm Commodity Transport = \$189.432 / 10³m³ / 10 * 0.380% + 0.0909 cents/m³.

UNION GAS LIMITED
Union South
Calculation of Union Supplied Fuel Rates for
In-Franchise Semi-Unbundled Rate T1, Rate T2 and Rate T3
Effective January 1, 2017

Line No.	Particulars	Including Customer-Related GHG Obligation		Excluding Customer-Related GHG Obligation	
		Union	Customer	Union	Customer
		Supplies Fuel	Supplies Fuel	Supplies Fuel	Supplies Fuel
		(a)	(b)	(c)	(d)
<u>Rate T1 Transportation Service (cents/m³)</u>					
1	Ontario Landed Reference Price as per EB-2016-0247			18.9432	
2	2017 Fuel Ratio as per EB-2016-0245			0.305%	
3	Fuel Rate (line 1 x line 2)			0.0578	
4	Firm Transportation Commodity Charge			0.1245	0.1245
5	All Volumes			0.1823	0.1245
6	Interruptible Transportation Commodity Charge - Maximum			5.6298	5.5720
<u>Rate T2 Transportation Service (cents/m³)</u>					
7	Ontario Landed Reference Price as per EB-2016-0247			18.9432	
8	2017 Fuel Ratio as per EB-2016-0245			0.283%	
9	Fuel Rate (line 7 x line 8)			0.0537	
10	Firm Transportation Commodity Charge			0.0343	0.0343
11	All Volumes			0.0880	0.0343
12	Interruptible Transportation Commodity Charge - Maximum			5.6298	5.5761
<u>Rate T3 Transportation Service (cents/m³)</u>					
13	Ontario Landed Reference Price as per EB-2016-0247			18.9432	
14	2017 Fuel Ratio as per EB-2016-0245			0.380%	
15	Fuel Rate (line 13 x line 14)			0.0720	
16	Firm Transportation Commodity Charge			0.0909	0.0909
17	All Volumes			0.1629	0.0909
<u>Rate T1, Rate T2 & Rate T3 Storage Service (\$/GJ)</u>					
18	Ontario Landed Reference Price as per EB-2016-0247			4.881	
19	2017 Fuel Ratio as per EB-2016-0245			0.406%	
20	Fuel Rate (line 18 x line 19)			0.020	
21	Storage Commodity Charge			0.0080	0.0080
22	All Volumes			0.0280	0.0080
<u>Rate T1, Rate T2 & Rate T3 Annual Firm Injection/Withdrawal Right</u>				<u>\$ / GJ</u>	
				(c)	
23	Customer provides deliverability Inventory Rate			1.186 (1)	
Inventory Carrying Costs					
24	Space			75,177,124 (2)	
25	Inventory Percentage			20%	
26	Inventory (line 24 x line 25)			15,035,425	
27	Ontario Landed Reference Price as per EB-2016-0247			4.881	
28	ICC %			8.2%	
29	Inventory Carrying Costs (line 26 * line 27 * line 28)			5,996	
30	Deliverability Demand Allocation Units			1,332,764 (3)	
31	Line 29 / line 30 x 1000 / 12			0.375	
32	Union provides deliverability Inventory as per EB-2016-0247 (line 23 + line 31)			1.561	

Notes:

- (1) Rate Order, Working Papers, Schedule 4, p.16, line 2, column (u).
- (2) EB-2011-0210, Rate Order, Working Papers, Schedule 19, p.2, line 8, column (b).
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 19, p.1, line 5, column (e).

UNION GAS LIMITED
Southern Operations Area
Unbundled Delivery Rate Detail
Effective January 1, 2017

									Unbundled Delivery Rates	
Line No.	Particulars	Billing Units	2017 Forecast (1) Usage (a)	SSS & SPS (\$000's) (b)	Gas Supply Balancing Costs (\$000's) (c)	Gas in Storage Inventory Carrying Costs (\$000's) (d)	Unbundled Storage Revenue (\$000's) (e) = (b+c+d)	Unbundled Storage Rates (cents/m³) (f) = (e / a)	Excluding Customer-Related GHG Obligation (6) (cents/m³) (g)	Including Customer-Related GHG Obligation (cents/m³) (h)
<u>Rate M1</u>										
Monthly delivery commodity charge:										
1	First 100 m³	10³m³	872,593	4,046	-	2,196	6,242	0.7153	4.7406	
2	Next 150 m³	10³m³	774,838	3,592	-	1,950	5,543	0.7153	4.5002	
3	All over 250 m³	10³m³	1,249,748	5,794	-	3,145	8,940	0.7153	3.8790	
4	Total		<u>2,897,179</u>	<u>13,432</u> (2)	<u>-</u>	<u>7,291</u> (3)	<u>20,724</u>			
<u>Rate M2</u>										
Monthly delivery commodity charge:										
5	First 1,000 m³	10³m³	61,283	248	-	135	383	0.6252	4.7134	
6	Next 6,000 m³	10³m³	298,234	1,206	-	659	1,865	0.6252	4.6259	
7	Next 13,000 m³	10³m³	336,990	1,362	-	745	2,107	0.6252	4.4396	
8	All over 20,000 m³	10³m³	430,521	1,740	-	951	2,692	0.6252	4.1211	
9	Total		<u>1,127,028</u>	<u>4,556</u> (4)	<u>-</u>	<u>2,490</u> (5)	<u>7,046</u>			

Notes:

- (1) Rate Order, Working Papers, Schedule 4, p. 10, column (t).
- (2) Rate Order, Working Papers, Schedule 19, p. 2, line 6, column (a).
- (3) Rate Order, Working Papers, Schedule 19, p. 2, line 10, column (a).
- (4) Rate Order, Working Papers, Schedule 19, p. 2, line 6, column (b).
- (5) Rate Order, Working Papers, Schedule 19, p. 2, line 10, column (b).
- (6) Rate Order, Working Papers, Schedule 4, p. 10, column (u).

UNION GAS LIMITED
Southern Operations Area
Unbundled Delivery Cost Detail
Effective January 1, 2017

Line No.	Particulars (\$000's)	Rate M1 (a)	Rate M2 (b)
	<u>SSS/SPS</u>		
1	Storage Dehydrator (1)	169	57
2	Storage Ex. Dehydrator (2)	9,580	3,241
3	Storage Space (3)	10,975	3,748
4	Storage	20,724	7,046
5	Less: ICC on Gas in Storage (4)	7,291	2,490
6	Total SSS/SPS	13,432	4,556
	<u>Gas Supply Balancing</u>		
7	Total Gas Supply Balancing	-	-
	<u>Gas In Storage Inventory Carrying Costs</u>		
8	Gas in Storage (5)	89,246	30,481
9	ICC %	8.2%	8.2%
10	Gas in Storage Inventory Carrying Costs	7,291	2,490

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 18, p. 2, line 1, updated for PCI and Capital Pass-Throughs per EB-2016-0245
- (2) EB-2011-0210, Rate Order, Working Papers, Schedule 18, p. 2, line 2, updated for PCI and Capital Pass-Throughs per EB-2016-0245
- (3) EB-2011-0210, Rate Order, Working Papers, Schedule 18, p. 2, line 3, updated for PCI and Capital Pass-Throughs per EB-2016-0245
- (4) Per line 10.
- (5) EB-2011-0210, Exhibit G3, Tab 5, Schedule 9, p. 16 of 40, updated for EB-2011-0210 Board Decision.

UNION GAS LIMITED
2017 Rate Adjustment Summary based on
Parkway Delivery Obligation (PDO) Reduction Costs and Parkway Delivery Commitment Incentive (PDCI) Costs

Line No.	Particulars (\$000's)	PDO Costs			PDCI Costs			Total Costs		
		Dawn-Parkway Demand Costs (1)	Compressor Fuel Costs (2)	Total PDO Costs	Dawn-Parkway Demand Costs (3)	Compressor Fuel Costs (4)	Total PDCI Costs	Dawn-Parkway Demand Costs	Compressor Fuel Costs	Total Costs
		(a)	(b)	(c) = (a + b)	(d)	(e)	(f) = (d + e)	(g) = (a + d)	(h) = (b + e)	(i) = (g + h)
1	Rate M1	3,409	294	3,703	6,315	1,460	7,775	9,724	1,754	11,478
2	Rate M2	1,145	104	1,249	2,122	517	2,638	3,267	621	3,887
3	Rate M4	333	47	380	617	235	852	950	283	1,233
4	Rate M5 - Firm	3	1	4	6	6	12	9	7	16
5	Rate M5 - Interruptible	-	33	33	-	163	163	-	196	196
6	Rate M7 - Firm	154	19	173	284	95	379	438	114	552
7	Rate M7 - Interruptible	-	-	-	-	-	-	-	-	-
8	Rate M9	55	10	65	102	49	150	157	58	215
9	Rate M10	2	0	2	3	0	3	5	0	5
10	Rate T1 - Firm	165	43	208	305	215	519	469	258	727
11	Rate T1 - Interruptible	-	5	5	-	23	23	-	27	27
12	Rate T2 - Firm	1,068	222	1,290	1,977	1,105	3,083	3,045	1,327	4,372
13	Rate T2 - Interruptible	-	5	5	-	26	26	-	31	31
14	Rate T3	387	44	431	716	218	935	1,103	262	1,365
15	Total South In-franchise	6,720	827	7,547	12,447	4,112	16,559	19,167	4,939	24,106
16	Excess Utility Storage Space	-	-	-	-	-	-	-	-	-
17	Rate C1 - Firm	-	7	7	-	-	-	-	7	7
18	Rate C1 - Interruptible	-	206	206	-	-	-	-	206	206
19	Rate M12	-	652	652	-	-	-	-	652	652
20	Rate M13	-	-	-	-	-	-	-	-	-
21	Rate M16	-	3	3	-	-	-	-	3	3
22	Total Ex-franchise	-	868	868	-	-	-	-	868	868
23	Rate 01	-	8	8	-	-	-	-	8	8
24	Rate 10	-	2	2	-	-	-	-	2	2
25	Rate 20	-	1	1	-	-	-	-	1	1
26	Rate 100	-	0	0	-	-	-	-	0	0
27	Rate 25	-	-	-	-	-	-	-	-	-
28	Total North In-franchise	-	11	11	-	-	-	-	11	11
29	Total Costs (line 15+line 22+line 28)	6,720	1,707	8,426	12,447	4,112	16,559	19,167	5,819	24,985

Notes:

- (1) Rate Order, Working Papers, Schedule 20, p.2, column (g).
- (2) Rate Order, Working Papers, Schedule 20, p.3, column (j).
- (3) Rate Order, Working Papers, Schedule 20, p.5, column (b) + Rate Order, Working Papers, Schedule 20, p.6, column (b).
- (4) Rate Order, Working Papers, Schedule 20, p.5, column (d) + Rate Order, Working Papers, Schedule 20, p.6, column (d).

UNION GAS LIMITED

2017 Delivery Impacts to Union South In-Franchise customers of M12 Demand Costs
Based on 212 TJ per day of M12 Dawn to Parkway capacity and 48 TJ per day of T2 Billing Contract Demand Revenue Credit

Line No.	Particulars	2013 Approved Dawn-Parkway Design Day Demands (1) (10 ³ m ³ /d) (a)	Dawn-Parkway Demand Costs of 146 TJ/d (2) (\$000's) (b)	Dawn-Parkway Demand Costs of 19 TJ/d (2) (\$000's) (c)	Dawn-Parkway Demand Costs of 48 TJ/d (2) (\$000's) (d)	Dawn-Parkway Demand Costs of 212 TJ/d (\$000's) (e) = (b + c + d)	T2 BCD Revenue Credit of 48 TJ/d (\$000's) (f)	Total Demand Costs (\$000's) (g) = (e + f)
1	Rate M1	22,132	3,024	385	987	4,396	(987)	3,409
2	Rate M2	7,435	1,016	129	332	1,477	(332)	1,145
3	Rate M4	2,162	295	38	96	429	(96)	333
4	Rate M5 Firm	20	3	0	1	4	(1)	3
5	Rate M5 Interruptible	-	-	-	-	-	-	-
6	Rate M7 Firm	997	136	17	44	198	(44)	154
7	Rate M7 Interruptible	-	-	-	-	-	-	-
8	Rate M9	356	49	6	16	71	(16)	55
9	Rate M10	11	2	0	0	2	(0)	2
10	Rate T1 Firm	1,068	146	19	48	212	(48)	165
11	Rate T1 Interruptible	-	-	-	-	-	-	-
12	Rate T2 Firm	6,931	947	120	309	1,377	(309)	1,068
13	Rate T2 Interruptible	-	-	-	-	-	-	-
14	Rate T3	2,511	343	44	112	499	(112)	387
15	Total	<u>43,624</u>	<u>5,961</u> (3)	<u>758</u> (4)	<u>1,945</u> (5)	<u>8,665</u>	<u>(1,945)</u> (5)	<u>6,720</u>

Notes:

- (1) Union South In-franchise Design Day Demand allocation factor per EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, p. 7, line 2, Updated for Board Decision.
- (2) Allocated in proportion to column (a).
- (3) Calculated as 146 TJ x \$0.112/GJ/d x 365 = \$5.961 million. Rate represents the M12 Dawn to Parkway demand rate per EB-2016-0245.
- (4) Calculated as 19 TJ x \$0.112/GJ/d x 365 = \$0.758 million. Rate represents the M12 Dawn to Parkway demand rate per (e).
- (5) Calculated as 48 TJ x \$0.112/GJ/d x 365 = \$1.945 million. Rate represents the M12 Dawn to Parkway demand rate per EB-2016-0245.

UNION GAS LIMITED
2017 Commodity Cost Adjustments based on
Parkway Delivery Obligation Reduction of 165 TJ/d and 66 TJ/d of M12 Turnback

Line No.	Particulars	2013 Board-Approved Compressor Fuel Allocation				Adjusted Compressor Fuel Allocation				Difference (GJ) (i) = (h - d)	Total Compressor Fuel Cost (1) (\$000's) (j)=(i x 4.881/1000)
		Dawn Station Compressor Fuel (GJ) (a)	D-P Easterly Compressor Fuel (GJ) (b)	D-P Westerly Compressor Fuel (GJ) (c)	Total Compressor Fuel (GJ) (d) = (a + b + c)	Dawn Station Compressor Fuel (GJ) (e)	D-P Easterly Compressor Fuel (GJ) (f)	D-P Westerly Compressor Fuel (GJ) (g)	Total Compressor Fuel (GJ) (h) = (e + f + g)		
1	Rate M1	37,867	37,469	-	75,337	65,720	69,812	-	135,532	60,196	294
2	Rate M2	13,397	13,256	-	26,653	23,251	24,699	-	47,950	21,297	104
3	Rate M4	6,107	6,042	-	12,149	10,598	11,258	-	21,857	9,708	47
4	Rate M5 - Firm	156	154	-	310	270	287	-	557	248	1
5	Rate M5 - Interruptible	4,233	4,189	-	8,422	7,347	7,804	-	15,151	6,729	33
6	Rate M7 - Firm	2,457	2,431	-	4,888	4,264	4,529	-	8,793	3,905	19
7	Rate M7 - Interruptible	-	-	-	-	-	-	-	-	-	-
8	Rate M9	1,261	1,248	-	2,509	2,189	2,325	-	4,514	2,005	10
9	Rate M10	4	4	-	8	7	7	-	14	6	0
10	Rate T1 - Firm	5,563	5,505	-	11,068	9,655	10,256	-	19,912	8,844	43
11	Rate T1 - Interruptible	593	587	-	1,179	1,029	1,093	-	2,122	942	5
12	Rate T2 - Firm	28,658	28,356	-	57,014	49,736	52,833	-	102,569	45,555	222
13	Rate T2 - Interruptible	673	666	-	1,340	1,169	1,241	-	2,410	1,070	5
14	Rate T3	5,662	5,603	-	11,265	9,827	10,439	-	20,265	9,001	44
15	Total South In-franchise	106,631	105,510	-	212,141	185,061	196,585	-	381,646	169,505	827
16	Excess Utility Storage Space	-	-	-	-	-	-	-	-	-	-
17	Rate C1 - Firm	35,316	10,023	4,718	50,057	35,340	10,808	5,444	51,592	1,535	7
18	Rate C1 - Interruptible	226,118	520,843	-	746,960	226,877	562,223	-	789,100	42,140	206
19	Rate M12	1,135,933	2,479,902	1,009	3,616,843	1,132,730	2,616,541	1,167	3,750,437	133,594	652
20	Rate M13	-	-	-	-	-	-	-	-	-	-
21	Rate M16	-	-	-	-	146	470	-	615	615	3
22	Total Ex-franchise	1,397,366	3,010,768	5,726	4,413,861	1,395,092	3,190,041	6,611	4,591,744	177,883	868
23	Rate 01	28,728	27,573	-	56,300	28,840	29,025	-	57,865	1,565	8
24	Rate 10	9,042	8,679	-	17,721	9,078	9,136	-	18,213	492	2
25	Rate 20	3,212	3,083	-	6,295	3,225	3,245	-	6,470	175	1
26	Rate 100	102	98	-	200	102	103	-	205	6	0
27	Rate 25	-	-	-	-	-	-	-	-	-	-
28	Total North In-franchise	41,084	39,432	-	80,516	41,245	41,509	-	82,754	2,238	11
29	Total (line 15 + line 22 + line 28)	1,545,082	3,155,710	5,726	4,706,518	1,621,397	3,428,135	6,611	5,056,144	349,626	1,707

Notes:

(1) Compressor fuel cost based on October 2016 QRAM Ontario Landed Reference Price of \$4.881/GJ per EB-2016-0247.

UNION GAS LIMITED
Estimated Fuel Impact of the Parkway Delivery Obligated Reduction

Line No.	Particulars (GJ)	Allocation of Fuel (Updated for PDO)					Allocation of Fuel (as filed in EB-2011-0210)					Difference
		Dawn	Lobo	Bright	Parkway	Total	Dawn	Lobo	Bright	Parkway	Total	
		(a)	(b)	(c)	(d)	(e) = (a+b+c+d)	(f)	(g)	(h)	(i)	(j) = (f+g+h+i)	(k) = (e - j)
1	M12 Easterly	1,132,730	658,864	789,616	1,168,061	3,749,270	1,135,933	644,630	772,860	1,062,411	3,615,834	133,436
2	M12 Westerly	-	-	-	1,167	1,167	-	-	-	1,009	1,009	158
3	C1 LT Easterly	3,379	2,063	2,468	6,277	14,187	3,356	2,017	2,413	5,593	13,379	808
4	C1 ST Easterly	226,877	120,670	147,087	294,467	789,100	226,118	116,353	141,989	262,500	746,960	42,140
5	C1 LT Westerly	-	-	-	5,444	5,444	-	-	-	4,718	4,718	726
6	C1 ST Westerly	-	-	-	-	-	-	-	-	-	-	-
7	M16 to Pool	146	157	313	-	615	-	-	-	-	-	615
8	Infranchise - North	41,245	16,921	24,588	-	82,754	41,084	15,975	23,457	-	80,516	2,238
9	Infranchise - South	185,061	86,417	110,168	-	381,646	106,631	46,265	59,245	-	212,141	169,505
10	Total	1,589,437	885,091	1,074,239	1,475,416	5,024,183	1,513,121	825,240	999,964	1,336,232	4,674,557	349,626

Notes:

- (1) Sales of Dawn to Parkway transportation services were reduced by 66 TJ per day.
- (2) Compressor throughput was adjusted to account for a shift of 165 TJ of delivered supply from Parkway to Dawn and 66 TJ/d of M12 turnback.
- (3) Compressor fuel costs increased to reflect the change in flows outlined in note (2).
- (4) Based on contract quantities from 2013 Rates filing.
- (5) Allocation of fuel is consistent with YCR formula in the current M12 Rate Schedule.
- (6) The total fuel excludes C1 Dawn to Dawn-Vector and C1 Dawn to Dawn-TCPL fuel of 31,960 GJ.

UNION GAS LIMITED
Derivation of the 2017 Sales Service PDCI Costs

Line No.	Particulars	Demand Costs		Commodity Costs		Total Sales Service PDCI Costs (\$000's) (e) = (b + d)
		2013 Approved Design Day Demands (1) (10 ³ m ³ /d) (a)	19 TJ Sales Service Demand Costs (2) (\$000's) (b)	2013 Approved Delivery Volumes East of Dawn (4) (10 ³ m ³) (c)	19 TJ Sales Service Fuel and UFG Costs (5) (\$000's) (d)	
1	Rate M1	22,132	394	1,823,853	91	485
2	Rate M2	7,435	132	645,259	32	165
3	Rate M4	2,162	38	294,126	15	53
4	Rate M5 Firm	20	0	7,501	0	1
5	Rate M5 Interruptible	-	-	203,891	10	10
6	Rate M7 Firm	997	18	118,324	6	24
7	Rate M7 Interruptible	-	-	-	-	-
8	Rate M9	356	6	60,750	3	9
9	Rate M10	11	0	189	0	0
10	Rate T1 Firm	1,068	19	267,950	13	32
11	Rate T1 Interruptible	-	-	28,552	1	1
12	Rate T2 Firm	6,931	123	1,380,265	69	192
13	Rate T2 Interruptible	-	-	32,431	2	2
14	Rate T3	2,511	45	272,712	14	58
15	Total	43,624	777 (3)	5,135,803	257 (6)	1,033

Notes:

- (1) Union South In-franchise Design Day Demand allocation factor per EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, p. 7, line 2, Updated for Board Decision.
- (2) Allocated in proportion to column (a).
- (3) Calculated as 19 TJ x \$0.112/GJ/d x 365 = \$0.777 million. Rate represents the M12 Dawn to Parkway demand rate per EB-2016-0245.
- (4) Union South in-franchise volumes east of Dawn per EB-2011-0210, Exhibit G3, Tab 5, Schedule 21, pp. 13 & 14, Updated for Board Decision.
- (5) Allocated in proportion to column (c).
- (6) Calculated as 19 TJ x \$0.037/GJ/d x 365 = \$0.257 million. Rate represents the average Dawn to Parkway (TCPL / EGT) fuel and commodity rate per EB-2016-0245 Rate M12 Schedule 'C'.

UNION GAS LIMITED
Derivation of the 2017 Direct Purchase (DP) PDCI Costs

Line No.	Particulars	Demand Costs		Commodity Costs		Total DP PDCI Costs (\$000's) (e) = (b+d)
		2013 Approved Design Day Demands (1) (10 ³ m ³ /d) (a)	285 TJ DP Demand Costs (2) (\$000's) (b)	2013 Approved Delivery Volumes East of Dawn (4) (10 ³ m ³) (c)	285 TJ DP Fuel and UFG Costs (5) (\$000's) (d)	
1	Rate M1	22,132	5,921	1,823,853	1,369	7,290
2	Rate M2	7,435	1,989	645,259	484	2,474
3	Rate M4	2,162	578	294,126	221	799
4	Rate M5 Firm	20	5	7,501	6	11
5	Rate M5 Interruptible	-	-	203,891	153	153
6	Rate M7 Firm	997	267	118,324	89	355
7	Rate M7 Interruptible	-	-	-	-	-
8	Rate M9	356	95	60,750	46	141
9	Rate M10	11	3	189	0	3
10	Rate T1 Firm	1,068	286	267,950	201	487
11	Rate T1 Interruptible	-	-	28,552	21	21
12	Rate T2 Firm	6,931	1,854	1,380,265	1,036	2,890
13	Rate T2 Interruptible	-	-	32,431	24	24
14	Rate T3	2,511	672	272,712	205	876
15	Total	<u>43,624</u>	<u>11,670</u> (3)	<u>5,135,803</u>	<u>3,855</u> (6)	<u>15,526</u>

Notes:

- (1) Union South In-franchise Design Day Demand Allocation Factor per EB-2011-0210, Exhibit G3, Tab 5, Schedule 23, p. 7, line 2, Updated for Board Decision.
- (2) Allocated in proportion to column (a).
- (3) Calculated as 285 TJ x \$0.112/GJ/d x 365 = \$11.670 million. Rate represents the M12 Dawn to Parkway demand rate per EB-2016-0245.
- (4) Union South in-franchise volumes east of Dawn per EB-2011-0210, Exhibit G3, Tab 5, Schedule 21, pp. 13 & 14, Updated for Board Decision.
- (5) Allocated in proportion to column (c).
- (6) Calculated as 285 TJ x \$0.037/GJ/d x 365 = \$3.855 million. Rate represents the average Dawn to Parkway (TCPL / EGT) fuel and commodity rate per EB-2016-0245 Rate M12 Schedule 'C'.

UNION GAS LIMITED
Continuity of M12 Monthly Transportation Fuel Ratios and Fuel and Commodity Rates including Parkway Delivery Obligation (PDO) Pass-through
Firm or Interruptible Transportation Commodity
Effective January 1, 2017

Line No.	Particulars	VT1 Easterly Dawn to Parkway (TCPL / EGT) With Dawn Compression						VT1 Easterly Dawn to Kirkwall, Lisgar, Parkway (Consumers) With Dawn Compression						VT3 Westerly Parkway to Kirkwall, Dawn					
		2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj	2017	PDO Adj	2017	2017
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
1	April	0.819	0.005	0.825	0.037	0.862	0.042	0.544	0.004	0.548	(0.003)	0.545	0.027	0.156	0.001	0.157	-	0.157	0.008
2	May	0.579	0.004	0.583	0.029	0.612	0.030	0.366	0.002	0.369	0.001	0.370	0.018	0.156	0.001	0.157	-	0.157	0.008
3	June	0.473	0.003	0.476	0.032	0.508	0.025	0.265	0.002	0.267	0.004	0.271	0.013	0.364	0.002	0.367	0.031	0.398	0.019
4	July	0.461	0.003	0.464	0.030	0.494	0.024	0.253	0.002	0.255	0.004	0.259	0.013	0.364	0.002	0.366	0.030	0.396	0.019
5	August	0.363	0.002	0.365	0.028	0.393	0.019	0.157	0.001	0.158	(0.000)	0.158	0.008	0.362	0.002	0.364	0.032	0.396	0.019
6	September	0.359	0.002	0.362	0.027	0.389	0.019	0.157	0.001	0.158	(0.000)	0.158	0.008	0.358	0.002	0.361	0.031	0.392	0.019
7	October	0.712	0.005	0.716	0.023	0.739	0.036	0.473	0.003	0.476	(0.012)	0.464	0.023	0.156	0.001	0.157	-	0.157	0.008
8	November	0.858	0.006	0.863	0.019	0.882	0.043	0.616	0.004	0.621	0.001	0.622	0.030	0.156	0.001	0.157	-	0.157	0.008
9	December	0.965	0.006	0.971	0.024	0.995	0.049	0.717	0.005	0.722	0.011	0.733	0.036	0.156	0.001	0.157	-	0.157	0.008
10	January	1.109	0.007	1.116	0.030	1.147	0.056	0.848	0.006	0.854	0.015	0.870	0.042	0.156	0.001	0.157	-	0.157	0.008
11	February	1.055	0.007	1.062	0.027	1.089	0.053	0.803	0.005	0.808	0.012	0.820	0.040	0.156	0.001	0.157	-	0.157	0.008
12	March	0.993	0.007	1.000	0.018	1.018	0.050	0.734	0.005	0.739	(0.003)	0.736	0.036	0.156	0.001	0.157	-	0.157	0.008
		M12-X Easterly Kirkwall to Parkway (TCPL / EGT)						M12-X Easterly Kirkwall to Lisgar, Parkway (Consumers)						M12-X Westerly Parkway to Kirkwall, Dawn					
		2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj	2017	PDO Adj	2017	2017
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
13	April	0.431	0.003	0.434	0.040	0.474	0.023	0.156	0.001	0.157	-	0.157	0.008	0.274	0.002	0.276	0.018	0.293	0.014
14	May	0.369	0.002	0.371	0.028	0.399	0.019	0.156	0.001	0.157	-	0.157	0.008	0.274	0.002	0.276	0.018	0.293	0.014
15	June	0.364	0.002	0.367	0.027	0.394	0.019	0.156	0.001	0.157	-	0.157	0.008	0.274	0.002	0.276	0.018	0.293	0.014
16	July	0.364	0.002	0.366	0.026	0.392	0.019	0.156	0.001	0.157	-	0.157	0.008	0.274	0.002	0.276	0.018	0.293	0.014
17	August	0.362	0.002	0.364	0.028	0.392	0.019	0.156	0.001	0.157	-	0.157	0.008	0.274	0.002	0.276	0.018	0.293	0.014
18	September	0.358	0.002	0.361	0.027	0.388	0.019	0.156	0.001	0.157	-	0.157	0.008	0.274	0.002	0.276	0.018	0.293	0.014
19	October	0.395	0.003	0.398	0.035	0.432	0.021	0.156	0.001	0.157	-	0.157	0.008	0.274	0.002	0.276	0.018	0.293	0.014
20	November	0.397	0.003	0.400	0.018	0.418	0.020	0.156	0.001	0.157	-	0.157	0.008	0.156	0.001	0.157	-	0.157	0.008
21	December	0.404	0.003	0.407	0.013	0.420	0.020	0.156	0.001	0.157	-	0.157	0.008	0.156	0.001	0.157	-	0.157	0.008
22	January	0.417	0.003	0.420	0.015	0.434	0.021	0.156	0.001	0.157	-	0.157	0.008	0.156	0.001	0.157	-	0.157	0.008
23	February	0.408	0.003	0.411	0.015	0.426	0.021	0.156	0.001	0.157	-	0.157	0.008	0.156	0.001	0.157	-	0.157	0.008
24	March	0.415	0.003	0.418	0.021	0.439	0.021	0.156	0.001	0.157	-	0.157	0.008	0.156	0.001	0.157	-	0.157	0.008

UNION GAS LIMITED

Continuity of M12 Monthly Transportation Authorized Overrun Fuel Ratios and Fuel and Commodity Rates including Parkway Delivery Obligation (PDO) Pass-through
Firm or Interruptible Transportation Commodity
Effective January 1, 2017

Line No.	Particulars	VT1 Easterly Dawn to Parkway (TCPL / EGT) With Dawn Compression						VT1 Easterly Dawn to Kirkwall, Lisgar, Parkway (Consumers) With Dawn Compression						VT3 Westerly Parkway to Kirkwall, Dawn					
		2016	PCI Adj	2017	PDO Adj	2017	Fuel and	2016	PCI Adj	2017	PDO Adj	2017	Fuel and	2016	PCI Adj	2017	PDO Adj	2017	Fuel and
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Commodity	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Commodity	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Commodity
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Rate
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
1	April	1.432	0.009	1.442	0.037	1.479	0.184	1.157	0.008	1.165	(0.003)	1.162	0.151	0.769	0.005	0.774	-	0.774	0.150
2	May	1.192	0.008	1.200	0.029	1.228	0.172	0.979	0.006	0.986	0.001	0.987	0.142	0.769	0.005	0.774	-	0.774	0.150
3	June	1.086	0.007	1.093	0.032	1.125	0.167	0.878	0.006	0.884	0.004	0.888	0.138	0.977	0.006	0.984	0.031	1.015	0.161
4	July	1.073	0.007	1.080	0.030	1.111	0.166	0.866	0.006	0.871	0.004	0.876	0.137	0.977	0.006	0.983	0.030	1.013	0.161
5	August	0.976	0.006	0.982	0.028	1.010	0.161	0.770	0.005	0.775	(0.000)	0.775	0.132	0.975	0.006	0.981	0.032	1.013	0.161
6	September	0.972	0.006	0.978	0.027	1.005	0.161	0.770	0.005	0.775	(0.000)	0.775	0.132	0.971	0.006	0.978	0.031	1.009	0.161
7	October	1.325	0.009	1.333	0.023	1.356	0.178	1.086	0.007	1.093	(0.012)	1.081	0.147	0.769	0.005	0.774	-	0.774	0.150
8	November	1.470	0.010	1.480	0.019	1.499	0.185	1.229	0.008	1.237	0.001	1.239	0.155	0.769	0.005	0.774	-	0.774	0.150
9	December	1.578	0.010	1.588	0.024	1.612	0.191	1.330	0.009	1.339	0.011	1.350	0.160	0.769	0.005	0.774	-	0.774	0.150
10	January	1.722	0.011	1.733	0.030	1.764	0.198	1.461	0.010	1.471	0.015	1.486	0.167	0.769	0.005	0.774	-	0.774	0.150
11	February	1.668	0.011	1.679	0.027	1.706	0.195	1.416	0.009	1.425	0.012	1.437	0.164	0.769	0.005	0.774	-	0.774	0.150
12	March	1.606	0.011	1.617	0.018	1.635	0.192	1.347	0.009	1.356	(0.003)	1.353	0.160	0.769	0.005	0.774	-	0.774	0.150
		M12-X Easterly Kirkwall to Parkway (TCPL / EGT)						M12-X Easterly Kirkwall to Lisgar, Parkway (Consumers)						M12-X Westerly Parkway to Kirkwall, Dawn					
		2016	PCI Adj	2017	PDO Adj	2017	Fuel and	2016	PCI Adj	2017	PDO Adj	2017	Fuel and	2016	PCI Adj	2017	PDO Adj	2017	Fuel and
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Commodity	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Commodity	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Commodity
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Rate
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
13	April	1.044	0.007	1.051	0.040	1.091	0.193	0.769	0.005	0.774	-	0.774	0.177	0.887	0.006	0.893	0.018	0.910	0.184
14	May	0.981	0.006	0.988	0.028	1.016	0.189	0.769	0.005	0.774	-	0.774	0.177	0.887	0.006	0.893	0.018	0.910	0.184
15	June	0.977	0.006	0.984	0.027	1.011	0.189	0.769	0.005	0.774	-	0.774	0.177	0.887	0.006	0.893	0.018	0.910	0.184
16	July	0.977	0.006	0.983	0.026	1.009	0.189	0.769	0.005	0.774	-	0.774	0.177	0.887	0.006	0.893	0.018	0.910	0.184
17	August	0.975	0.006	0.981	0.028	1.009	0.189	0.769	0.005	0.774	-	0.774	0.177	0.887	0.006	0.893	0.018	0.910	0.184
18	September	0.971	0.006	0.978	0.027	1.005	0.188	0.769	0.005	0.774	-	0.774	0.177	0.887	0.006	0.893	0.018	0.910	0.184
19	October	1.008	0.007	1.014	0.035	1.049	0.191	0.769	0.005	0.774	-	0.774	0.177	0.887	0.006	0.893	0.018	0.910	0.184
20	November	1.010	0.007	1.017	0.018	1.035	0.190	0.769	0.005	0.774	-	0.774	0.177	0.769	0.005	0.774	-	0.774	0.177
21	December	1.017	0.007	1.024	0.013	1.037	0.190	0.769	0.005	0.774	-	0.774	0.177	0.769	0.005	0.774	-	0.774	0.177
22	January	1.030	0.007	1.036	0.015	1.051	0.191	0.769	0.005	0.774	-	0.774	0.177	0.769	0.005	0.774	-	0.774	0.177
23	February	1.021	0.007	1.028	0.015	1.043	0.190	0.769	0.005	0.774	-	0.774	0.177	0.769	0.005	0.774	-	0.774	0.177
24	March	1.028	0.007	1.035	0.021	1.056	0.191	0.769	0.005	0.774	-	0.774	0.177	0.769	0.005	0.774	-	0.774	0.177

UNION GAS LIMITED

Continuity of M12 Monthly Transportation Fuel Ratios and Fuel and Commodity Rates including Parkway Delivery Obligation (PDO) Pass-through
Firm or Interruptible Transportation Commodity
Effective January 1, 2017

Line No.	Particulars	M13 Delivery Commodity Charge						M13 Authorized overrun - Delivery Commodity Charge					
		2016	PCI Adj	2017	PDO Adj	2017	Fuel and	2016	PCI Adj	2017	PDO Adj	2017	Fuel and
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Commodity	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Commodity
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Rate
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)
1		0.156	0.001	0.157	-	0.157	0.008	0.156	0.001	0.157	-	0.157	0.077
		M16 Fuel Charges to Dawn						M16 Fuel Charges to Pool					
		2016	PCI Adj	2017	PDO Adj	2017	Fuel and	2016	PCI Adj	2017	PDO Adj	2017	Fuel and
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Commodity	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Commodity
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Rate
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)
2	East	0.156	0.001	0.157	-	0.157	0.008	0.156	0.001	0.157	0.029	0.186	0.009
3	West	0.156	0.001	0.157	-	0.157	0.008	0.444	0.003	0.447	-	0.447	0.022
		M16 Authorized overrun - Fuel Charges to Dawn						M16 Authorized Overrun - Fuel Charges to Pool					
		2016	PCI Adj	2017	PDO Adj	2017	Fuel and	2016	PCI Adj	2017	PDO Adj	2017	Fuel and
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Commodity	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Commodity
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Rate	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Rate
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)
4	East	0.156	0.001	0.157	-	0.157	0.067	0.156	0.001	0.157	0.029	0.186	0.034
5	West	0.156	0.001	0.157	-	0.157	0.077	0.444	0.003	0.447	-	0.447	0.056

UNION GAS LIMITED

Continuity of C1 Monthly Transportation Fuel Ratios and Fuel and Commodity Rates including Parkway Delivery Obligation (PDO) Pass-through

Firm or Interruptible Transportation Commodity

Effective January 1, 2017

Line No.	Particulars	C1 St. Clair / Dawn						C1 Ojibway / Dawn						C1 Bluewater / Dawn					
		2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj	2017	PDO Adj	2017	2017
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity
		(%)	(%)	(%)	(%)	(%)	Rate	(%)	(%)	(%)	(%)	(%)	Rate	(%)	(%)	(%)	(%)	(%)	Rate
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(\$/GJ)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
1	Summer	0.205	0.001	0.207	-	0.207	0.010	0.444	0.003	0.447	-	0.447	0.022	0.205	0.001	0.207	-	0.207	0.010
2	Winter	0.264	0.002	0.266	-	0.266	0.013	0.301	0.002	0.303	-	0.303	0.015	0.264	0.002	0.266	-	0.266	0.013
		C1 Dawn to Dawn-TCPL						C1 Dawn to Dawn-Vector											
		2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj	2017	PDO Adj	2017	2017						
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and						
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity						
		(%)	(%)	(%)	(%)	(%)	Rate	(%)	(%)	(%)	(%)	(%)	Rate						
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(\$/GJ)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)						
3	Summer	0.156	0.001	0.157	-	0.157	0.008	0.337	0.002	0.339	-	0.339	0.017						
4	Winter	0.349	0.002	0.351	-	0.351	0.017	0.156	0.001	0.157	-	0.157	0.008						
		C1 Parkway to Kirkwall						C1 Parkway to Dawn						C1 Kirkwall to Dawn					
		2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj	2017	PDO Adj	2017	2017
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity
		(%)	(%)	(%)	(%)	(%)	Rate	(%)	(%)	(%)	(%)	(%)	Rate	(%)	(%)	(%)	(%)	(%)	Rate
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(\$/GJ)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
5	Summer	0.274	0.002	0.276	0.018	0.293	0.014	0.274	0.002	0.276	0.018	0.293	0.014	0.156	0.001	0.157	-	0.157	0.008
6	Winter	0.156	0.001	0.157	-	0.157	0.008	0.156	0.001	0.157	-	0.157	0.008	0.156	0.001	0.157	-	0.157	0.008
		C1 Dawn to Kirkwall						C1 Dawn to Parkway (TCPL)						C1 Kirkwall to Parkway					
		2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj	2017	PDO Adj	2017	2017	2016	PCI Adj	2017	PDO Adj	2017	2017
		Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and	Fuel Ratio	Fuel	Fuel Ratio	Fuel	Fuel Ratio	Fuel and
		(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity	(excl. PDO)	Ratio	(excl. PDO)	Ratio	(incl. PDO)	Commodity
		(%)	(%)	(%)	(%)	(%)	Rate	(%)	(%)	(%)	(%)	(%)	Rate	(%)	(%)	(%)	(%)	(%)	Rate
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(\$/GJ)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
7	Summer	0.317	0.002	0.319	(0.001)	0.318	0.016	0.538	0.004	0.541	0.029	0.571	0.028	0.378	0.002	0.380	0.030	0.410	0.020
8	Winter	0.744	0.005	0.749	0.007	0.756	0.037	0.996	0.007	1.002	0.024	1.026	0.050	0.408	0.003	0.411	0.016	0.427	0.021

UNION GAS LIMITED

Continuity of C1 Monthly Transportation Authorized Overrun Fuel Ratios and Fuel and Commodity Rates including Parkway Delivery Obligation (PDO) Pass-through
Firm or Interruptible Transportation Commodity
Effective January 1, 2017

Line No.	Particulars	C1 Authorized Overrun - St. Clair / Dawn						C1 Authorized Overrun - Ojibway / Dawn						C1 Authorized Overrun - Bluewater / Dawn					
		2016 Fuel Ratio (excl. PDO)	PCI Adj Fuel Ratio	2017 Fuel Ratio (excl. PDO)	PDO Adj Fuel Ratio	2017 Fuel Ratio (incl. PDO)	2017 Fuel and Commodity Rate	2016 Fuel Ratio (excl. PDO)	PCI Adj Fuel Ratio	2017 Fuel Ratio (excl. PDO)	PDO Adj Fuel Ratio	2017 Fuel Ratio (incl. PDO)	2017 Fuel and Commodity Rate	2016 Fuel Ratio (excl. PDO)	PCI Adj Fuel Ratio	2017 Fuel Ratio (excl. PDO)	PDO Adj Fuel Ratio	2017 Fuel Ratio (incl. PDO)	2017 Fuel and Commodity Rate
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
1	Summer	0.205	0.001	0.207	-	0.207	0.044	0.444	0.003	0.447	-	0.447	0.056	0.205	0.001	0.207	-	0.207	0.044
2	Winter	0.264	0.002	0.266	-	0.266	0.047	0.301	0.002	0.303	-	0.303	0.049	0.264	0.002	0.266	-	0.266	0.047
3	Summer	C1 Authorized Overrun - Dawn to Dawn-TCPL						C1 Authorized Overrun - Dawn to Dawn-Vector											
		2016 Fuel Ratio (excl. PDO)	PCI Adj Fuel Ratio	2017 Fuel Ratio (excl. PDO)	PDO Adj Fuel Ratio	2017 Fuel Ratio (incl. PDO)	2017 Fuel and Commodity Rate	2016 Fuel Ratio (excl. PDO)	PCI Adj Fuel Ratio	2017 Fuel Ratio (excl. PDO)	PDO Adj Fuel Ratio	2017 Fuel Ratio (incl. PDO)	2017 Fuel and Commodity Rate						
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)						
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)						
4	Winter	0.156	0.001	0.157	-	0.157	0.008	0.337	0.002	0.339	-	0.339	0.017						
4	Winter	0.349	0.002	0.351	-	0.351	0.017	0.156	0.001	0.157	-	0.157	0.008						
5	Summer	C1 Authorized Overrun - Parkway to Kirkwall						C1 Authorized Overrun - Parkway to Dawn						C1 Authorized Overrun - Kirkwall to Dawn					
		2016 Fuel Ratio (excl. PDO)	PCI Adj Fuel Ratio	2017 Fuel Ratio (excl. PDO)	PDO Adj Fuel Ratio	2017 Fuel Ratio (incl. PDO)	2017 Fuel and Commodity Rate	2016 Fuel Ratio (excl. PDO)	PCI Adj Fuel Ratio	2017 Fuel Ratio (excl. PDO)	PDO Adj Fuel Ratio	2017 Fuel Ratio (incl. PDO)	2017 Fuel and Commodity Rate	2016 Fuel Ratio (excl. PDO)	PCI Adj Fuel Ratio	2017 Fuel Ratio (excl. PDO)	PDO Adj Fuel Ratio	2017 Fuel Ratio (incl. PDO)	2017 Fuel and Commodity Rate
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
6	Winter	0.887	0.006	0.893	0.018	0.910	0.156	0.887	0.006	0.893	0.018	0.910	0.156	0.156	0.001	0.157	-	0.157	0.056
6	Winter	0.769	0.005	0.774	-	0.774	0.150	0.769	0.005	0.774	-	0.774	0.150	0.156	0.001	0.157	-	0.157	0.056
7	Summer	C1 Authorized Overrun - Dawn to Kirkwall						C1 Authorized Overrun - Dawn to Parkway (TCPL)						C1 Authorized Overrun - Kirkwall to Parkway					
		2016 Fuel Ratio (excl. PDO)	PCI Adj Fuel Ratio	2017 Fuel Ratio (excl. PDO)	PDO Adj Fuel Ratio	2017 Fuel Ratio (incl. PDO)	2017 Fuel and Commodity Rate	2016 Fuel Ratio (excl. PDO)	PCI Adj Fuel Ratio	2017 Fuel Ratio (excl. PDO)	PDO Adj Fuel Ratio	2017 Fuel Ratio (incl. PDO)	2017 Fuel and Commodity Rate	2016 Fuel Ratio (excl. PDO)	PCI Adj Fuel Ratio	2017 Fuel Ratio (excl. PDO)	PDO Adj Fuel Ratio	2017 Fuel Ratio (incl. PDO)	2017 Fuel and Commodity Rate
		(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)	(%)	(%)	(%)	(%)	(%)	(\$/GJ)
		(a)	(b)	(c) = (a+b)	(d)	(e) = (c+d)	(f)	(g)	(h)	(i) = (g+h)	(j)	(k) = (i+j)	(l)	(m)	(n)	(o) = (m+n)	(p)	(q) = (o+p)	(r)
8	Winter	0.929	0.006	0.936	(0.001)	0.935	0.140	1.151	0.008	1.158	0.029	1.188	0.170	0.990	0.007	0.997	0.030	1.027	0.068
8	Winter	1.357	0.009	1.366	0.007	1.373	0.161	1.609	0.011	1.619	0.024	1.643	0.192	1.021	0.007	1.028	0.016	1.044	0.069

UNION GAS LIMITED
Continuity of Rate T1, Rate T2, Rate T3 Firm and Interruptible Transportation Fuel Ratios
Including the Parkway Delivery Obligation (PDO) Compressor Fuel Volumes
Effective January 1, 2017

Line No.	Particulars	PCI Adjustment to 2016 Approved Fuel Ratios					Incremental 2017 PDO Fuel Adjustment				Total 2017 Transportation Fuel Ratio (%) (j) = (e + i)
		2016 Fuel Ratio (incl. PDO) (%) (1)	Remove PDO Adj Fuel Ratio (%) (2)	2016 Fuel Ratio (excl. PDO) (%) (3)	PCI Adj Fuel Ratio (%) (4)	2017 Fuel Ratio (excl. PDO) (%) (5)	Incremental PDO Fuel Volumes (GJ) (6)	Incremental Fuel (10 ³ m ³) (7)	Annual Delivery Volume (10 ³ m ³) (8)	Incremental PDO Fuel Ratio (%) (9)	
		(a)	(b) = (-i)	(c) = (a + b)	(d)	(e) = (c + d)	(f)	(g) = (f) / HV	(h)	(i) = (g / h)	
		(a)	(b) = (-i)	(c) = (a + b)	(d)	(e) = (c + d)	(f)	(g) = (f) / HV	(h)	(i) = (g / h)	
1	Rate T1	0.303%	-0.048%	0.255%	0.002%	0.257%	9,786	259	536,730	0.048%	0.305%
2	Rate T2	0.282%	-0.030%	0.252%	0.002%	0.254%	46,626	1,235	4,129,518	0.030%	0.283%
3	Rate T3	0.378%	-0.087%	0.291%	0.002%	0.293%	9,001	238	272,712	0.087%	0.380%

Notes:

- (1) EB-2015-0116, Working Papers, Schedule 22, column (j).
- (2) EB-2015-0116, Working Papers, Schedule 22, column (i).
- (3) PCI of 0.66% shown at Working Papers, Schedule 1, column (c) applied to column (c) above.
- (4) Rate Order, Working Papers, Schedule 20, p. 3, column (i).
- (5) Conversion to 10³m³ based on a heating value (HV) of 37.75 GJ/10³m³.

UNION GAS LIMITED
Union North Transportation and Storage Cost Allocation to the Union North West Zone and Union North East Zone by Rate Class
Based on the 2017 Gas Supply Plan per EB-2015-0181 at October 2016 QRAM

Line No.	Particulars	Approved 2017 - EB-2015-0181			October 2016 QRAM Update (2)			Recovery of Common Costs (3)	Gas Supply Optimization (4)	IRM Adjustments (5)		Total Included in 2017 Rates		
		Transportation	Storage	Total (1)	Transportation	Storage	Total	Transportation	Transportation	Transportation	Storage	Transportation	Storage	Total
		(a)	(b)	(c) = (a+b)	(d)	(e)	(f) = (d+e)	(g)	(h)	(i)	(j)	(k) = (a+d+g+h+i)	(l) = (b+e+j)	(m) = (k+l)
<u>Union North West</u>														
1	Rate 01	19,276	3,895	23,171	(429)	37	(392)	283	(1,133)	(4)	128	17,993	4,061	22,054
2	Rate 10	5,206	919	6,125	(116)	9	(107)	73	(321)	(1)	28	4,841	956	5,798
3	Rate 20	2,474	331	2,805	(56)	4	(52)	61	(197)	(1)	12	2,281	347	2,628
4	Rate 100	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Rate 25	136	-	136	(3)	-	(3)	3	(16)	(0)	-	120	-	120
6	Total Union North West	27,091	5,145	32,236	(603)	50	(554)	420	(1,667)	(6)	169	25,235	5,364	30,599
<u>Union North East</u>														
7	Rate 01	21,427	38,536	59,962	148	658	807	697	(2,787)	(11)	316	19,474	39,510	58,984
8	Rate 10	7,873	10,789	18,662	54	183	237	233	(1,021)	(2)	90	7,138	11,063	18,201
9	Rate 20	2,269	2,814	5,083	16	47	62	86	(280)	(1)	18	2,089	2,879	4,967
10	Rate 100	-	272	272	-	5	5	14	-	-	23	14	300	314
11	Rate 25	651	-	651	5	-	5	19	(101)	(2)	-	572	-	572
12	Total Union North East	32,219	52,411	84,630	224	893	1,116	1,049	(4,189)	(16)	447	29,287	53,751	83,038
<u>Common Costs</u>														
13	Rate 01	981	-	981	-	-	-	(981)	-	-	-	-	-	-
14	Rate 10	306	-	306	-	-	-	(306)	-	-	-	-	-	-
15	Rate 20	147	-	147	-	-	-	(147)	-	-	-	-	-	-
16	Rate 100	14	-	14	-	-	-	(14)	-	-	-	-	-	-
17	Rate 25	22	-	22	-	-	-	(22)	-	-	-	-	-	-
18	Total Union North East	1,470	-	1,470	-	-	-	(1,470)	-	-	-	-	-	-
<u>Total</u>														
19	Rate 01	41,683	42,431	84,114	(280)	695	415	-	(3,920)	(15)	444	37,468	43,570	81,038
20	Rate 10	13,385	11,708	25,093	(62)	192	130	-	(1,342)	(2)	119	11,979	12,019	23,998
21	Rate 20	4,889	3,145	8,034	(40)	51	11	-	(477)	(2)	30	4,369	3,226	7,595
22	Rate 100	14	272	286	-	5	5	-	-	-	23	14	300	314
23	Rate 25	809	-	809	2	-	2	-	(117)	(2)	-	692	-	692
24	Total	60,780	57,556	118,336	(380)	942	563	-	(5,856)	(22)	616	54,522	59,115	113,637

- Notes:
- (1) EB-2015-0181, Exhibit A, Tab 2, Appendix A, Schedule 7, column (c).
 - (2) Rate Order, Working Papers, Schedule 23, pp. 2-4.
 - (3) EB-2015-0181, Exhibit A, Tab 3, Appendix A, Schedule 6, p.1, column (c). Common costs recovered by zones based on 2017 billing units.
 - (4) 2017 Gas Supply Optimization Margin per Working Paper 14, column (e) recovered by Union North West and Union North East Zones by rate class in proportion to 2017 billing units.
 - (5) IRM adjustments included in Union North storage and transportation rates for the period of 2013-2016, including the 2017 PCI.

UNION GAS LIMITED
Union North 2017 Gas Supply Plan updated for October 2016 QRAM

Line No.	Particulars	Annual	April 2015 QRAM		October 2016 QRAM		Cost Variance (f) = (e - c)
		Volume (1)	Rates (2)	Costs (3)	Rates (4)	Costs	
		(TJ)	(\$ / GJ)	(\$000's)	(\$ / GJ)	(\$000's)	
		(a)	(b)	(c)	(d)	(e)	
<u>Transportation Costs</u>							
<u>Union North West Zone Demand Costs</u>							
1	TCPL MDA	2,031	21.914	1,463	21.409	1,430	(34)
2	TCPL SSM DA	2,972	43.994	4,299	43.002	4,202	(97)
3	TCPL WDA	18,764	31.471	19,414	30.756	18,973	(441)
4	CTHI/CPMI	2,066	18.805	1,277	18.785	1,276	(1)
5	Subtotal			26,453		25,880	(573)
<u>Union North East Zone Demand Costs</u>							
6	TCPL NCDA	3,211	58.024	6,125	57.533	6,073	(52)
7	TCPL EDA	365	64.066	769	63.526	762	(6)
8	TCPL NDA	2,915	48.527	4,651	47.436	4,546	(105)
9	TCPL PKWY EDA	21,108	12.138	8,423	12.406	8,610	186
10	TCPL PKWY NDA	15,695	17.445	9,001	17.836	9,204	202
11	TCPL PKWY NCDA	122	8.642	35	8.830	35	1
12	Subtotal			29,004		29,230	226
<u>Common Costs</u>							
13	LBA			1,200		1,200	-
14	TCPL Minimum Flow Charge			71		71	-
15	Subtotal			1,271		1,271	-
16	Demand Costs in Rates (line 5 + line 12 + line 15)			56,728		56,381	(347)
<u>Commodity Costs</u>							
17	Union North West Zone Commodity Costs			-		-	-
18	Union North East Zone Commodity Costs			-		-	-
19	Commodity Costs in Rates			-		-	-
20	Total Transportation Demand (line 16 + line 19)			56,728		56,381	(347)
<u>Union North West Zone Fuel Costs</u>							
21	TCPL MDA	6	2.951	19	2.812	18	(1)
22	TCPL SSM DA	54	2.951	159	2.812	151	(7)
23	TCPL WDA	155	2.951	457	2.812	435	(22)
24	CTHI/CPMI	1	2.951	3	2.812	3	(0)
25	Subtotal			638		608	(30)
<u>Union North East Zone Fuel Costs</u>							
26	TCPL NCDA	87	2.951	256	2.812	244	(12)
27	TCPL EDA	11	2.951	33	2.812	31	(2)
28	TCPL NDA	70	2.951	205	2.812	196	(10)
29	TCPL PKWY EDA	52	3.742	196	3.935	206	10
30	TCPL PKWY NDA	55	3.742	206	3.935	217	11
31	TCPL PKWY NCDA	-	3.742	-	3.935	-	-
32	Subtotal			896		893	(3)
33	Fuel Costs in Rates (line 25 + line 32)			1,534		1,501	(33)
34	Total Transportation Costs (line 20 + line 33)			58,261		57,882	(380)

Notes:

- (1) EB-2015-0181, Exhibit A, Tab 2, Appendix A, Schedule 1, Page 1, column (g).
- (2) Reference prices and approved tolls based on April 2015 QRAM (EB-2015-0035).
- (3) EB-2015-0181, Exhibit A, Tab 2, Appendix A, Schedule 1, Page 1, column (h).
- (4) Reference prices and approved tolls based on October 2016 QRAM (EB-2016-0247).

UNION GAS LIMITED
Union North 2017 Gas Supply Plan updated for October 2016 QRAM

Line No.	Particulars	Annual	April 2015 QRAM		October 2016 QRAM		Cost Variance (f) = (e - c)
		Volume (1) (TJ) (a)	Rates (2) (\$ / GJ) (b)	Costs (3) (\$000's) (c)	Rates (4) (\$ / GJ) (d)	Costs (\$000's) (e)	
<u>Storage Costs</u>							
<u>Union North West Zone Demand Costs</u>							
1	TCPL WDA STS Injection	1,150	41.230	1,558	42.172	1,594	36
2	Subtotal			1,558		1,594	36
<u>Union North East Zone Demand Costs</u>							
3	TCPL NDA STS Injection	17,921	17.445	10,278	17.836	10,509	231
4	TCPL EDA STS Withdrawal	9,845	12.138	3,929	12.406	4,016	87
5	TCPL Pkwy to EDA	19,042	12.138	7,599	12.406	7,767	168
6	TCPL Pkwy to EDA EMB	9,125	13.352	4,005	13.591	4,077	72
7	TCPL Pkwy to NDA	24,455	17.445	14,026	17.836	14,340	315
8	Subtotal			39,837		40,709	872
9	Demand Costs in Rates (line 36 + line 42)			41,395		42,303	908
<u>Union North West Zone Fuel Costs</u>							
10	TCPL WDA STS Injection	14	3.742	53	3.935	56	3
11	TCPL SSMDA STS Withdrawal	28	3.742	104	3.935	109	5
12	TCPL WDA STS Withdrawal	31	3.742	117	3.935	123	6
13	Subtotal			274		288	14
<u>Union North East Zone Fuel Costs</u>							
14	TCPL NDA STS Injection	-	3.742	-	3.935	-	-
15	TCPL EDA STS Withdrawal	-	3.742	-	3.935	-	-
16	TCPL NCDA STS Injection	2	3.742	6	3.935	7	0
17	TCPL NCDA STS Withdrawal	8	3.742	31	3.935	33	2
18	TCPL NDA STS Withdrawal	-	3.742	-	3.935	-	-
19	TCPL Pkwy to EDA	8	3.742	29	3.935	30	1
20	TCPL Pkwy to EDA EMB	17	3.742	64	3.935	67	3
21	TCPL Pkwy to NDA	69	3.742	258	3.935	271	13
22	Subtotal			388		408	20
23	Fuel Costs in Rates (line 47 + line 56)			662		696	34
24	Total Storage Costs (line 43 + line 57)			42,057		42,999	942
25	Total Storage and Transportation Costs (line 34 + line 58)			100,318		100,881	563

Notes:

- (1) EB-2015-0181, Exhibit A, Tab 2, Appendix A, Schedule 1, Page 1, column (g).
(2) Reference prices and approved tolls based on April 2015 QRAM (EB-2015-0035).
(3) EB-2015-0181, Exhibit A, Tab 2, Appendix A, Schedule 1, Page 1, column (h).
(4) Reference prices and approved tolls based on October 2016 QRAM (EB-2016-0247).

UNION GAS LIMITED
Allocation of Union North Transportation and Storage Related Costs by Zone
Based on October 2016 QRAM

Line No.	Particulars (\$000's)	Total (a)	Rate 01 (b)	Rate 10 (c)	Rate 20 (d)	Rate 100 (e)	Rate 25 (f)
Union North West Zone							
Transportation Demand Costs							
1	EB-2015-0181 Dawn Reference Price and North-T Service	26,453	18,848	5,076	2,399	-	130
2	EB-2016-0245 2017 Rates	25,880	18,439	4,966	2,347	-	127
3	Change in Costs (line 2 - line 1)	(573)	(408)	(110)	(52)	-	(3)
Transportation Fuel Costs							
4	EB-2015-0181 Dawn Reference Price and North-T Service	638	428	129	75	-	6
5	EB-2016-0245 2017 Rates	608	408	123	71	-	6
6	Change in Costs (line 5 - line 4)	(30)	(20)	(6)	(4)	-	(0)
7	Total Change in Transportation Costs (line 3 + line 6)	(603)	(429)	(116)	(56)	-	(3)
Storage Demand Costs							
8	EB-2015-0181 Dawn Reference Price and North-T Service	1,558	1,200	272	86	-	-
9	EB-2016-0245 2017 Rates	1,594	1,227	279	88	-	-
10	Change in Costs (line 9 - line 8)	36	27	6	2	-	-
Storage Fuel Costs							
11	EB-2015-0181 Dawn Reference Price and North-T Service	274	185	56	33	-	-
12	EB-2016-0245 2017 Rates	288	194	59	35	-	-
13	Change in Costs (line 12 - line 11)	14	10	3	2	-	-
14	Total Change in Storage Costs (line 10 + line 13)	50	37	9	4	-	-
16	Total Change in North West Zone Costs (line 7 + line 14)	(554)	(392)	(107)	(52)	-	(3)
Union North East Zone							
Transportation Demand Costs							
17	EB-2015-0181 Dawn Reference Price and North-T Service	29,004	19,281	7,071	2,030	-	622
18	EB-2016-0245 2017 Rates	29,230	19,431	7,126	2,045	-	628
19	Change in Costs (line 18 - line 17)	226	150	55	16	-	5
Transportation Fuel Costs							
20	EB-2015-0181 Dawn Reference Price and North-T Service	896	573	223	72	-	28
21	EB-2016-0245 2017 Rates	893	571	222	72	-	28
22	Change in Costs (line 21 - line 20)	(3)	(2)	(1)	(0)	-	0
23	Total Change in Transportation Costs (line 19 + line 22)	224	148	54	16	-	5
Storage Demand Costs							
24	EB-2015-0181 Dawn Reference Price and North-T Service	39,837	29,466	8,130	2,037	204	-
25	EB-2016-0245 2017 Rates	40,709	30,111	8,308	2,082	208	-
26	Change in Costs (line 25 - line 24)	872	645	178	45	4	-
Storage Fuel Costs							
27	EB-2015-0181 Dawn Reference Price and North-T Service	388	246	96	44	2	-
28	EB-2016-0245 2017 Rates	408	259	101	46	2	-
29	Change in Costs (line 28 - line 27)	20	13	5	2	0	-
30	Total Change in Storage Costs (line 26 + line 29)	893	658	183	47	5	-
31	Total Change in North West Zone Costs (line 23 + line 30)	1,116	807	237	62	5	5
Common Costs							
32	EB-2015-0181 Dawn Reference Price and North-T Service	1,271	-	-	-	-	-
33	EB-2016-0245 2017 Rates	1,271	-	-	-	-	-
34	Change in Costs (line 33 - line 32)	-	-	-	-	-	-
35	Total Change in Storage and Transportation Costs (line 16 + line 31) (1)	563	415	130	11	5	2

TAB 2

PARKWAY DELIVERY OBLIGATION REPORTING

In 2014 Rates (EB-2013-0365), Union filed its Settlement Agreement proposing to permanently shift the Parkway Delivery Obligation (“PDO”) of its Union South direct purchase (“DP”) customers to Dawn over time. This Settlement Agreement was approved by the Board on June 16, 2014. As agreed to in the Settlement, Union is required to report on:

- a. Capacity that could be made available in the 2 years commencing with the test year to further reduce the PDO at a lower cost than the Parkway Delivery Commitment Incentive (“PDCI”);
- b. Forecast of PDO quantities for the 2 years commencing with the test year;
- c. The measures used by Union to manage the initial Parkway shortfall; and,
- d. The actual transmission compressor fuel on the Dawn to Parkway system in the prior year.

a) Capacity Available for PDO Shift

In April 2014, Union offered DP customers 146 TJ/day of temporarily available excess Dawn to Parkway capacity to shift a portion of their PDO to Dawn. This temporary capacity was no longer available as of October 31, 2015. Union agreed to manage the Parkway shortfall to maintain the 146 TJ/day of PDO shift beyond October 31, 2015 until sufficient Dawn to Kirkwall capacity was turned back by other M12 customers.

1 For November 2017, Union forecasts it will have sufficient Dawn to Kirkwall M12 turnback to
2 replace the temporary capacity and to provide additional PDO reductions of 73 TJ/d at
3 November 1, 2017, of which 54 TJ/d is for customers without M12 service and 19 TJ/d is for
4 customers with M12 service (including TCE Halton Hills Generation Station (“HHGS”)). Union
5 forecasts that no additional PDO shift will be available to Union South DP customers in 2018.

6
7 Please see Exhibit A, Tab 2, Attachment 1, for an updated table illustrating the capacity available
8 for PDO shift, and the current and forecasted PDO reductions.

9
10 Exhibit A, Tab 2, Attachment 1, line 1 provides an updated forecast of the Dawn to Parkway
11 equivalent of the M12 Dawn to Kirkwall turnback used to facilitate PDO shift for customers that
12 do not use M12 service to meet their PDO. The quantities shown are the Dawn to Parkway
13 equivalent of Dawn to Kirkwall turnback at an equivalency factor of approximately 73%¹.

14
15 A comparison of the forecast provided in the 2016 Rates proceeding (EB-2015-0116) and the
16 current forecast is provided in Table 1 below.

¹ Please see EB-2013-0365, Exhibit A, Tab 4, p. 24 for the explanation of the equivalency factor.

Table 1

M12 Dawn to Kirkwall Turnback Forecast (Dawn to Parkway Equivalent)

Particulars (TJ/d)	Nov 2016	Nov 2017	Nov 2018
2016 Rates IR ² EB-2015-0116	10	67	n/a
2017 Rates EB-2016-0245	10	67	0

Union is forecasting 67 TJ/day of turnback for November 1, 2017 and no turnback for November 1, 2018. The forecast for November 1, 2018 is Union's current expectation, and will be confirmed by customers through contract elections by October 31, 2016 (2 years before expiry).

The allocation of the updated capacity available through forecasted turnback is reflected in Exhibit A, Tab 2, Attachment 1, lines 2 to 6. The quantities turned back are first allocated to replace the Parkway shortfall of 146 TJ/day that is associated with the PDO (Exhibit A, Tab 2, Attachment 1, line 4). Once the temporary shortfall capacity has been replaced, any remaining quantity will be used to facilitate further PDO relief. Based on Union's current forecast, there will be no shortfall remaining past November 1, 2017.

b) Forecast PDO Quantities

Please see Exhibit A, Tab 2, Attachment 1, lines 7 to 9 for a summary of the total PDO for all Union South DP customers and Exhibit A, Tab 2, Attachment 1, lines 10 to 23 for details on each DP customer grouping.

² Please see EB-2015-0116, Exhibit B.APPrO.4, Attachment 1.

1 When implementing the first PDO shift of 146 TJ/day in 2014, customers' contracts with a PDO
2 less than 100 GJ/day were allowed to shift 100% of their PDO to Dawn; all other customers were
3 allowed to shift the greatest of 99 GJ/day or 36% of their PDO. This simplified the contract
4 administration for small contracts while not significantly reducing the percentage available for
5 all other contracts.

6
7 Union proposes to apply a similar approach when implementing the shift effective November 1,
8 2017. Since the capacity available for PDO shift is approximately 60% less (54 TJ/day versus
9 146 TJ/day) than what had been available for the previous shift, Union proposes to reduce the
10 threshold to 40 GJ/day. Application of this threshold will utilize approximately 12 TJ/day
11 (Exhibit A, Tab 2, Attachment 1, line 14, Column k) and the quantity remaining for all other
12 contracts will be reduced to 17% of the PDO (42 TJ/day divided by 249 TJ/day). Customers
13 with M12 capacity can shift an equal pro-rata share of 17% or 19 TJ/day (Exhibit A, Tab 2,
14 Attachment 1, lines 17 and 21) of the PDO to Dawn for a total shift of 73 TJ/day.

15
16 Union expects to conduct a customer election process during the second quarter of 2017 where
17 customers will determine their level of participation in the PDO shift effective November 1,
18 2017. As the total contracted PDO may change prior to the election process, the threshold for
19 small contracts and the remaining percentage for all other contracts will be reevaluated and
20 adjusted as necessary at that time.

1 The forecast of M12 Dawn to Kirkwall turnback will result in no incremental reduction for the
2 PDO for DP customers in 2018. However, as part of the 2014 Rates Settlement Agreement (EB-
3 2013-0365), HHGS has the option to turn back all or any portion of its remaining M12 capacity
4 and convert an equal amount of the PDO to non-obligated deliveries at Dawn as of November 1,
5 2018. As such, HHGS has a PDO reduction of 70 TJ/d forecasted in 2018.

6
7 The PDO for sales service customers is shown at Exhibit A, Tab 2, Attachment 1, line 24.

8
9 c) Management of Shortfall

10 Union projects a shortfall at Parkway of 13 TJ/d between November 1, 2016 and October 31,
11 2017 until sufficient M12 Dawn to Kirkwall capacity has been turned back. No shortfall at
12 Parkway exists beyond November 1, 2017.

13
14 d) Dawn to Parkway Transmission Compressor Fuel

15 The Dawn to Parkway transmission compressor fuel will be included in Union's annual reporting
16 requirements filed in its annual earnings sharing and deferral account disposition proceeding.

17
18 Please see Exhibit A, Working Papers, Schedule 20 for details of PDO included in 2017 rates by
19 rate class.

Parkway Delivery Obligation (PDO) for 2014 - 2018
(TJ/day)

Line No.		Particulars		2014 Rates				2015 Rates			2016 Rates			2016 Rates IR			2017 Rates		
				As Filed (EB-2013-0365)				As Filed (EB-2014-0271) (2)			As Filed (EB-2015-0116)			As Filed (EB-2015-0116)			As Filed (EB-2016-0245)		
				Apr-14	Nov-14 (1)	Nov-15	Nov-16	Nov-14	Nov-15	Nov-16	Nov-15	Nov-16	Nov-17	Nov-15	Nov-16	Nov-17	Nov-16	Nov-17	Nov-18
		(a)	(b)	(c)	(d)	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)		
CAPACITY AVAILABLE FOR PDO SHIFT																			
1	Ex-Franchise M12 Dawn to Kirkwall Turnback (3)	0	0	0	-28	0	-123	-11	-123	-10	-29	-123	-10	-67	-10	-67	0		
Allocation of Capacity Available (turnback):																			
2	Opening Balance	0	-146	-146	-146	-146	-146	-23	-146	-23	-13	-146	-23	-13	-23	-13	0		
3	Temporary Capacity Provided	-146	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
4	Replacement of Temporary Capacity	0	0	0	28	0	123	11	123	10	13	123	10	13	10	13	0		
5	Closing Balance	-146	-146	-146	-118	-146	-23	-12	-23	-13	0	-23	-13	0	-13	0	0		
6	Available for PDO Shift	-146	0	0	0	0	0	0	0	0	-16	0	0	-54	0	-54	0		
TOTAL DIRECT PURCHASE PDO																			
7	Beginning PDO (4)	564	352	352	352	345	345	345	369	369	369	369	369	369	376	376	303		
8	Annual PDO Shift line 11 + line 17 + line 21	-212	0	0	0	0	0	0	0	0	-23	0	0	-79	0	-73	-70		
9	Remaining PDO	352	352	352	352	345	345	345	369	369	346	369	369	290	376	303	233		
DIRECT PURCHASE PDO DETAIL BY CUSTOMER GROUP																			
PDO for Customers without M12 Service:																			
10	Beginning PDO	380	234	234	234	228	228	228	254	254	254	254	254	254	261	261	207		
11	PDO Shift	-146	0	0	0	0	0	0	0	0	-16	0	0	-54	0	-54	0		
12	Surplus Required	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
12	Remaining PDO	234	234	234	234	228	228	228	254	254	238	254	254	200	261	207	207		
13	Annual PDO Shift	146	0	0	0	0	0	0	0	0	16	0	0	54	0	54	0		
14	Allocation to those with PO < 100 GJ/day (6)	14	0	0	0	0	0	0	0	0	0	0	0	0	0	12	0		
15	Percentage Reduction for those with PO > 99 GJ/day (6)	36%	0%	0%	0%	0%	0%	0%	0%	0%	6%	0%	0%	21%	0%	17%	0%		
PDO for Customers with M12 Service (except TCE):																			
16	Beginning PDO	52	33	33	33	33	33	33	31	31	31	31	31	31	31	31	26		
17	In-Franchise M12 Dawn to Parkway Turnback line 15 * line 16	-19	0	0	0	0	0	0	0	0	-2	0	0	-7	0	-5	0		
18	Remaining PDO	33	33	33	33	33	33	33	31	31	29	31	31	24	31	26	26		
19	Annual PDO Shift	19	0	0	0	0	0	0	0	0	2	0	0	7	0	5	0		
PDO for TCE Halton Hills:																			
20	Beginning PDO	132	85	85	85	84	84	84	84	84	84	84	84	84	84	84	70		
21	In-Franchise M12 Dawn to Parkway turnback line 15 * line 20	-47	0	0	0	0	0	0	0	0	-5	0	0	-18	0	-14	-70		
22	Remaining PDO	85	85	85	85	84	84	84	84	84	79	84	84	66	84	70	0		
23	Annual PDO Shift	47	0	0	0	0	0	0	0	0	5	0	0	18	0	14	70		
24	PDO for Sales Service (5)	98	103	103	11	103	103	11	103	11	11	103	11	11	19	11	11		

Notes:

(1) This November 2014 column has been included in the "As Filed" section to provided comparability to the updated forecast.

(2) EB-2014-0271, Exhibit B.BOMA.1.

(3) Dawn to Parkway equivalent capacity.

The difference between column (c) and column (e) reflects changes in the Dawn to Parkway equivalency factor.

(4) The difference between column (b) and column (d) reflects actual contract changes.

(5) The actual contract amount for November 1, 2016 is higher, but Union has turnback rights which are effective January, 2017.

(6) For November, 2017 customers with PO < 40GJs/day will be allocated to shift 100% of their obligation to Dawn.



2016/17 Gas Supply Plan Memorandum

September 2016

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1. INTRODUCTION

This document provides an overview of the 2016/17 Gas Supply Plan (“GSP” or the “Plan”) of Union Gas Limited (“Union”) and includes the underpinning assumptions and the market context from which it was formed. This includes future trends that may impact the GSP going forward.

1.1 Overview of the Gas Supply Planning Process

The objective of Union’s GSP is to identify the efficient combination of upstream transportation, supply purchases, and storage assets required to serve sales service and bundled direct purchase (“DP”) customers’ annual, seasonal and design day gas delivery requirements under a set of gas supply planning principles. The gas supply planning principles are outlined in detail in Section 3.

Union’s GSP provides the strategic direction guiding the Company’s long-term supply acquisition process. The GSP does not commit Union to the acquisition of a specific supply type or facility, nor does it preclude Union from pursuing a particular supply. Rather, the GSP identifies the transportation and supply volume requirements. Union recognizes that the gas supply planning process is dynamic, reflecting changing market forces.

1.2 Summary of Union North and Union South

In Ontario, natural gas is a significant and critical energy source relied on for providing heat and hot water to homes and institutions, fuelling manufacturing plants and generating electricity. These applications operate on demand, meaning that consumers expect the energy to be readily available to be used when needed.

Home owners in Ontario depend on a reliable supply of natural gas. The natural gas infrastructure needs to be robust reflecting the critical role natural gas delivery plays in Ontario, and flexible to allow Ontario to position itself to secure long-term access to economic supply in light of changing North American supply dynamics.

Union serves approximately 1.4 million customers in northern, eastern and southern Ontario through an integrated network of over 70,000 kilometres of natural gas transmission and distribution pipelines. Total consumption in Union’s franchise areas during 2015 was approximately 539 PJ.

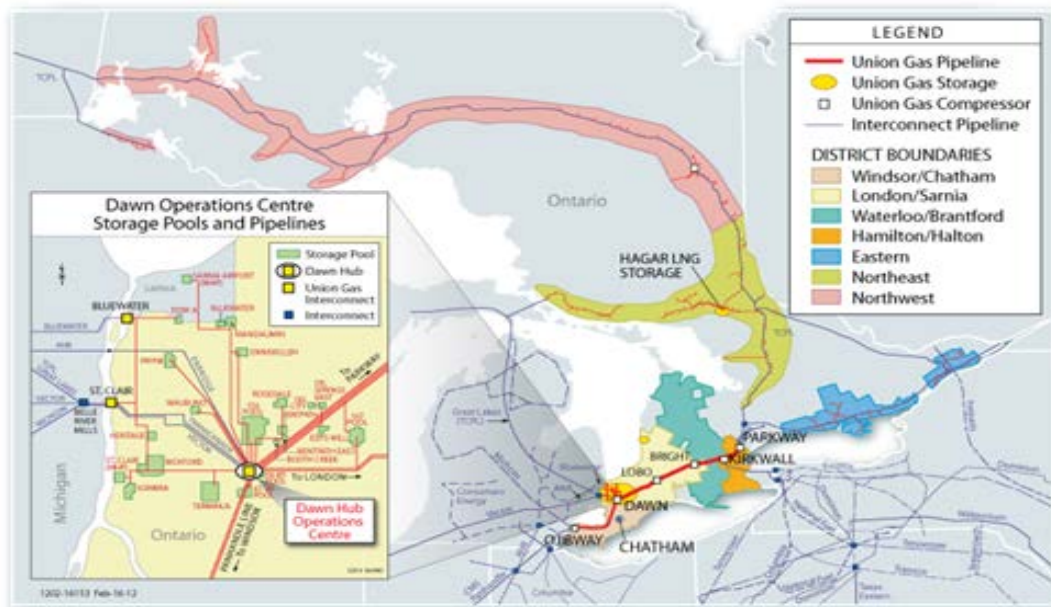
Union operates storage and transmission assets that include 175 PJ of underground natural gas storage at the Dawn Hub and a 7.3 PJ/d Dawn Parkway transmission system. Union’s Dawn Parkway System is an integral part of the natural gas delivery system for Ontario, Québec and U.S. Northeast residents, businesses, power plants and industries. The Dawn Parkway System connects these consuming markets to most of North America’s major supply basins, the largest area of underground natural gas storage in North America, and the liquid Dawn Hub.

Union’s Dawn Hub has been recognized as a key market hub for the Province of Ontario and the entire Great Lakes region. The growth of Dawn as an energy hub and the availability of competitively and transparently priced natural gas supplies and services that come with an effective and efficient trading hub have benefitted all Ontarians. Dawn is one of the most physically traded, liquid hubs in North America. The liquidity of Dawn is the result of the combination of access to underground storage, interconnections with upstream pipelines, take away capacity to growth markets, a large number of buyers and sellers of natural gas, and price transparency.

Of the 1.4 million customers that Union serves, approximately 1.3 million are system sales customers that rely on Union to provide their gas supply. These customers are primarily residential and small commercial customers. The remaining customers rely on DP arrangements with marketers and alternate suppliers to meet their gas supply needs. From a volume perspective, sales service customers consumed 174 PJ in 2015, while DP customers consumed 365 PJ.

Union is divided into two separate operating areas: Union South and Union North. As shown in Figure 1, Union South includes four Districts; Windsor/Chatham, London/Sarnia, Waterloo/Brantford and Hamilton/Halton. Union North includes the Eastern, Northeast and Northwest Districts.

Figure 1



Union North is served exclusively through deliveries off of the TransCanada Mainline. Five of the six Northern delivery areas align with delivery areas on the TransCanada Pipeline Limited (“TransCanada”) Mainline. The delivery area that does not align is Union’s Manitoba Delivery Area, which is connected to the TransCanada Mainline at the Spruce interconnect in the Centrat MDA by two additional pipelines (Centra Transmission Holdings and Centra Pipeline Minnesota).

For gas supply planning purposes, Union North is divided into two zones comprised of three delivery areas in each zone. These delivery areas are:

North West Zone:

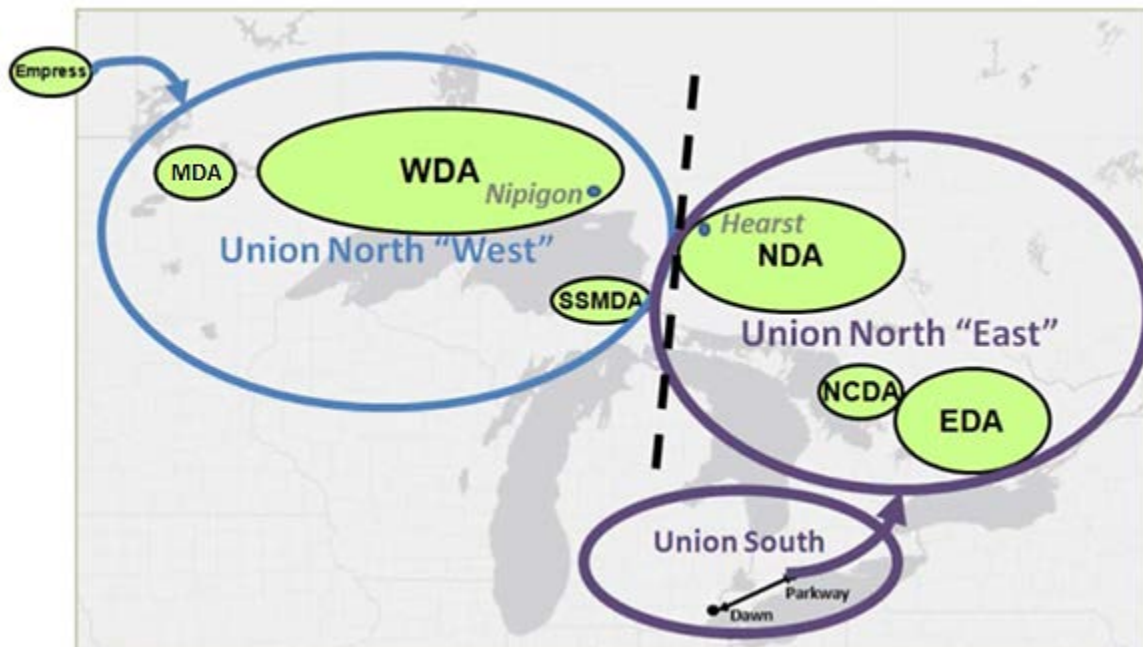
- Manitoba Delivery Area (“MDA”)
- Western Delivery Area (“WDA”)
- Sault Ste. Marie Delivery Area (“SSMDA”)

North East Zone:

- North Delivery Area (“NDA”)
- North Central Delivery Area (“NCDA”)
- East Delivery Area (“EDA”)

A map of the Union delivery areas is provided in Figure 2.

Figure 2



Union provides distribution services to all customers, however customers continue to have the option to either purchase their supply from the utility or arrange supply through a DP arrangement. Union in-franchise customers fall into four distinct categories:

- Sales Service: Union acquires supply and transportation capacity for these customers in Union South and Union North. These customers are included in the GSP;
- Bundled DP: These customers acquire their own supply. In Union North, Union holds transportation capacity on behalf of bundled DP customers. In Union South, subsequent to the suspension of the vertical slice, bundled DP customers acquire their own transportation. These customers are included in the GSP;
- Unbundled DP: These customers acquire their own supply and transportation from an energy marketer and are not considered within the GSP. This service is available to small residential, commercial and industrial customers in Union South; and,
- Transportation service ("T-Service") DP: These customers acquire their own supply and transportation and are not considered within the GSP. This service is available to large contract commercial and industrial customers.

Union performs the role of system operator and supplier of last resort. As system operator, Union manages many operational factors. These include:

- Seasonal balancing requirements for sales service customers;
- Weather variances outside of checkpoint balancing for bundled DP customers;
- Changes in supply and balancing requirements as customers move between sales service and DP;
- Differences between daily receipts from TransCanada and the demands of all end users including transportation service customers in the Union North; and,
- Unaccounted for gas and compressor fuel variances.

As supplier of last resort, Union is the default supplier to its in-franchise customers. As supplier of last resort must ensure it has the assets or can acquire the assets to serve customers that others choose not to serve or fail to serve (e.g. for reason of financial failure), or any customer who chooses to be a sales service customer and have Union provide gas supply services. DP customers can revert back to sales service on short notice.

2. MARKET CONTEXT

2.1 Emerging Supply Sources

North American natural gas markets have and are expected to continue to experience dramatic change. Production from mature North American natural gas basins is in decline while production from shale gas formations continues to exceed expectations. While natural gas reserves still exist in mature natural gas basins, the economics of natural gas production and transportation generally favour shale gas and tight gas formations which are closer to the consuming markets. As a result, the flow of natural gas on the Canadian and U.S. pipeline grid is changing as shippers shift from long haul to short haul transportation.

The Appalachian region of the U.S. Northeast, as shown in Figure 3, is home to the Utica and Marcellus shale formations in Ohio, Pennsylvania, and West Virginia which have emerged as the single largest and fastest growing producing region of natural gas in North America. Since January 2012, natural gas production in the Appalachian region has accounted for 85% of the increase in natural gas production as reported in the United States Energy Information Administration, Drilling Productivity Report, July 2015, and has driven recent growth in total U.S. natural gas production. This region is expected to continue to grow and could produce nearly 40 PJ/d by 2035.

Figure 3



The development of abundant and competitively priced natural gas in the Appalachian region offers gas supply in relatively close proximity to Ontario. At the same time, the maturation of traditional supply sources from western Canada as well as the competing demands for the emerging unconventional natural gas resources in Alberta and British Columbia is creating

supply risk for eastern Canadian consumers that currently rely on TransCanada Mainline pipeline capacity from Empress. These changes are shifting the economics of natural gas supply for Ontario consumers, and for consumers that rely on Ontario pipeline capacity. Natural gas prices at Appalachian supply centres are expected to continue to decline relative to prices in the Gulf Coast and other North American supply centres, creating economic incentives to develop the infrastructure needed to access this source of supply.

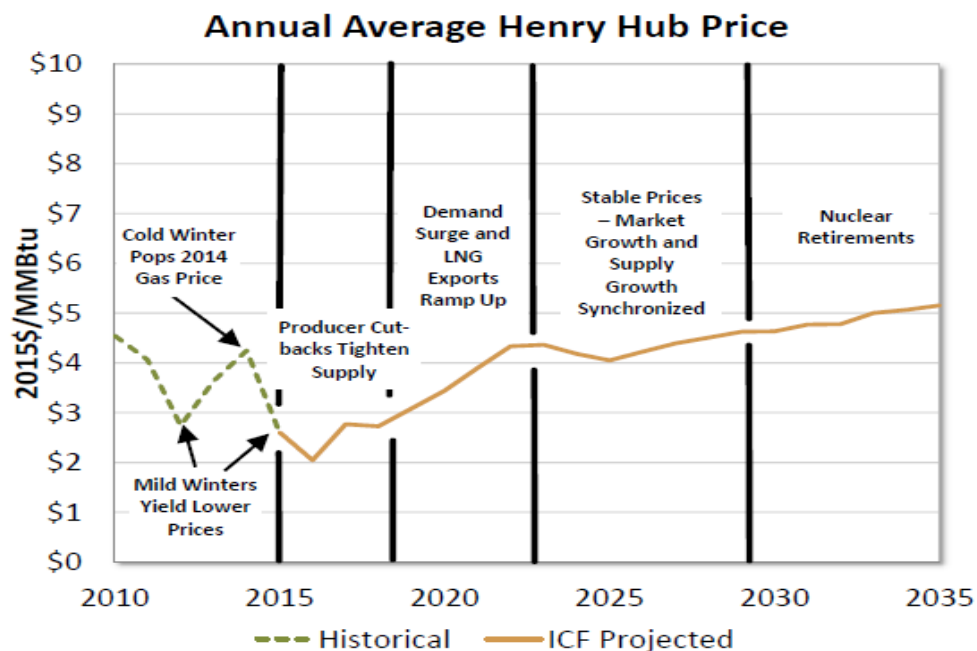
Natural gas utilities frequently look to diversify their natural gas supply portfolio and seek secure, reliable and reasonably priced natural gas. The shift in portfolios by eastern Local Distribution Companies (“LDCs”) reflects the changes in the North American natural gas supply and transportation markets. Market participants (including the Eastern LDCs) are re-balancing their portfolio with new supply sources and replacing long-haul transportation contracts from Empress with short-haul transportation contracts from Dawn. For eastern customers that have a choice, these fundamental changes in supply economics will mean that natural gas supply will increasingly be sourced from cost competitive shale gas in closer proximity to the market and less from traditional sources.

Appalachian shale gas presents Ontario consumers, including power, industrial, commercial and residential, with an opportunity to diversify their natural gas supply portfolio. Accessing this new supply will be essential to providing diversity of supply and affordable energy prices to fuel Ontario’s economic competitiveness. With new infrastructure, access to these new, proximate and abundant sources of supply can increase reliability and security for the Ontario natural gas supply portfolio.

2.2 Natural Gas Price Signals

As the emergence of shale production has increased dramatically since 2007, the increase in available supply has put downward pressure on natural gas prices. As shown in Figure 4, the price of natural gas dropped from a high of nearly \$10 USD/mmbtu in 2005 to current levels under \$4 USD/mmbtu.

Figure 4



In the near term through to 2020, prices of natural gas at Henry Hub are expected to stay below \$4 USD/mmbtu. In the long term, between 2020 and 2030, gas prices at Henry Hub are expected to range between \$4 - \$5 USD/mmbtu. The prices are high enough to foster sufficient supply development, but not so high to reduce demand growth. Long-term demand growth will be shaped by future environmental policies and their impact on power sector demand growth. The projections in Figure 4 were provided by ICF International in July 2016.

Natural gas supply costs are an important consideration in the GSP and when Union considers new supply basins. However, Union must balance the benefits of all the attributes of the guiding principles and the requirement to ensure customers receive secure, reliable, diverse supplies of natural gas at a prudently incurred cost.

To ensure that gas supplies are acquired at a prudently incurred and reasonable cost, Union follows specific gas procurement policies and procedures, as accepted by the Ontario Energy Board (the “Board”)¹, to govern commodity purchases including a Request for Proposal (“RFP”) process. Union’s gas commodity purchases are influenced by the characteristics and traits of the specific supply points or basins where Union purchases supplies. Each of these points has different liquidity and supply characteristics. Certain points have a large number of active parties and volume trading activity and others do not. Having many suppliers at a specific point, along with other buyers, creates an environment of higher liquidity, reliability and more efficient gas purchases.

Transportation/Pipeline Changes

As supply and transportation market options change, so does Union’s gas supply mix and how gas is transported to Ontario. Unchanged, however, is Union’s application of the gas supply planning principles and the requirement to ensure customers receive secure, reliable, diverse supplies of natural gas at a prudently incurred cost. When Union considers a new supply basin, new upstream transportation capacity or existing transportation capacity up for renewal, alternatives are considered. A landed-cost analysis is completed and filed when a new transportation path is contracted for, in accordance with the Board-approved 2007 Cost of Service (EB-2005-0520) Settlement Agreement. The analysis for new transportation paths included in Union’s 2016/17 GSP will be filed as part of Union’s 2016 Disposition of Non-Commodity Deferral Account Balances and Earnings Sharing Amount evidence in the spring of 2017.

Natural gas utilities, through their planning process, look to diversify their natural gas supply portfolio and seek secure, reliable and reasonably priced natural gas. As outlined in Section 2.1, North American natural gas markets are undergoing a dramatic change in supply dynamics resulting in Eastern LDCs shifting their supply portfolios to reflect the changes in the North American natural gas supply and transportation markets. Market participants are re-balancing with new supply sources and replacing long-haul transportation contracts with short-haul transportation contracts.

Union has made considerable changes in its transportation portfolio since 2010 to react to these changing supply dynamics. For example:

¹ EB-2011-0210, Exhibit D1, Tab 1, Appendix A.

- 1) Union committed to a long term short-haul transportation contract from Niagara to Kirkwall for 21,101 GJ/d to gain access to new emerging Marcellus supplies starting November 1, 2012;
- 2) In Late 2010, Union provided notice to Alliance Pipelines to terminate the transportation agreement that supplied Western Canadian Sedimentary Basin (“WCSB”) supplies to Union South, to reduce reliance on declining WCSB supplies effective November 30, 2015;
- 3) Since 2012, Union made numerous elections on TransCanada to convert long-haul contracts from Empress to short-haul contracts from Parkway to enhance diversity and security of supply through access to Dawn for Union North East. These contract changes will become effective starting in 2016;
- 4) Union will increase supply diversity and security of supply through a transportation contract with the NEXUS pipeline effective November 1, 2017. The NEXUS Transmission Project is designed to transport supplies of Appalachian shale gas production to the Dawn Hub. This will create a direct connection from the single largest and fastest growing natural gas supply basin in North America to Ontario; and,
- 5) In anticipation of sourcing supply from the Appalachian shale through the NEXUS contract, Union contracted for a market based transportation service between Dominion South Point (Marcellus) and Dawn for 20,000 Dth/d for one year effective November 1, 2015. This contract will allow Union to develop relationships with potential NEXUS suppliers and gain experience purchasing Appalachian supply.

3. GAS SUPPLY PLANNING OBJECTIVES AND PRINCIPLES

The GSP defines the gas supply requirements and the necessary upstream transportation capacity and assets to meet customers’ annual, seasonal and design day gas delivery. Union’s gas supply portfolio is guided by a set of principles that are designed to ensure customers receive secure, diverse gas supply at a prudently incurred cost.

The principles are as follows:

- Ensure secure and reliable gas supply to Union’s service territory;
- Minimize risk by diversifying contract terms, supply basins and upstream pipelines;
- Encourage new sources of supply as well as new infrastructure to Union’s service territory;
- Meet planned peak day and seasonal gas delivery requirements; and,
- Deliver gas to various receipt points on Union’s system to maintain system integrity.

These principles have been presented to and accepted by the Board² on a number of occasions. Most recently these principles were presented to the Board as part of the Gas Supply Planning Consultation³.

A description of each guiding principle is provided below.

² 2012 Deferrals Disposition (EB-2013-0109), Decision and Order, p. 8

³ Distributor Gas Supply Consultation (EB-2015-0238)

3.1 Ensure secure and reliable gas supply to Union's service territory

Union has an obligation to ensure its firm sales service and bundled DP customers have access to secure and reliable gas supply sources. Union's obligation is to provide gas supply and transportation capacity for sales service customers and transportation capacity for bundled DP customers. Union also provides a load balancing function for all sales service and bundled DP customers to manage the seasonal differences between supply and demand. To meet this obligation Union uses a combination of firm upstream transportation contracts, Dawn sourced supply and storage capacity. Union ensures adequate firm capacity is available on a sustained basis to meet firm design day and annual demands through transportation capacity contractual rights. This includes a combination of long-term transportation contracts with third parties, transportation contracts with guaranteed renewal rights, as well as dedicated Union storage, transmission and distribution assets.

3.2 Minimize risk by diversifying contract terms, supply basins and upstream pipelines

Union's current upstream transportation portfolio and related supply are diversified with respect to supply basin access, gas supply producers and marketers, contract term and transportation service provider. Union's approach to diversifying the portfolio of firm assets is analogous to a prudent investment portfolio where diversity of funds, risk and term are critical to a successful portfolio.

In Union South and Union North East, Union utilizes capacity on multiple upstream pipelines to access several supply basins or market hubs. These pipelines provide access to supplies in Western Canada, Gulf of Mexico, Chicago, the U.S. mid-continent and Appalachia through Niagara. The GSP also includes Dawn purchases as part of the supply portfolio. Union purchases gas from suppliers under a North American Energy Standards Board ("NAESB") contract. Union has NAESB contracts with approximately 105 suppliers. The portfolio of suppliers and upstream transportation contracts provides diversity and reduces the exposure to price volatility for Union South and Union North East customers. It also provides Union the flexibility to manage to its seasonal inventory targets.

Union also manages risk to customers by diversifying the length of the contract terms to provide flexibility in managing the upstream transportation portfolio with existing contract terms ranging from 1 to 16 years. For details on Union's contracts see Appendix C and D.

For gas supply purchases, the sales service supply portfolio consists of multi-year, annual, seasonal, monthly, and in rare cases, daily purchases.

3.3 Encourage new sources of supply as well as new infrastructure to Union's service territory

Union continues to seek new sources of cost-effective supplies to serve its customer base either through accessing new supply sources with existing infrastructure or participating in longer-term projects to encourage the development of new infrastructure to and through Ontario. The development of new supply sources and the related infrastructure often require long-term commitments. In the Board's Union and Enbridge Long-Term Contracts proceeding (EB-2010-0300 / EB-2010-0333) Decision, the Board recognized the role that regulated utilities play in supporting new infrastructure development:

“The Board recognized that the enrolment of regulated utilities for such long term arrangements would be a necessary and desirable element in new infrastructure development...”(p.7)

In addition, Union supports the infrastructure required to allow new supply sources to flow to Union North West and Union North East. In order for Ontario natural gas customers to access new emerging supply, new infrastructure at Parkway and between Parkway and Maple on the TransCanada Mainline is required. The required infrastructure on Union and Enbridge systems has been approved by the Board⁴. In its Decision, the Board stated:

“The project is part of a group of projects, including Enbridge’s GTA Segment A pipeline and TransCanada’s proposed King’s North pipeline that will facilitate greater flows of mid-continent natural gas into Dawn for transportation to downstream markets. The projected benefits of these projects stem from an enhanced diversity of supply, gas costs savings, and enhanced liquidity at Dawn.”(p.22)

This infrastructure will provide additional diversity to Union North starting in 2016 based on the best available expectation of when the TransCanada facilities will go into service. In addition, Union has committed to the NEXUS Transmission Project to provide support for significant infrastructure to bring new supplies and suppliers to Dawn to enhance the liquidity of the Dawn Hub.

3.4 Meet planned peak day and seasonal gas delivery requirements

Inherent in the obligation to meet sales service and bundled DP customers’ gas supply needs is the requirement to construct a gas supply portfolio that will meet:

- Design day requirements – to provide service to sales service and bundled DP customers on the day of highest anticipated design day demand in each delivery area; and,
- Seasonal/annual requirements – to be able to meet the annual requirements of the markets while balancing the summer / winter load changes.

A further description of how Union meets these requirements is provided in Section 5.

3.5 Deliver gas to various receipt points on Union’s system to maintain system integrity

The Union South transportation portfolio has delivery points at Dawn, Parkway, Kirkwall, St. Clair and Ojibway. In addition to the physical connections Union has with adjoining pipelines, abundant storage, and robust Dawn Parkway System design, it is also Union’s practice to contractually receive gas at multiple delivery points. This practice provides two benefits.

First, it maintains system integrity as Union is not reliant on one receipt point for all of its gas supplies. A system interruption or upset at one receipt point would not cause a complete supply failure to Union’s system.

Second, delivery to multiple receipt points allows Union to minimize its pipeline facilities in the area. For example, the delivery of gas at Ojibway enables the Panhandle transmission system to be smaller than would otherwise be necessary to meet design day requirements. In this case, if Union receives gas at Ojibway, Union does not have to ship the equivalent volume

⁴ Parkway West Project (EB-2012-0433 / EB-2013-0074 / EB-2012-0451)

from Dawn to Ojibway. The effectiveness of delivered supply to minimize pipeline facilities will depend on system hydraulics.

Union needs to balance the value of contracting and relying on third party providers and the continued cost and reasonableness of doing so when compared to physical alternatives. For example, Union has reduced the reliance it had on upstream supplies serving the Sarnia area and replaced that reliance with the Sarnia Expansion Project in early 2015⁵.

In response to customers' requests, Union is in the process of moving the Parkway Obligation for DP customers to Dawn⁶. Union is also reducing the reliance on deliveries at the east end of its system on behalf of sales service customers due to the higher relative cost of TransCanada long-haul deliveries into the Union Central Delivery Area ("CDA").

This trend is supported by the increased security and reliability resulting from the expansion of the Dawn Parkway System, including Loss of Critical Unit protection across the entire Dawn Parkway System.

4. GAS SUPPLY PLANNING PROCESS

Union's GSP is a five-year rolling plan that is prepared annually, with the primary focus being the first two years. The annual gas supply planning process is summarized in Appendix A. The GSP is finalized and receives executive approval in the third quarter each year.

The GSP identifies the efficient combination of upstream transportation, supply purchases, and storage assets required to serve sales service and bundled DP customers' annual, seasonal and design day gas delivery requirements, while adhering to the planning principles described earlier. The upstream transportation contracts in the GSP, along with storage assets, are managed by Union to provide an integrated service to all sales service and bundled DP customers. The costs for both the supply and the transportation services identified in the GSP are recovered through commodity, transportation and storage charges.

Union's gas supply planning is a complex process that incorporates demand related items such as customer growth, normalized weather, design day requirements, customer consumption patterns and economic outlooks. Demands are analyzed relative to Union's existing system design and gas supply portfolio (supply and transportation). The firm needs of these customers are analyzed to ensure the appropriate level of firm transportation and storage assets are held to meet annual, seasonal and design day demand. The GSP is appropriately sized and there are no assets in the GSP in excess of those necessary to meet firm customer requirements.

To complete the Plan, Union uses gas supply planning software known as SENDOUT. SENDOUT, is a widely recognized gas supply planning tool and is used by a number of LDCs in North America. Union has used this software for 29 years and the results have been presented in a number of rate applications since 1987.

Union uses SENDOUT to ensure that the assets incorporated in the GSP meet annual, seasonal, and design day demands. SENDOUT determines the amount of capacity, supply and associated costs required to meet customer demands. Union's five-year GSP includes the following key inputs and assumptions:

- The design day demand forecast for each Union North delivery area;

⁵ Sarnia Expansion Pipeline Project (EB-2014-0333)

⁶ 2014 Rates (EB-2013-0365)

- Union's in-franchise monthly demand forecast based upon customer location, supply arrangement, storage requirement and service type (excludes Transportation Service and Unbundled service);
- A monthly commodity price forecast using the same pricing methodology as the Quarterly Rate Adjustment Mechanism ("QRAM") process;
- Upstream transportation tolls in effect at the time the forecast was prepared;
- All upstream transportation contracts held by Union plus existing obligated Ontario deliveries for the bundled DP market;
- Sales service and bundled DP storage requirements that are cycled completely each year in the GSP with storage full on November 1 and empty by March 31 assuming normal weather;
- Applicable heating value;
- Sufficient inventory at February 28 to meet the design day requirements for sales service and bundled DP customers;
- No migration between sales service and bundled DP customers for the term of the GSP. Any migration is therefore a risk that needs to be managed by Union; and,
- 9.5 PJ of system integrity space. This storage space is used in a number of ways to maintain the operational integrity of Union's integrated storage, transmission and distribution systems. The GSP has 6.0 PJ of this space filled with system integrity supply while the remaining 3.5 PJ is left empty as contingency space.

The outcome of the annual planning process is a five-year plan that provides a monthly volumetric forecast of supplies (by transportation path) and demands and a forecast of Union's costs to serve its sales service and bundled DP customers.

5. UNION'S 2016/17 GAS SUPPLY PLAN

The GSP defines the gas supply requirements and the necessary upstream transportation capacity and assets needed to meet customers' annual, seasonal and design day demands. The key inputs and outputs, as well as the changes, are described in more detail below.

5.1 Design Day Demand

Union ensures assets are available to provide firm service to customers on an extreme cold weather day called a design day. A design day is measured in heating degree days ("HDD"). A HDD is a measure of temperature that identifies the need for heating and occurs when the average daily temperature falls below 18 degrees Celsius. An average daily temperature of zero degrees Celsius equals 18 HDD. The main information required to develop the GSP to serve design day demand includes weather, firm customer demand, forecast demand growth and required assets.

Weather

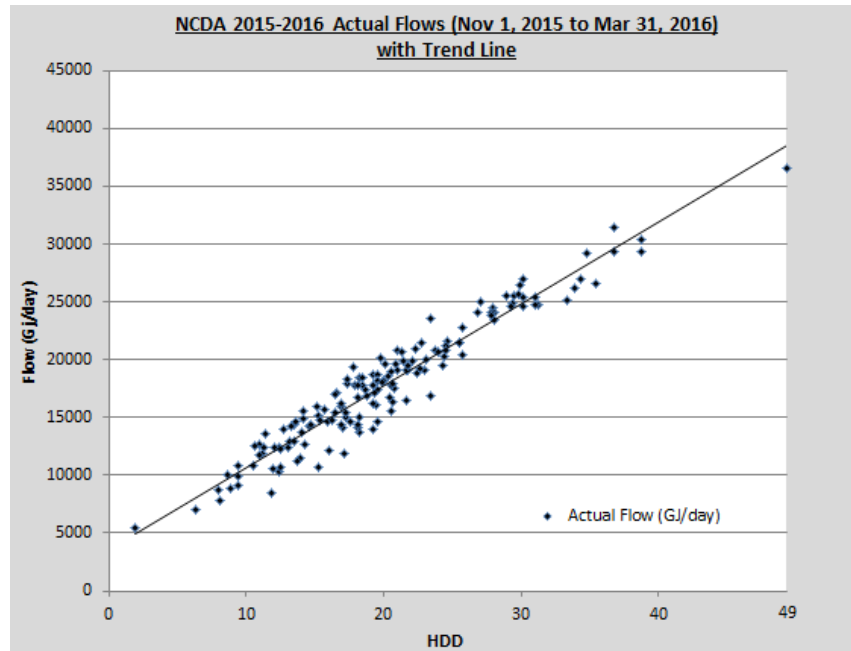
Union uses the coldest historically observed degree day for Union South and each of the six delivery areas in Union North.

Firm Customer Demand

The firm customer design day demand is forecast by multiplying the firm use per degree day factor with the coldest observed degree day.

Union develops a trend line using the daily firm customer consumption from the prior winter and the associated daily degree day data. Union extrapolates the calculated trend line to the coldest observed degree day resulting in the estimated design day demand for each delivery area. An illustrative example of the degree day data and the trend line calculation for the NCDA is provided in Figure 5.

Figure 5



Forecast Demand Growth

The design day demand described above is adjusted by the winter season growth factor reflected in the demand forecast. This forward looking forecast growth factor is added to the firm customer demand noted above, to provide a total forecasted design day demand for each delivery area. The forecast growth factor includes customer growth and changes in average consumption. For winter 2016/2017, the growth factor for Union North is a decrease of 0.27%.

Required Assets

The design day requirements are met by holding storage and transportation capacity. Design day weather does not occur every year, however, the assets must be available should that design day occur given Union's role as the system operator and supplier of last resort for sales service and bundled DP customers.

In order to meet these design day requirements for Union South and Union North, Union uses a combination of contracted upstream transportation capacity, and Union's storage, transmission, and distribution assets. The use of storage assets is more cost effective than contracting for, full all year, firm upstream transportation capacity. Since Union's storage and transmission assets reside within the Union South franchise area, the role of the gas supply portfolio is different on a design day in Union South than in Union North.

The differing methodologies are described below. These methodologies are consistent with what was reviewed in Union's Gas Supply Planning Review prepared by Sussex Economic Advisors (the "Sussex report")⁷.

For March 31, Union assumes that the storage levels will be 0 plus 6 PJ of integrity gas remaining for Union North and Union South combined. Average winter demands are met through a combination of gas flowing on upstream transportation and storage withdrawals.

5.1.1 Union South Design Day

Union South design day demand is the total firm requirement of the in-franchise sales service, bundled, unbundled and transportation service customers.

The design day weather condition for Union South is based on the coldest observed degree day experienced which is 43.1 measured at the London, Ontario airport.

For Union South, the GSP is focused on purchasing upstream supply and transportation to meet Union's annual demand requirements. The annual volume requirement is divided by 365 days such that the upstream pipe flows at 100% utilization each day of the year. During times when usage is less than the upstream supply, the excess supply is injected into storage at Dawn. When demands are greater than the upstream supply, gas is withdrawn from storage and transported to Union South in-franchise customers.

The role of meeting the entire design day needs for Union South resides within the Storage and Transmission System Plans. The GSP is only a component of this broader exercise and only manages the average day supply needs for Union South sales customers. To meet the design day requirements of the Union South in-franchise customers, Union must have a sufficient volume of gas in storage for the seasonal and design day demand requirements (Storage Plan) and sufficient transportation assets to move the upstream supply and gas out of storage into the transmission pipeline systems and to markets (Transmission System Plan). The Transmission System Plan requires Union to have enough transmission assets to move the design day demand from the systems supply points to its customers on design day. If the transmission or storage assets are not sufficient to meet design day and seasonal requirements, Union will build additional assets or purchase services to meet this shortfall. Union's distribution systems are also designed to meet design day requirements.

Although the design degree day of 43.1 has not changed in Union South, the customers' demands on a design day have increased. The design day requirements in Union South have increased from 2,900 TJ/d to 2,921 TJ/d. The resources available to meet Union's design day in Union South are shown in Figure 6.

⁷ EB-2013-0109, Exhibit C, Tab 2 and Tab 3

Figure 6

Union South Design Day Demand (TJ/Day)

Demand	
Union South*	2,921
Supply	
Storage at Dawn	1,539
Non-obligated (e.g. Power Plants)	212
TCPL Empress to Union CDA	11
Trunkline	21
Panhandle	39
Ojibway	21
TCPL Niagara	21
Ontario Parkway	286
Vector	170
MichCon	63
Ontario Dawn	482
Customer Supplied Fuel	56
Total Supply	2,921

* includes Sales Service, Bundled Direct Purchase, T-service, Unbundled

5.1.2 Union North Design Day

Union North design day demand is the total firm requirement of the in-franchise sales service and bundled DP customers in each of Union's six Northern delivery areas. Union does not include demand for customers with transportation service contracts as these customers are required to provide their own transportation services on TransCanada to meet their design day requirements.

The design day weather condition is based on the coldest observed degree day experienced in each of the six delivery areas. The design degree day for each Union North area is as follows:

WDA	56.1	Thunder Bay
MDA	54.7	Fort Frances
SSMDA	48.2	Sault Ste Marie
NCDA	49.3	Muskoka / Gravenhurst
NDA	51.9	Sudbury
EDA	47.1	Kingston

For Union North, the firm design day demand is a direct input into the GSP. Union is required to purchase transportation services to move the firm design day demand from either Parkway, Dawn or Empress to the delivery areas where the gas is consumed.

Union's Northern delivery areas are connected to TransCanada's Mainline and are physically separated from Union's Dawn storage and transmission pipeline assets. Therefore, Union requires firm transportation services to connect each of the six Northern delivery areas to a supply source. From Dawn Storage, additional firm transportation services are required to move gas from Parkway to the Northern delivery areas.

Gas supply flows via TransCanada long-haul and short-haul firm transportation to meet Union North seasonal and annual average weather normalized demand requirements. As in

Union South, the target is to fill Union North in-franchise storage at November 14 and provide sufficient inventory at February 28 to meet the design day withdrawal requirement.

The Union North gas supply portfolio also ensures there is sufficient, but not excess, firm transportation services available to meet the firm design day demand requirements in each delivery area. The full suite of assets is only used in each delivery area when a design day occurs. Since Union is required to contract for transportation services to meet design day demand, there are days when the pipe is not fully utilized. Union uses a portfolio of firm services and assets including TransCanada Firm Transportation (“FT”), TransCanada firm Storage Transportation Service (“STS”) and other firm TransCanada services to meet its design day demand requirement.

Figure 7 illustrates what services and assets are relied on in the GSP to meet design day demand.

Figure 7

Union North Design Day Demand (TJ/Day)

	<u>MDA</u>	<u>WDA</u>	<u>SSMDA</u>	<u>NDA</u>	<u>NCDA</u>	<u>EDA</u>	<u>Total</u>
Demand							
Bundled Firm Contract and General Service	6	82	40	147	39	165	478
T-Service Storage Redelivery	-	-	0	13	-	-	13
North Dawn T-Service	-	-	-	17	1	9	27
Peak Day Demand for the Region	6	82	40	176	40	174	518
Supply							
Long-haul from Empress							
Union	5	45	18	6	6	1	81
Direct Purchase	0	6	3	1	3	-	14
Short-haul from Parkway							
Union	-	-	-	35	-	42	76
Direct Purchase	-	-	-	8	-	16	24
North T-Service	-	-	-	17	1	9	27
Redelivery from Storage							
<i>From Parkway</i>							
STS Withdrawals	-	-	-	-	-	-	-
STS Pooled Withdrawals	-	31	-	42	14	26	113
Enhanced Market Balancing	-	-	-	-	16	-	16
Shorthaul	-	-	-	-	-	25	25
<i>From Dawn</i>							
STS Withdrawals	-	-	19	-	-	-	19
Peak Day Supply to the Region	6	82	40	176	40	172	515
Excess(Shortfall) by delivery area	(0)	-	-	-	-	(2)	(3)

The GSP has identified an additional 3 TJ/d requirement in Union North to meet design day requirements. The shortfall identified is largely due to forecasted growth in the EDA.

Union is currently securing transportation capacity to meet this additional requirement.

5.2 Demand Forecast

The GSP for 2016/17 is based upon the 2017-19 weather normalized demand forecast for general service customers and contract rate classes as prepared by Union’s demand forecasting team.

A comparison of the annual demand forecast included in the 2016/17 GSP relative to the 2015/16 GSP is provided in Figure 8.

Figure 8

<u>Union Demand Forecast</u>					
Line No.	Particulars (TJ)	2015/16 Gas Supply Plan (a)	2016/17 Gas Supply Plan (b)	Variance (c) = (b-a)	% change (d) = (c/a)
<u>UNION SOUTH</u>					
1	General Service - Sales Service	128,466	130,396	1,931	
2	General Service - BT	10,644	11,540	896	
3	General Service - Unbundled	1,741	934	(807)	
4	General Service - ABC	23,226	22,027	(1,199)	
5	Sub-Total	164,076	164,897	821	0.5%
6	Contract - Sales Service	2,614	2,371	(242)	
7	Contract - BT & ABC	47,163	43,054	(4,108)	
8	Sub-Total	49,777	45,426	(4,351)	-8.7%
9	Total Union South (line 5 + line 8)	213,853	210,323	(3,530)	-1.7%
<u>UNION NORTH</u>					
10	General Service - Sales Service	40,907	40,597	(310)	
11	General Service - BT	3,851	3,906	55	
12	General Service - ABC	6,986	6,423	(563)	
13	Sub-Total	51,744	50,926	(818)	-1.6%
14	Contract - Sales Service	3,506	3,672	166	
15	Contract - BT	3,318	3,526	208	
16	Sub-Total	6,824	7,199	374	5.5%
17	Total Union North (line 13 + line 16)	58,568	58,125	(444)	-0.8%
18	Total Union Forecast Demand (line 9 + line 17)	272,421	268,448	(3,974)	-1.5%

The annual general service forecast has increased by 821 TJ in Union South due to customer growth which has been partially offset by consumption savings.

The annual general service forecast has decreased by 818 TJ in Union North due to consumption savings more than offsetting customer growth.

The total annual contract market has decreased by 4,351 TJ in Union South and increased by 375 TJ in Union North. The decrease in Union South is primarily a result of a reduction in forecasted growth.

As shown on line 1 in Figure 8, annual sales service demands for the general service market have increased by 1,931 TJ in Union South. This is driven by customer growth of 14,000 and

an additional 17,000 bundled DP customers that returned to sales service. A comparison of the number of sales service and DP customers in the 2016/17 GSP relative to the 2015/16 GSP is provided in Figure 9.

Figure 9

Number of Customers by Service classification - Union South

	2015/16 Forecast	2016/17 Forecast	Variance
Sales Service	993,495	1,023,721	30,226
Bundled DP	87,160	78,453	(8,707)
Unbundled DP	16,615	8,577	(8,038)
Total	1,097,270	1,110,751	13,481

For Union South, the increase in demand due to return to sales service, requires Union to purchase additional supply and transportation capacity to meet the increased demand for sales service supply.

For Union North, Union is required to purchase the additional supply for the increased demand due to return to sales service. However, since Union plans for upstream pipeline transportation capacity for both sales service and bundled DP customers there is no impact to Union's contracted transportation capacity in Union North.

The incremental supply requirement is reflected in Union's 2016/17 GSP.

The gas supply/demand balance for sales service customers for the 2016/17 GSP is provided at Appendix B.

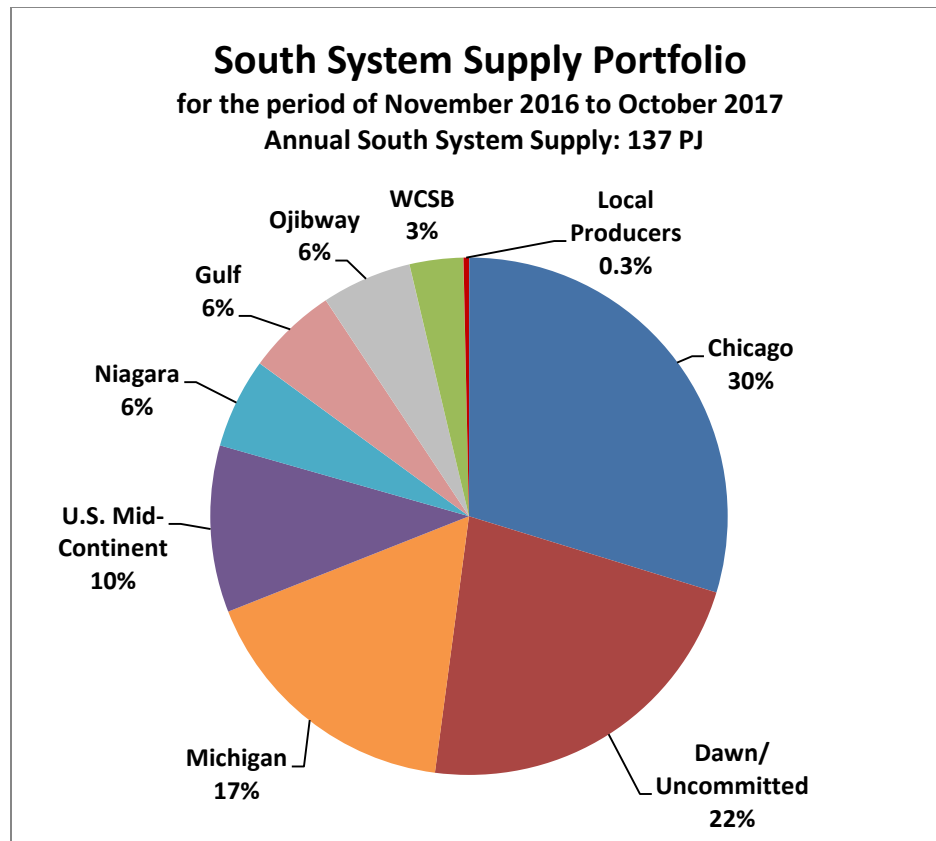
5.3 Transportation Portfolio

Union holds a combination of firm transportation contracts, Dawn sourced supply and storage capacity to meet the forecasted annual demand. Firm transportation services provide direct and secure access to a diverse group of supply basins and market hubs in North America.

Union South

For Union South, Union holds firm transportation contracts and sources supply at Dawn to meet average annual demand requirements. Union utilizes capacity on multiple upstream pipelines to access several supply basins or market hubs. These pipelines provide access to supplies in Western Canada, Gulf of Mexico, Chicago, the U.S. mid-continent and Appalachia. The GSP also includes Dawn purchases as part of the Union South supply portfolio. Figure 10 demonstrates the sources of supply underpinned by Union's transportation portfolio for Union South sales service customers.

Figure 10



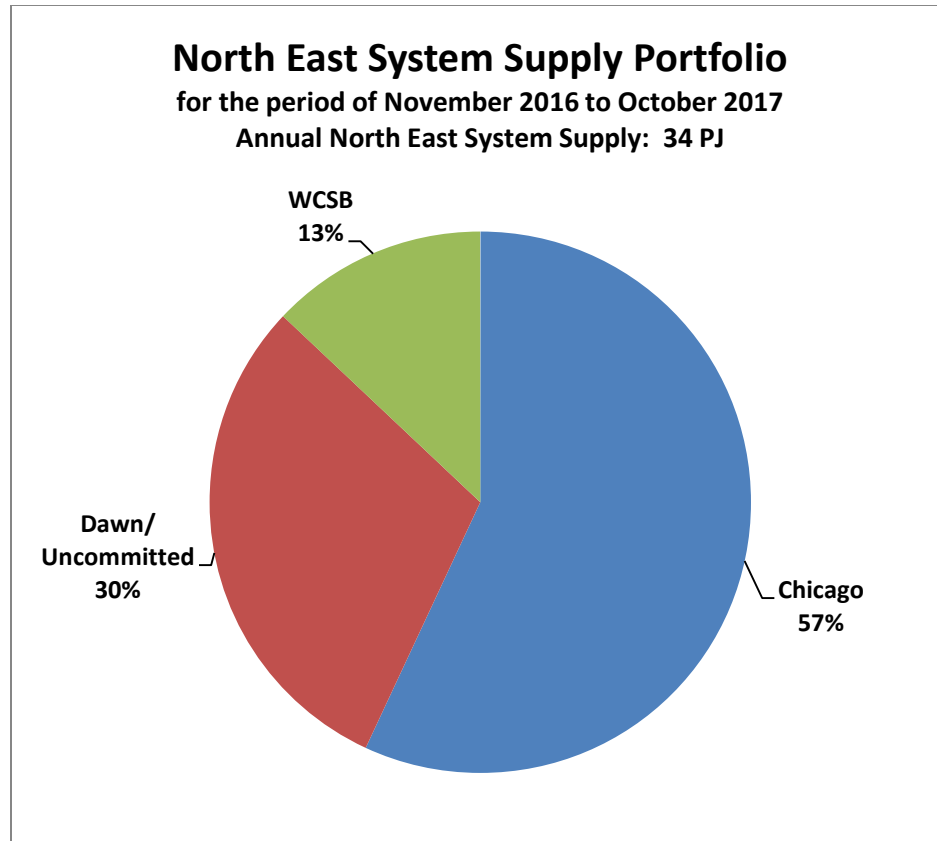
Union North

In Union North, Union's plan uses various transportation services to meet sales service and bundled DP customer annual and design day demands. The transportation capacity necessary to meet design day demands on a firm basis exceeds that required to meet the annual demand requirements.

In order to meet the average annual demand requirements for Union North East sales service customers, Union utilizes capacity on multiple upstream pipelines to access several supply basins or market hubs. These pipelines provide access to supplies in Western Canada and Chicago. The GSP also includes Dawn purchases as part of the Union North East supply portfolio.

Figure 11 demonstrates the sources of supply underpinned by Union's transportation portfolio for Union North East sales service customers.

Figure 11



In order to meet the average annual demand requirements for Union North West sales service customers, Union utilizes capacity on the TCPL Mainline only, providing access to supplies in Western Canada.

The GSP reflects the effective management of TransCanada capacity by:

- Using TransCanada STS injections, which allow Union to transport excess supply away from Union North to Parkway to be injected into Dawn storage in the summer;
- Using TransCanada STS withdrawals in the winter months to serve weather-driven demands. Gas is withdrawn from Dawn storage throughout the winter and is transported back to Union North via STS withdrawals without the need for contracting additional TransCanada FT capacity to that delivery area; and,
- Using contractual STS pooling rights to group all of Union's STS rights serving the various Union North delivery areas. This provides Union with the flexibility to serve certain delivery areas in Union North with gas service in excess of that delivery area's specific STS rights.

5.4 Unabsorbed Demand Charges ("UDC")

In Union North, the upstream transportation capacity (long-haul, short-haul and STS) is first sized to meet the design day demand requirement. The long-haul capacity is also used to deliver, on each day, the average annual volume to each delivery area. The amount of supply transported on the upstream long-haul capacity needed to meet average annual demand

requirements is less than the capacity to meet design day requirements, and therefore, a portion of Union's contract capacity is planned to be unutilized during the year. The difference between total contracted capacity and total demand for both Union North sales service and bundled DP customers results in unutilized capacity. Subject to finalizing and contracting the transportation capacity required to meet the design day shortfall, the total forecast UDC is 15.6 PJ in the 2016/2017 GSP. If weather is colder than normal and annual consumption is greater, and if it is economical to do so, Union will use this capacity to meet incremental supply requirements subject to TransCanada's authorization of downstream diversions. Figure 12 shows the total UDC by delivery area.

Figure 12

Unabsorbed Demand Charge (UDC) (PJ)

Delivery Area	Long-haul	Short-haul	Total
North West			
MDA	1.4	-	1.4
WDA	9.3	-	9.3
SSMDA	3.7	-	3.7
North East			
NDA	0.2	0.3	0.5
NCDA	0.2	-	0.2
EDA	0.0	0.4	0.5
	14.9	0.8	15.6

In Union South and Union North East, capacity on multiple different upstream pipelines landing at Dawn is utilized to provide service to meet sales service average and seasonal demands.

The GSP reflects the effective management of these capacities as there is no unutilized transportation capacity forecast for the 2016/2017 gas year as the GSP forecasts a 100% load factor on all upstream transportation landing at Dawn.

5.5 Changes in Upstream Transportation Portfolio

Panhandle Eastern Pipeline

Union recently invoked its renewal rights to extend a 10,000 Dth/d Panhandle Eastern contract for one year as it was due to expire October 31, 2016.

Vector Pipeline

Union extended an 80,000 Dth/d Vector contract to October 31, 2022, and purchased incremental capacity of 20,000 Dth/d for November 1, 2016 through October 31, 2017.

Union secured an additional 26,030 Dth/d of capacity starting November 1, 2016, and 86,030 Dth /d of capacity starting December 1, 2016 through March 31, 2017.

Gas Supply Plan Pipeline Renewal Assumptions

The GSP assumes that all pipeline capacity contracted with renewal rights will continue to be available in the future, unless Union has turn-back or automatic conversion rights (i.e. TransCanada long-haul to short-haul pipeline conversions).

The GSP assumes all capacity Union was awarded in the TransCanada 2015 and 2016 New Capacity Open Seasons (“NCOS”) is in service as of November 1, 2016, including associated turn-back of TransCanada transportation contracts.

The GSP assumes all capacity Union was awarded in TransCanada’s 2017 NCOS and 2018 NCOS is in service as of November 1, 2017 and November 1, 2018, respectively. In order to effect changes for the November 1, 2018 short-haul contracts awarded, the GSP assumes 6,607 GJ/d of Empress to Union NDA capacity is turned back to TransCanada effective October 31, 2018.

Gas Supply Plan Uncommitted Supply Requirements

The GSP identified supply requirements in addition to those currently backstopped by an upstream pipeline contract. This is termed uncommitted supply and it represents an average day supply requirement not otherwise met with upstream transportation capacity. The GSP assumes Dawn delivered supplies to meet any uncommitted supply requirement.

The GSP has identified approximately 38,700 GJ/d of winter 2016/17 uncommitted supply requirements for Union South and 19,100 GJ/d of uncommitted supply requirements for Union North East.

A complete listing of the transportation capacity currently contracted for Union South and Union North for the 2016/17 gas year is provided at Appendix C and D.

5.6 Cost of Gas

The GSP for gas year 2016/2017 received executive approval in the third quarter of 2016. The transportation tolls and gas prices utilized in the development of the GSP are consistent with those used to set the April 2016 QRAM commodity price. Union then established specific prices for each supply location taking into account the various basis differentials and the foreign exchange rate.

As part of Union’s Incentive Rate Mechanism Settlement Agreement⁸, Union stated in Section 4.7.1, that the cost of gas supply, upstream transportation and gas supply balancing would continue to be passed through to customers through the QRAM. Union reflects updated transportation tolls and forecast gas commodity in rates through the QRAM process. Variances in actual gas supply costs and transportation tolls relative to forecasted gas supply costs and transportation tolls reflected in rates are captured in Union’s gas supply deferral accounts. Union includes the prospective disposition of gas supply related deferral accounts in the QRAM process.

5.7 Bundled DP Customer Assumptions

The GSP includes all bundled DP customer demand and the corresponding supply based on their Daily Contract Quantities (“DCQ”). Union is unable to predict customer migration between sales service and bundled DP. Therefore, for the term of the GSP, customers are assumed to remain with the service they elected effective January 2016.

On an ongoing basis throughout the year, Union continues to monitor the migration between bundled DP and sales service supply. As customers return to sales service supply, Union

⁸ 2014-2018 Incentive Regulation (EB-2013-0202)

proactively manages the expected supply requirements by filling any pipe that is returned to Union when the customer returns to sales service supply. In addition, each month, Union purchases incremental supply for demand that is returned without underlying pipe based on forecast activity for the balance of the gas year.

5.8 Storage

Union operates 175 PJ of underground natural gas storage. Consistent with the Natural Gas Electricity Interface Review Decision⁹, the allotment of storage space to in-franchise customers is 100 PJ. For the 2016/17 GSP, the in-franchise space requirement is 93.6 PJ. This leaves 6.4 PJ of excess in-franchise space which is available for S&T short term sales. This is a decrease of 1.4 PJ in the space required for in-franchise needs when compared to the 95 PJ in the 2015/16 GSP. The decrease in in-franchise storage is due primarily to decreased demand for Union's bundled customers.

The in-franchise space of 93.6 PJ is provided to in-franchise customers to meet the storage requirements of sales service, bundled DP, unbundled and T-service customers. The amount available to in-franchise customers is based on the storage allocation methodologies approved by the Board as part of the Natural Gas Storage Allocation Policies Decision¹⁰.

The storage space available to sales service and bundled DP customers in Union South and Union North is determined using the Board-approved aggregate excess methodology.

This methodology calculates the difference between the forecasted winter demand (November 1 through March 31) and the annual average daily demand for a 151 day period. The result is the required storage space allocation.

$$\text{Aggregate Excess} = \text{Forecasted Winter Consumption} - [(151/365) * (\text{Total Annual Consumption})]$$

Union South T-service customers determine which methodology is used to calculate their contracted storage space parameter. The two methodologies available to a Union South T-service customer are: aggregate excess or 15 x obligated DCQ.

5.9 Conclusion

Adhering to the gas supply guiding principles, Union continues to establish a GSP that is right sized to meet firm sales service and bundled customer demands with a diverse, flexible, secure, reliable and cost effective portfolio of firm services and assets. Union's gas supply planning process incorporates demand related items such as customer growth, normalized weather, design day requirements, customer consumption patterns and economic outlooks. Union plans and contracts for services and assets to provide an efficient combination of upstream transportation, supply purchases, and storage assets to serve sales service and bundled DP customers' annual, seasonal and design day gas delivery requirements.

As supply and transportation market options change, so does Union's supply mix and how it is transported to Ontario. Union continues to proactively evaluate new supply and transportation

⁹ Natural Gas Electricity Interface Review ("NGEIR") (EB-2005-0551)

¹⁰ NGEIR Integration (EB-2007-0724/0725)

options for Union North and Union South customers. Unchanged, however, is Union's application of the gas supply planning principles and the requirement to ensure secure, reliable supplies to serve its customers at prudently incurred costs.

6. FUTURE TRENDS THAT MAY IMPACT THE GAS SUPPLY PLAN

Union monitors the North American natural gas industry and identifies how trends may impact Union's future gas supply portfolio. The market context which Union operates is described above and includes the emergence of shale gas, the reduction in available WCSB supplies flowing eastward, and the trend to move from long-haul transportation to short-haul. In addition to these trends, Union also considers recent industry experience particularly that of the extraordinary winter of 2013/14.

6.1 Dawn Parkway System Expansion

Union's Dawn Parkway System is an integral part of the natural gas delivery system for Ontario, Québec and U.S. Northeast residents, businesses and industry. The Dawn Parkway System connects these consuming markets to most of North America's major supply basins, to the largest region of underground natural gas storage in North America and to the liquid Dawn Hub. Demand for transportation on the Dawn Parkway System continues to grow. Customer interest in contracting Dawn Parkway System capacity is driven by:

- the desire to increase access to the liquid market, diverse natural gas supplies and strategic storage facilities at the Dawn Hub;
- the desire to increase access to Appalachian supply through Dawn, Niagara and Chippawa;
- the continuing trend of converting long haul transportation to short haul transportation on TransCanada to supply eastern markets; and,
- the growing demand in Ontario, Québec, the Maritimes and the U.S. Northeast.

Union's Dawn Parkway System has expanded over the years in response to increases in demand for transportation services from Union's in-franchise customers and ex-franchise customers. The expansion of the Dawn Parkway System commencing November 2015, was approved by the Board in January 2014, as part of EB-2012-0433 and EB-2013-0074. Further expansion commencing November 2016, was approved by the Board in April 2015, under docket EB-2014-0261 and the 2017 Dawn-Parkway Expansion Project, under docket EB-2015-0200, was approved by the Board in December 2015.

On behalf of the Union sales service, bundled DP and T-service customers, Union has reserved incremental Dawn Parkway System capacity in the 2015, 2016 and 2017 open seasons; the amount of capacity reserved was approximately 70 TJ/d, 169 TJ/d and 6 TJ/d respectively. These transportation capacities, in combination with the incremental TransCanada capacity from Parkway to Union EDA, Union NDA, and Union NCDA will allow Union North customers to shift supplies previously sourced from the WCSB to Dawn. A summary of the transportation portfolio for Union North for 2014-2017, as contemplated in the current GSP, was filed in the Reference Price Application¹¹.

¹¹ Dawn Reference Price and North T-Service (EB-2015-0181), Tab 1, Section 3

6.2 Dawn Based Reference Price

In the Reference Price application¹², Union proposed changes to rates for Union's sales service and bundled DP customers to better reflect changes in Union's gas supply transportation portfolio. Subject to the completion of TransCanada facilities at November 1, 2016, Union will convert long-haul transportation contracts on TransCanada to short-haul transportation contracts on TransCanada. Union will reduce reliance on supply from the WCSB and increase reliance on supply sourced at Dawn or upstream of Dawn.

In January 2016, the Board approved Union's proposal to change the reference price used to set rates as determined in Union's quarterly rate filing to better reflect where Union will be purchasing gas supply in the future. Customers in Union North West will continue to be served using Empress-sourced supply and the Alberta Border Reference Price will continue to be used to set gas commodity rates. As Union reduces reliance on supply from the WCSB and increases reliance on supply sourced at Dawn or upstream of Dawn, the Dawn Reference Price has become a more appropriate market price indicator of the cost of gas supply for customers in Union South and Union North East. Union is proposing to change the reference price used in the QRAM process to set rates for Union South and Union North East to be based on the Dawn price of gas rather than the current Empress price of gas. The changes to the reference price used to set rates will better reflect the cost of the gas supply purchased to serve Union South and Union North customers and will minimize variances that would otherwise accumulate in gas cost deferral accounts.

Of the 1.3 million Union South sales service customers and Union North sales service and bundled DP customers, approximately 93% of the customers will be served predominately from Dawn in the future.

In addition, the Board approved:

- Changes to Union North transportation, storage and commodity rates to reflect supply portfolio changes and modifications to the applicable rate schedules;
- Changes to the recovery of upstream transportation compressor fuel costs in rates for Union North sales service and bundled DP customers;
- Cost allocation methodology and rate design changes for Union North gas storage and transportation rates; and,
- The establishment of new deferral accounts and closing certain existing ones.

6.3 Access to Dawn for Union North

Union contracts and manages upstream transportation to provide capacity to all Union North sales service and bundled DP customers. The Settlement Agreement between TransCanada and Enbridge Gas Distribution ("Enbridge"), Gaz Métro, and Union results in access to Dawn for shippers downstream of Union's system. Currently, Union North bundled DP customers deliver their supply to Union at Empress and Union uses TransCanada services to deliver the supply to the respective delivery area. As Union converts long-haul transportation contracts from Empress on TransCanada to short-haul transportation contracts from Parkway on TransCanada, Union North bundled DP customers in Union North East will also gain increased access to Dawn.

¹² EB-2015-0181

Union will change the obligated DCQ allocation methodology for Union North bundled DP customers to reflect Union's transportation portfolio for each respective zone. As indicated in EB-2015-0181, Exhibit A, Tab 1, Section 2.4, the three delivery areas in Union North East will be served from both Empress and Dawn. Consequently, Union North bundled DP customers in Union North East will have a portion of their obligated DCQ at the Western receipt point (Empress) and a portion of their obligated DCQ at Dawn. The percentage of the obligated DCQ to be delivered at each receipt point will reflect the percentage of Union's underpinning firm transportation portfolio at Empress and Dawn used to serve Union North East as of each November 1. By November 1, 2017, 85% of the supply for the Union North East will be sourced from Dawn.

The three delivery areas in the Union North West will continue to be served 100% from Empress for the foreseeable future. Consequently, Union North bundled DP customers in the Union North West will have their obligated DCQ remain at the Western receipt point (Empress).

A summary of the DCQ allocation based on Union's transportation portfolio is provided at EB-2015-0181, Exhibit A, Tab 1, p. 21, Table 1.

6.4 2015 Natural Gas Market Review

The 2015 Natural Gas Market Review¹³ was conducted by the Board during the last quarter of 2015 and early 2016. The review provided a broad perspective of the North America natural gas markets and the impacts to Ontario gas markets.

6.5 Distributor Gas Supply Planning Consultation

In October 2015, the Board initiated a consultation on distributor gas supply planning¹⁴. Specifically, the consultation focused on gas supply and transportation planning strategies and the risk/cost trade-offs considered in the GSP. Union and Enbridge each presented an overview of their Gas Supply Planning Process and subsequently, provided a side-by-side comparison document of their gas supply and transportation planning processes. Board staff facilitated a discussion on the comparison document with interested parties in March 2016.

As indicated in the Board's letter dated October 20, 2015, Board Staff prepared a report to the Board on specific matters raised in the consultation, providing recommendations the Board may wish to consider in determining whether any changes to the Board's regulatory framework/policies may be warranted. This report was provided to the Board on August 12, 2016.

Board Staff recommendations for the Board to consider are:

- Increased Accountability: Gas distributors should apply for pre-approval of their gas supply planning framework on a stand-alone basis, separate from other applications.
- Increased Transparency: Distributors should supply a gas supply memoranda annually on a stand-alone basis.

¹³ Natural Gas Market Review (EB-2015-0237)

¹⁴ EB-2015-0238

- Performance Measurement: The new memoranda should include a report card on the performance of the GSP over the previous three years along with a forecast of the forward looking three years.

6.6 Burlington Oakville Pipeline Project and TransCanada Kirkwall to Amended Union CDA Contract

Settlement Agreement

In October 2013, Union along with TransCanada, Enbridge, and Gaz Métro Limited Partnership entered into a Settlement Agreement (the “Settlement Agreement”) that laid the groundwork for Union and TransCanada to address facility, scheduling and operational risks in the area currently defined as the Union CDA. The Union CDA is a TransCanada domestic delivery area located at the eastern end of Union’s Dawn Parkway System. The Union CDA is located entirely within Union South and is comprised of four city gate stations: Bronte, Burlington, Hamilton Gate, and Nanticoke. The Settlement Agreement was a critical step in ensuring Union’s ability to continue to meet the short and long term gas distribution needs of its customers.

In the Settlement Agreement, TransCanada committed to amend its Union CDA Domestic Delivery Area into three distinct delivery areas to allow for better scheduling on the TransCanada System and a reduction in operational risks:

1. Amended Union CDA – Union’s Hamilton Gate #3 Station and Union’s Kirkwall/Dominion Gate Station;
2. Union ECDA – Union’s Burlington Gate Station and Union’s Bronte Gate Station; and,
3. Union Parkway Belt - designating the Parkway-Union meter as a stand-alone delivery point.

Also in the Agreement, Union’s commitments in relation to the Union CDA were twofold:

1. Construct the Burlington Oakville Pipeline to meet the needs of customers in the newly defined Union ECDA:
 - Union received the Board’s approval for construction of the Burlington Oakville Pipeline¹⁵
2. Contract for 135 TJ/d firm transportation capacity from TransCanada from Kirkwall to the Amended Union CDA.

Union bid into TransCanada’s 2016 open season and was awarded 135 TJ/d of renewable firm transport from Kirkwall to the Amended Union CDA.

Burlington Oakville Pipeline Project

Union proposed to meet the growth and address the security of supply needs of the Burlington Oakville System by constructing new pipeline facilities from the Dawn Parkway System to the existing NPS 20 Burlington to Oakville Pipeline at the Bronte Gate Station for November 1, 2016 in-service. The estimated cost of capital is approximately \$119.5 million. The facilities

¹⁵ Burlington Oakville Project (EB-2014-0182)

application for Burlington Oakville Pipeline Project was filed with the Board on December 12, 2014 and approved December 17, 2015.

Kirkwall to Amended Union CDA

Coincident with the in-service date of the Burlington Oakville Pipeline Project, Union will contract with TransCanada to provide service from Kirkwall to Hamilton #3 Gate Station and to the Kirkwall /Dominion Gate Station. Union was awarded this capacity (135 TJ/d) in TransCanada's 2016 open season.

The Kirkwall to Amended Union CDA capacity (135 TJ/d) is required to meet the needs of all customers located in the Amended Union CDA delivery area. This capacity will allow Union to manage its Union South delivery area on an integrated basis. This capacity enables Union to meet the distribution needs of all customers in the area, utilizing Union's Dawn Parkway System.

6.7 Panhandle Reinforcement Project

In the Panhandle Reinforcement Project¹⁶, Union is proposing to increase capacity of Union's Panhandle natural gas transmission system which serves residential and business customers in Windsor-Essex, Chatham-Kent and surrounding areas, including the burgeoning greenhouse market in the Leamington/Kingsville area.

The Panhandle System consists of an existing NPS 16 and NPS 20 pipeline. To construct the Project, Union will remove the existing NPS 16 pipeline and replace it with a new NPS 36 pipeline. This "lift and lay" construction process allows the new pipeline to be installed in the same easement, thus minimizing land and environmental impacts.

The Panhandle System represents the primary pipeline asset to transport natural gas from Dawn, and the Ojibway Valve Site in Windsor, to high pressure distribution pipelines serving residential, commercial and industrial in-franchise markets in Chatham-Kent, Windsor, Lakeshore, Leamington, Kingsville, Essex, Amherstburg, LaSalle, and Tecumseh (the "Market"). Union has served this market for decades using the existing NPS 16 and NPS 20 pipelines with limited pipeline reinforcement.

This project is targeted to be constructed in 2017. The work will bolster an already robust pipeline system that is bringing affordable and abundant natural gas to Ontario consumers — gas which helps businesses cut energy costs and compete with other jurisdictions.

The Panhandle Reinforcement Project ("the Project") involves the construction of approximately 40 km of NPS 36 pipeline extending from Union's Dawn Compressor Station to the Dover Transmission Station. The Project also requires related modifications at other transmission stations.

The Panhandle System is nearing its Design Day capacity. Based on the limited capacity available, the Project is critical to ensuring the continued reliable and secure delivery of natural gas to the market. Union has recognized the urgent need for natural gas infrastructure reinforcement in Southwestern Ontario. In short, if the Project is not constructed, firm demand growth in the market cannot be served.

¹⁶ Panhandle Reinforcement Project (EB-2016-0186)

Union is requesting Section 90 leave to construct approval for the new NPS 36 pipeline as well as Section 36 approvals related to the recovery of the cost consequences of the Project in accordance with the Board-approved Capital Pass-through Mechanism.

6.8 NEXUS Long-Term Contract

Union has entered into an agreement to contract, subject to certain conditions precedent, for long-term transportation capacity for 15 years with the NEXUS Gas Transmission (“NEXUS”) Pipeline commencing November 1, 2017. The total volume of the contract is 150,000 Dth/d (158,258 GJ/d), which qualifies Union as an anchor shipper. Union has received pre-approval of the cost consequences of the NEXUS contract¹⁷.

The NEXUS Pipeline is designed to transport supplies of Appalachian shale gas production, from the single largest and fastest growing supply basin in North America to customers in Ohio, Michigan, and ultimately the Dawn Hub; creating a direct connection from the largest source of natural gas on the continent to Ontario.

To facilitate and take advantage of Union North having access to Dawn, Union recognized the importance of supporting the NEXUS Pipeline to introduce growing Appalachian supplies into Dawn and ultimately into the northern portfolio. Approximately 50,000 Dth/d of supply transported on NEXUS Pipeline will be used to serve a portion of the Union North East sales service customers’ requirements from Dawn.

The balance of the supply transported on the NEXUS Pipeline (100,000 Dth/d) will allow the Union South portfolio to further diversify and introduce additional security and exposure to more stable pricing in the Appalachian shale region. In addition to 100,000 Dth/d of transportation on the NEXUS Pipeline for Union South, Union anticipates in excess of 100,000 GJ/d of uncommitted pipe in 2017. Union will evaluate and analyze potential pipeline paths and supply sources in the context of its Gas Supply Planning Principles. These principles ensure customers consistently receive secure, diverse natural gas supply at a prudently incurred cost and minimal risk.

As a major natural gas utility in Ontario, Union must encourage and support new infrastructure projects such as the NEXUS Pipeline to connect and bring new supplies to Ontario. The Board has recognized the role that an LDC plays in encouraging these new, large-scale infrastructure projects. The NEXUS Pipeline, and Union’s commitment as an anchor shipper, will increase security of supply through diversification, enhance liquidity at Dawn, ensure competitive energy prices for customers and create supply competition and opportunities that benefit all Ontario consumers.

Attracting more supplies to Dawn is critical to maintain and grow Dawn’s liquidity and overall competitiveness in the surrounding market. Given declining Vector volumes and the decrease in natural gas flowing from the WCSB to the Ontario market as well as the increasing take away capacity from Dawn, Ontario needs supply projects from the growing Appalachian Basin, such as, the NEXUS Pipeline, to maintain and increase supply and liquidity.

Starting November 1, 2015, Union entered into a contract for firm transportation capacity of 20,000 Dth/d (21,101 GJ/d) from Dominion South Point to Dawn for a one-year term. By contracting for this transportation service originating at Dominion South Point, Union was able to purchase gas supply at Dominion South Point, a very liquid and active location for most

¹⁷ Pre-Approval of NEXUS Long-Term Contract (EB-2015-0166), Decision and Order

Appalachian producers and marketers. This allowed Union to gain experience purchasing from a variety of suppliers in the Appalachian region in order to gain additional experience and form relationships prior to the in-service date of the NEXUS Pipeline.

Union will purchase supply to fill the NEXUS Pipeline on annual and multi-year terms, as well as on a seasonal and monthly basis.

6.9 TransCanada Energy East Project

As part of the Energy East Project, TransCanada has proposed to convert an existing natural gas pipeline to oil service between Alberta and Ottawa. Union supports the project in principle, but was initially concerned that there may be negative impacts on natural gas consumers in Ontario and Québec, based on the conversion of an existing natural gas pipeline between North Bay and Ottawa. This converted natural gas capacity is proposed to be partially replaced with a new pipeline between Toronto and Ottawa (the “Eastern Mainline Project”).

In August 2015, TransCanada, Union, Enbridge, and Gaz Métro announced that an agreement in principle was reached that resolved the concerns regarding the potential negative impacts the proposed Energy East Project may have on natural gas consumers in Ontario and Québec.

The agreement included commitments that:

- there will be sufficient capacity to meet the firm natural gas transportation requirements of Ontario and Québec (including all firm demands out to 2017), plus additional capacity for future growth;
- natural gas shippers are not required to financially backstop the development of the Eastern Mainline Project in the event it is terminated by TransCanada;
- gas consumers will not assume the risk of capital cost overruns for the Eastern Mainline Project; and,
- natural gas consumers will have a net benefit of \$100 million over the project life to 2050.

TransCanada filed the executed agreement with the National Energy Board (“NEB”) in November 2015, and its consolidated Energy East Project application, which encompassed the terms of the agreement, in May 2016.

In June 2016, the NEB announced that TransCanada’s applications for the Energy East and Eastern Mainline Projects were deemed complete and that, due to their interrelated nature, both projects would be reviewed in a single hearing. A 21-month NEB review period has now started, with a NEB recommendation on the projects due to the Minister of Natural Resources by March 2018. A final Decision on the projects is expected by September 2018.

6.10 TransCanada STS Changes

TransCanada STS is a companion service to long-haul FT that is currently held entirely by LDC shippers and is not available as a stand-alone service. As described by TransCanada, the purpose of STS is for “load balancing purposes allowing the injection and withdrawals at storage locations” and STS “allows a long-haul FT contract holder, in combination with their

STS contract, to meet seasonal market and storage requirements and still keep a high load factor.”¹⁸

STS injection rights allow for excess long-haul gas that is not required to meet demands to be delivered at a specified point on TransCanada’s Mainline, at which time STS shippers can then transport that gas to storage. STS injections also allow a shipper to maintain a high load factor on their long-haul FT contracts and avoid UDC by injecting long-haul volumes into storage, rather than leaving the pipeline capacity empty.

STS withdrawal rights allow for gas to be withdrawn from storage and transported to a specified point on TransCanada’s Mainline, to then be “re-delivered” to a Domestic Delivery Area. An LDC can combine these withdrawals with other firm transportation services to meet the peak day requirements of their customers.

STS has been an integral component of the gas transportation portfolio, and Union has held STS contracts since the service inception in 1975.

TransCanada Application

TransCanada filed its “Storage Transportation Service Modernization and Standardization Application” with the NEB on February 18, 2016. The NEB issued its first Hearing Order on April 6, 2016, and assigned the Application docket number RH-001-2016. Union is registered as an intervenor in the proceeding, and is actively participating in order to protect the interests of its customers.

The written portion of the proceeding occurred from April 22 to August 29, 2016. During that time, TransCanada and intervenors had the opportunity to file evidence, information requests, and letters of comment according to the detailed timetable provided in the NEB’s Hearing Order.

The oral portion of the proceeding is currently scheduled to occur from September 19 to September 27, 2016.

TransCanada is proposing to alter how STS is tolled, which results in a significant increase to Union’s costs to serve its customers in Union North. The Application seeks to apply tolls to withdrawal quantities for STS paths where tolls were previously applied to injection quantities, and to create a new toll that would be applied to pooling rights that are not currently tolled.

Union Gas Impacts

Union currently pays TransCanada approximately \$16 million annually for STS. If the Application was to be approved as filed, and no corresponding adjustments were made to Union’s portfolio, the impact would be to raise Union’s annual STS costs by between \$40 million and \$52.6 million, which represents an increase of between 250 percent and 330 percent respectively. The proposed annual cost increase to \$40 million is due to the new methodology of applying STS and FT tolls to withdrawal volumes that have traditionally had STS tolls applied to injection quantities. The proposed annual cost increase to \$52.6 million

¹⁸ <http://www.transcanada.com/customerexpress/2840.html>

assumes Union elects to retain full pooling rights and pay the newly created pooling surcharges.

Union's forecasted annual TransCanada transportation costs as of November 1, 2016, which includes FT, STS, and EMB, is currently forecasted to be approximately \$123 million. The proposed tolling methodologies, if approved as filed and with no changes to Union's portfolio as a result, would increase Union's total TransCanada transportation costs by 30% percent. Cumulatively, this represents a total incremental cost of \$90 million to \$137 million between April 1, 2017 and December 31, 2020.

Depending on the outcome of the TransCanada application, Union will evaluate options available to mitigate cost increases while continuing to follow the Gas Supply Guiding Principles.

6.11 Long Term Contracting Trends

There are several areas of constraint in the North American pipeline system requiring new builds and/or longer term (and/or max rate) contracts to secure capacity. Such examples include, NEXUS Pipeline (new), PEPL (existing but becoming constrained), TransCanada Eastern Triangle, Niagara/Chippawa, and Vector into Dawn.

In order to meet the security of supply requirements of customers, LDCs have to make large commitments.

Areas of constraint are expected to continue into the future as building new infrastructure is becoming more difficult, have longer lead times, and is increasingly risky for the pipeline operators.

6.12 Climate Change and Low-Carbon Economy Act

On May 18, 2016, the Climate Change and Low-Carbon Economy Act, 2016 ("Climate Change Act") received Royal Assent. On May 19, 2016, Ontario Regulation 144/16, The Cap and Trade Program ("Cap and Trade Regulation"), was issued, which provides details about the Cap and Trade program. The Climate Change Act and the Cap and Trade Regulation establish the details of a Cap and Trade program for the purposes of reducing greenhouse gas ("GHG") emissions in Ontario.

Under the Climate Change Act, the Board rate-regulated natural gas utilities will have the following compliance obligations:

- Facility-related obligations for their owned or operated facilities; and,
- Customer-related obligations for natural gas-fired generators and residential, commercial and industrial customers in our franchise area who are not Large Final Emitters or voluntary participants

As a result, the natural gas utilities will need to develop Compliance Plans to describe how they will meet their customer-related and facility-related compliance obligations. In accordance with the Climate Change Act, the Cap and Trade program will begin on January 1, 2017. The first compliance period will run from January 1, 2017 until December 31, 2020, with subsequent three-year compliance periods.

Union is committed to implementing the Cap and Trade program and to supporting its success. As the province strives to meet its 2020, 2030 and 2050 GHG emission reduction targets, Union believes that natural gas can play, and indeed Ontarians need it to play, an even greater

role in partnership with the government to achieve emission reductions while balancing energy affordability for consumers. In this vein, Union is working towards compliance with program regulations and is taking all actions required to meet its obligations.

On June 22, 2016, Union submitted a response to the Ontario Energy Board Staff Discussion Paper on a Cap-and-Trade Regulatory Framework for Natural Gas Utilities dated May 25, 2016. Union is expecting the Board's draft framework by mid-September, and the final framework by the end of October.

In order to prepare customer communications and billing system changes for implementation by January 1, 2017, Union submitted an interim rate order request to the Board on April 15, 2016 to obtain approval for a rate and corresponding separate line item bill presentment. The Board issued its decision on this request on July 29, 2016. In its decision, the Board provided direction on customer communications and also required the natural gas distributors to include the cost of cap and trade in delivery rates. Union is in the process of complying with this decision. In addition, Union will be requesting approval for rate changes to recover the cost of cap and trade costs (related to customer and facility obligations) in our 2017 Rates Application.

At this time, Union does not know what impact the Climate Change Act will have on the GSP. Initiatives being considered to reduce emissions could have varying impacts on the GSP including:

- Displacement of fossil-based natural gas with Renewable Natural Gas ("RNG");
- Compressed Natural Gas/Liquefied Natural Gas ("CNG"/"LNG") for Transportation;
- Energy Efficiency initiatives (such as DSM programs) to reduce the carbon footprint of natural gas consumers throughout Ontario;
- The wider use of natural gas Combined Heat & Power ("CHP") systems; and,
- Natural Gas-related Innovation.

Union continues to work closely with the Board and government to understand the Climate Change Act requirements and implement accordingly.

6.13 North Transportation Service to Dawn

As part of Union's Dawn Reference Price Evidence¹⁹, Union requested approval of a Union North T-service Transportation service from Dawn. The Union North T-Service Transportation from Dawn service provides Union North T-Service customers access to Dawn supply and the ability to transport Dawn supply on a firm basis to Union North East to meet their supply needs. To provide the service, Union reserved incremental firm transportation capacity on the Dawn Parkway System in the 2016 and 2017 expansions. Union also entered TransCanada open seasons for long-term, firm transportation with TransCanada for transportation capacity starting in 2016 and 2017 from Parkway to the appropriate delivery areas to complete the Dawn to delivery area(s) transportation path to mirror the required customer quantities.

The start date for the North T-Service Transportation from Dawn service is targeted for November 1, 2016. However, service implementation is dependent on all facility expansions being in-service which provide the underpinning transportation assets.

¹⁹ EB-2015-0181, Exhibit A, Tab 3

7 APPENDICES

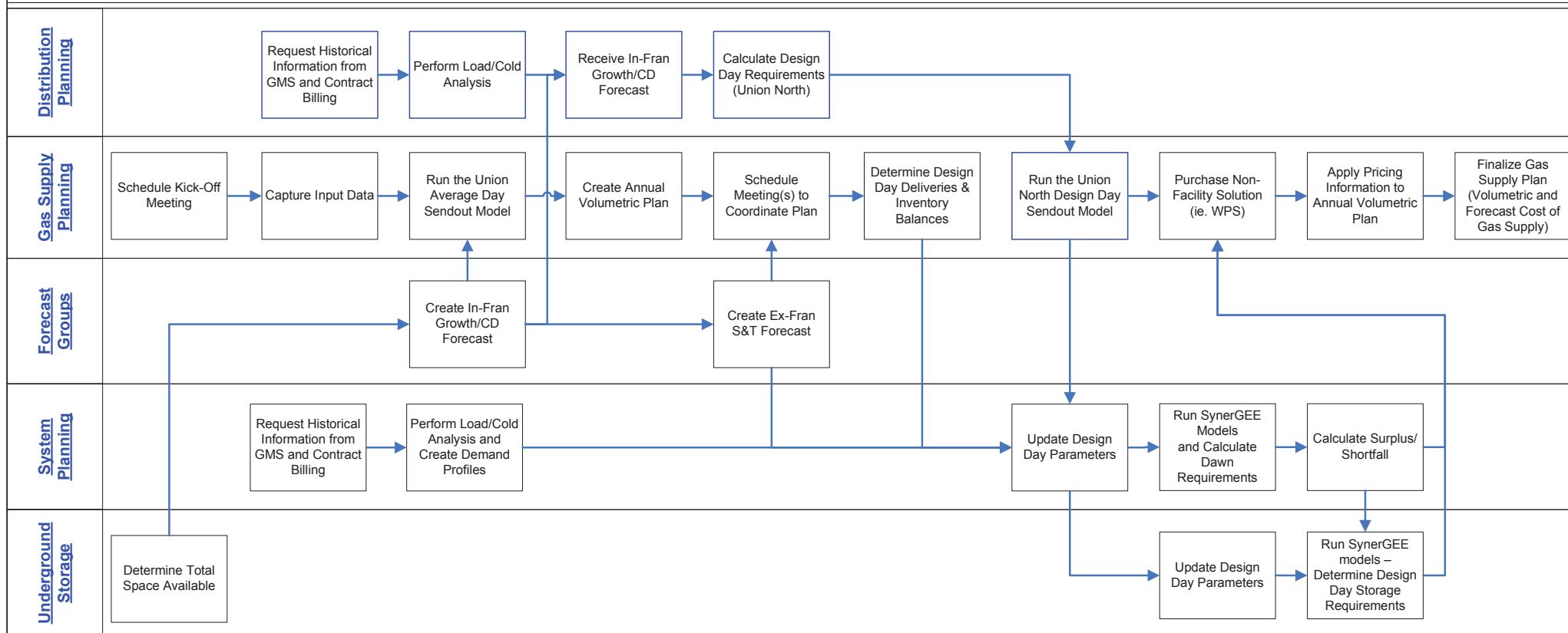
Appendix A - Gas Supply Planning Process

Appendix B - Sales Service Gas Supply Demand Balance

Appendix C - Union South Detailed List of Transportation Contracts

Appendix D - Union North Detailed List of Transportation Contracts

Annual Gas Supply Planning Process



Appendix B
Union Gas Limited - System Sales Supply Demand Balance - November 2016 to October 2017

Particulars (TJ)	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Total
South													
Demands													
System Sales	13,355	19,882	22,659	20,228	17,438	10,894	6,066	3,604	3,489	3,550	3,842	7,760	132,768
South Co. Use, UFG, Comp. Fuel	848	1,033	1,692	1,934	1,597	809	464	447	512	545	676	725	11,281
Less: Customer Supplied Fuel	(788)	(1,006)	(1,224)	(1,057)	(947)	(755)	(401)	(386)	(429)	(343)	(367)	(537)	(8,239)
Total Demands	13,416	19,909	23,127	21,105	18,088	10,947	6,129	3,665	3,572	3,752	4,150	7,948	135,810
Supplies													
TCPL Empress-Union CDA	618	638	339	307	339	328	339	328	339	339	328	339	4,585
Alliance/Vector	-	-	-	-	-	-	-	-	-	-	-	-	-
Vector	3,198	5,267	5,267	4,757	5,267	2,374	2,453	2,374	2,453	2,453	2,374	2,453	40,689
TCPL Niagara-Kirkwall	633	654	654	591	654	633	654	633	654	654	633	654	7,702
Trunkline	633	654	654	591	654	633	654	633	654	654	633	654	7,702
Panhandle	1,171	1,210	1,210	1,093	1,210	1,171	1,210	1,171	1,210	1,210	1,171	1,210	14,249
Local Production	38	40	40	36	40	38	40	38	40	40	38	40	465
DTE	1,899	1,962	1,962	1,772	1,962	1,899	1,962	1,899	1,962	1,962	1,899	1,962	23,105
Market Based Transport	-	-	-	-	-	-	-	-	-	-	-	-	-
South Ojibway	633	654	654	591	654	633	654	633	654	654	633	654	7,702
Dawn	1,161	1,200	1,200	1,084	1,200	3,466	3,582	3,466	3,582	3,582	3,466	3,582	30,570
Total Supplies	9,984	12,279	11,980	10,821	11,980	11,176	11,549	11,176	11,549	11,549	11,176	11,549	136,769
Change in Inventory - wd/(inj)	3,432	7,630	11,146	10,284	6,108	(229)	(5,419)	(7,511)	(7,977)	(7,796)	(7,026)	(3,600)	(959)
Total Supplies + Inventory Change	13,416	19,909	23,127	21,105	18,088	10,947	6,129	3,665	3,572	3,752	4,150	7,948	135,810
North													
Demands													
System Sales													
Union NCDA	320	468	592	493	403	254	140	88	82	77	95	198	3,212
Union EDA	1,250	1,776	2,316	1,985	1,644	1,053	586	371	314	300	381	762	12,739
Union MDA	50	72	91	77	64	40	21	12	11	10	13	28	489
Union NDA	1,464	2,130	2,670	2,237	1,858	1,208	687	394	361	340	402	884	14,636
Union SSMDA	380	540	675	583	530	326	839	582	206	109	113	218	5,101
Union WDA	805	1,144	1,407	1,211	989	659	433	285	243	242	229	446	8,094
North Comp Fuel	10	3	10	5	3	15	32	31	32	32	31	32	234
	4,279	6,134	7,761	6,591	5,491	3,554	2,739	1,762	1,248	1,111	1,263	2,569	44,503
Supplies													
TCPL Empress-Union NCDA	179	185	185	168	-	180	186	180	186	186	180	186	2,002
TCPL Empress-Union EDA	30	31	31	28	-	30	31	30	31	31	30	31	334
TCPL Empress-Union MDA	53	78	99	84	69	39	17	7	5	4	8	26	489
TCPL Empress-Union NDA	183	189	190	172	-	184	190	184	190	190	184	190	2,047
TCPL Empress-Union SSMDA	415	554	-	-	-	330	554	524	134	37	63	209	2,821
TCPL Empress-Union WDA	949	1,246	1,403	777	74	763	476	291	238	239	238	515	7,208
TCPL Parkway-Union EDA	554	576	529	432	-	551	527	623	551	503	504	600	5,949
TCPL Parkway-Union NDA	169	168	216	240	-	168	215	96	192	240	216	144	2,063
North Vector Sale	1,583	1,635	1,635	1,477	1,635	1,583	1,635	1,583	1,635	1,635	1,583	1,635	19,255
Dawn North	-	-	-	-	-	303	313	303	313	313	303	313	2,159
Total Supplies	4,115	4,662	4,289	3,378	1,778	4,131	4,145	3,820	3,475	3,379	3,308	3,849	44,329
Change in Inventory - wd/(inj)	164	1,472	3,472	3,213	3,713	(576)	(1,406)	(2,058)	(2,227)	(2,268)	(2,045)	(1,280)	174
Total Supplies + Inventory Change	4,279	6,134	7,761	6,591	5,491	3,554	2,739	1,762	1,248	1,111	1,263	2,569	44,503
Total Demands													
South	13,416	19,909	23,127	21,105	18,088	10,947	6,129	3,665	3,572	3,752	4,150	7,948	135,810
North	4,279	6,134	7,761	6,591	5,491	3,554	2,739	1,762	1,248	1,111	1,263	2,569	44,503
	17,695	26,044	30,888	27,696	23,580	14,501	8,868	5,427	4,820	4,863	5,414	10,517	180,312
Total Supplies													
South	9,984	12,279	11,980	10,821	11,980	11,176	11,549	11,176	11,549	11,549	11,176	11,549	136,769
North	4,115	4,662	4,289	3,378	1,778	4,131	4,145	3,820	3,475	3,379	3,308	3,849	44,329
	14,099	16,942	16,269	14,199	13,759	15,307	15,694	14,996	15,024	14,927	14,485	15,398	181,097
Change in Inventory - wd/(inj)													
South	3,432	7,630	11,146	10,284	6,108	(229)	(5,419)	(7,511)	(7,977)	(7,796)	(7,026)	(3,600)	(959)
North	164	1,472	3,472	3,213	3,713	(576)	(1,406)	(2,058)	(2,227)	(2,268)	(2,045)	(1,280)	174
	3,596	9,102	14,619	13,497	9,821	(805)	(6,825)	(9,569)	(10,203)	(10,064)	(9,071)	(4,881)	(785)
Total Supplies + Inventory Change	17,695	26,044	30,888	27,696	23,580	14,501	8,868	5,427	4,820	4,863	5,414	10,517	180,312

UNION GAS LIMITED

Summary of November 1, 2016 Upstream Transportation Contracts⁽¹⁾
as at August 2016

Southern Operations Areas

Line No.	Upstream Pipeline	Primary Receipt Point	Primary Delivery Point	Contract Quantity	Contract Units	Contract Termination Date	Unitized Demand Charge (\$Cdn/GJ)	Commodity Charge (\$Cdn/GJ)	100% LF Toll (\$Cdn/GJ)	Rate Type
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h=f+g)	
TransCanada Pipeline										
1	Empress to Union CDA FT	Empress	Union ECDA	11,000	GJ	31-Oct-2018	1.953		1.953	Tariff
2	Empress to Union CDA FT ⁽²⁾	Empress	Union ECDA	9,645	GJ	31-Dec-2018	1.953		1.953	Tariff
3	Dawn to Union CDA FT	Dawn	Union ECDA	8,000	GJ	31-Oct-2018	0.336		0.336	Tariff
4	Niagara to Kirkwall FT	Niagara	Kirkwall	21,101	GJ	31-Oct-2022	0.229		0.229	Tariff
5	Kirkwall to Union CDA FT	Kirkwall	Union CDA (Amended)	135,000	GJ	31-Oct-2032	0.162		0.162	Tariff
6	TCPL FT - Total			184,746	GJ					
Panhandle Eastern Pipe Line Field Zone										
7	PEPL FT	Panhandle Field Zone	Ojibway (Union)	25,000	DTH	31-Oct-2017	0.425	0.044	0.469	Tariff
8	PEPL EFT	Panhandle Field Zone	Ojibway (Union)	2,000	DTH	31-Oct-2017	0.320	0.044	0.364	Fixed
9	PEPL FT	Panhandle Field Zone	Ojibway (Union)	10,000	DTH	31-Oct-2017	0.425	0.044	0.469	Tariff
10	PEPL - Total			39,037	GJ					
Trunkline Gas Company/Panhandle Eastern Pipe Line										
11	Trunkline FT	East Louisiana	Bourbon	20,467	DTH	31-Oct-2017	0.115	0.014	0.130	Fixed
12	PEPL EFT	Bourbon	Ojibway (Union)	20,000	DTH	31-Oct-2017	0.075	0.012	0.087	Fixed
13	TGC/PEPL FT - Total			21,101	GJ		0.190	0.026	0.216	
Vector Pipelines⁽³⁾										
14	Vector US FT1 ⁽⁴⁾	Chicago	Cdn/US Interconnect	80,000	DTH	31-Oct-2022	0.290	0.002	0.292	Fixed
15	Vector Canada FT1	Cdn/US Interconnect	Dawn (Union)	84,404	GJ	31-Oct-2022	0.019	0.0004	0.019	Fixed
16	Vector - Total			84,404	GJ		0.309	0.002	0.311	
17	Vector US FT1	Chicago	Cdn/US Interconnect	25,000	DTH	31-Oct-2017	0.223	0.002	0.225	Fixed
18	Vector Canada FT1	Cdn/US Interconnect	Dawn (Union)	26,376	GJ	31-Oct-2017	0.010	0.0004	0.010	Fixed
19	Vector - Total			26,376	GJ		0.233	0.002	0.235	
20	Vector US FT1	Chicago	Cdn/US Interconnect	20,000	DTH	31-May-2017	0.211	0.002	0.213	Fixed
21	Vector Canada FT1	Cdn/US Interconnect	Dawn (Union)	21,101	GJ	31-May-2017	0.011	0.0004	0.012	Fixed
22	Vector - Total			21,101	GJ		0.223	0.002	0.225	
23	Vector US FT1 ⁽⁵⁾	Chicago	Cdn/US Interconnect	20,000	DTH	31-Oct-2017	0.177	0.002	0.179	Fixed
24	Vector Canada FT1 ⁽⁵⁾	Cdn/US Interconnect	Dawn (Union)	21,101	GJ	31-Oct-2017	0.009	0.0004	0.009	Fixed
25	Vector - Total			21,101	GJ		0.186	0.002	0.188	
26	Vector US FT1 ⁽⁶⁾	Chicago	Cdn/US Interconnect	26,030	DTH	31-Mar-2017	0.210	0.002	0.211	Fixed
27	Vector Canada FT1 ⁽⁷⁾	Cdn/US Interconnect	Dawn (Union)	27,463	GJ	31-Mar-2017	0.011	0.0004	0.011	Fixed
28	Vector - Total			27,463	GJ		0.220	0.002	0.222	
Michigan Consolidated Gas Company (MichCon)										
29	MichCon	MichCon Generic	St. Clair (Union)	60,000	DTH	31-Oct-2018	0.062		0.062	Fixed
30	MichCon - Total			63,303	GJ					
Other:										
31	St.Clair Pipelines L.P. (St.Clair Pipeline)	St. Clair/Intl Border	St. Clair/Intl Border	214,000	GJ	31-Oct-2023	0.004		0.004	Tariff
32	St.Clair Pipelines L.P. (Bluewater Pipeline)	Bluewater/Intl Border	Bluewater/Intl Border	127,000	GJ	31-Oct-2023	0.022		0.022	Tariff

Exchange Rate 1 US =	1.303	CAD	As of July 31, 2016
Conversion Factor	1.055056		
Heat Content (as of April 1/16)	38.81		

Note:

- (1) Assumes all 2015/2016 TCPL NCOS as awarded, and existing contracts reduced as bic
- (2) Contracts terminate on the later of Dec 31, 2016 or the commencement of Union's Parkway to Union NDA service
- (3) A portion of the Vector portfolio is anticipated to be allocated to serve the North portfolio
- (4) Demand charge drops to 0.204 \$Cdn/GJ on Dec 1, 2017
- (5) Contract begins June 1, 2017
- (6) Contract capacity increases to 86,030 Dth Dec 1, 2016
- (7) Contract capacity increases to 90,766 GJ Dec 1, 2016

UNION GAS LIMITED

Summary of November 1, 2016 Upstream Transportation Contracts⁽¹⁾
as at August 2016

Northern and Eastern Operations Areas

Line No.	Upstream Pipeline	Primary Receipt Point	Primary Delivery Point	Contract Quantity	Contract Units	Contract Termination Date	Unitized Demand Charge (\$Cdn/GJ)	Commodity Charge (\$Cdn/GJ)	100% LF Toll (\$Cdn/GJ)	Rate Type
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h=f+g)	
TransCanada Pipeline										
1	Empress to Union NCDA FT	Empress	Union NCDA	10,095	GJ	31-Oct-2018	1.892		1.892	Tariff
2	Empress to Union EDA FT	Empress	Union EDA	1,089	GJ	31-Oct-2022	2.089		2.089	Tariff
3	Empress to Union NDA FT	Empress	Union NDA	10,044	GJ	31-Oct-2018	1.560		1.560	Tariff
4	Empress to Union WDA FT	Empress	Union WDA	51,407	GJ	31-Oct-2018	1.011		1.011	Tariff
5	Empress to Union SSMDA FT	Empress	Union SSMDA	8,843	GJ	31-Oct-2018	1.414		1.414	Tariff
6	Empress to Union SSMDA FT	Empress	Union SSMDA	12,800	GJ	31-Oct-2020	1.414		1.414	Tariff
7	Empress to Union MDA FT	Empress	Union MDA	5,565	GJ	31-Oct-2018	0.704		0.704	Tariff
8	Parkway to Union EDA FT	Parkway	Union EDA	35,000	GJ	31-Oct-2022	0.408		0.408	Tariff
9	Parkway to Union EDA FT	Parkway	Union EDA	75,000	GJ	31-Oct-2030	0.408		0.408	Tariff
10	Parkway to Union EDA FT (EMB)	Parkway	Union EDA	25,000	GJ	31-Oct-2030	0.447		0.447	Tariff
11	Parkway to Union EDA FT	Parkway	Union EDA	9,286	GJ	31-Oct-2031	0.408		0.408	Tariff
12	Parkway to Union NCDA FT	Parkway	Union NCDA	1,100	GJ	31-Oct-2031	0.290		0.290	Tariff
13	Parkway to Union NDA FT	Parkway	Union NDA	10,000	GJ	31-Oct-2030	0.586		0.586	Tariff
14	Parkway to Union NDA FT	Parkway	Union NDA	116,629	GJ	31-Oct-2031	0.586		0.586	Tariff
15	TCPL FT - Total			371,858	GJ					
TransCanada Storage Transportation Service Firm Withdrawal										
16	NCDA	Parkway	Union NCDA	13,704	GJ	31-Oct-2022				
17	WDA	Parkway	Union WDA	31,420	GJ	31-Oct-2022				
18	SSMDA	Dawn	Union SSMDA	35,022	GJ	31-Oct-2022				
19	NDA	Parkway	Union NDA	48,375	GJ	31-Oct-2022				
20	EDA	Parkway	Union EDA	26,351	GJ	31-Oct-2022	0.408		0.408	Tariff
21	TCPL Firm STS Withdrawal - Total			154,872	GJ					
TransCanada Storage Transportation Service Firm Injection										
22	WDA	Union WDA	Parkway	3,150	GJ	31-Oct-2022	1.386		1.386	Tariff
23	EDA	Union EDA	Parkway	1,000	GJ	31-Oct-2022				
24	NDA	Union NDA	Parkway	49,100	GJ	31-Oct-2022	0.586		0.586	Tariff
25	TCPL Firm STS Injection - Total			53,250	GJ					
Centra Transmission Holdings Inc.										
26	Centra Transmission Holdings Inc.	Spruce	Union MDA	149.6	10 ³ m ³	31-Oct-2017	0.506		0.506	Tariff
27	Centra Pipelines Minnesota Inc.	Sprague	Baudette	5,281	MCF	31-Oct-2017	0.130		0.130	Tariff
28	CTHI FT - Total			5,724	GJ				0.000	

Exchange Rate 1 US = 1.303 CAD As of July 31, 2016
Conversion Factor 1.055056
Heat Content (as of April 1/16) 38.26

Note:

(1) Assumes all 2015/2016 TCPL NCOS as awarded, and existing contracts reduced as bid

CUSTOMER MANAGED SERVICE

The purpose of this evidence is to propose a new Customer Managed Service (“CMS”) for new and existing Union South Rate T2 customers. The CMS permits non-obligated Dawn deliveries for applicable Rate T2 customers to actively manage their gas supply on a daily basis consistent with their end-use consumption.

Union’s CMS proposal includes:

- i) Non-obligated gas deliveries at Dawn;
- ii) A new storage allocation methodology that provides the Rate T2 customer with Firm Storage and a Daily Variance Account (“DVA”) using the customer’s Firm Contract Demand (“CD”);
- iii) A requirement to nominate their storage injections and withdrawals on a daily basis;
- iv) The ability to transfer gas between the Firm Storage account and the DVA during an interruption;
- v) A Monthly Billing Adjustment to maintain financial neutrality for the customer and Union; and,
- vi) A requirement that the Customer’s Parkway Delivery Obligation (“PDO”) be maintained and managed according the Board-approved EB-2013-0365 Settlement Agreement.

Union is seeking Ontario Energy Board (“Board”) approval of:

- i) A new storage allocation methodology to determine cost-based storage space and new storage injection/withdrawal rights for CMS (Section 2.2);
- ii) Use of cost-based storage rates for the proposed DVA (Section 2.3); and,
- iii) Modifications to the Rate T2 rate schedule, effective November 1, 2017 (Section 4).

Union is proposing CMS in response to customer requests for non-obligated Dawn deliveries and is intended to serve as an alternative to Union’s current requirement for Rate T2 customers to deliver a consistent quantity of gas daily independent of their daily consumption. The proposed CMS is supported by the Rate T2 customers that participated in Union’s Customer Focus Group consultations as provided in Appendix B.

This evidence is organized as follows:

1. Current Rate T2 Service and Drivers for the CMS
2. Proposed CMS Design
3. In-Service Date
4. Proposed Rates and Rate T2 Rate Schedule Changes
5. Monthly Billing Adjustment
6. Summary

1 **1. Current Rate T2 Service and Drivers for the Proposed CMS**

2 Union is proposing the CMS option for Rate T2 customers to address customer requests for a
3 “*non-obligated Daily Contract Quantity (“DCQ”)*” as part of their Rate T2 service, as described
4 below. The proposed CMS was developed through extensive discussions with a cross-section of
5 existing Rate T2 customers and is responsive to the customer requests. The proposed CMS is
6 designed to avoid impacts to other non-participating customers and to minimize impacts to
7 Union.

8
9 ***1.1 Existing Rate T2 Service Overview***

10 Currently, Union’s Rate T2 service (for those customers that are not ‘new, large gas-fired power
11 generation’) requires customers to deliver a consistent quantity of gas daily to Union regardless
12 of their daily consumption. This requirement is referred to as an obligated DCQ¹. Rate T2
13 customers are assigned an obligated DCQ that is intended to match their annual forecasted
14 consumption. Customers supply their obligated DCQ to Union each day and any difference
15 between the daily supply and a customer’s daily consumption is injected or withdrawn from the
16 customer’s Storage Account by Union. Union’s Rate T2 customers find the existing gas delivery
17 requirement convenient as it can be managed without daily monitoring. The obligated DCQ
18 requirements are a cornerstone of most cost-based services.

¹ Obligated Daily Contract Quantity is based on most recent 12 months of actual firm consumption divided by 365 days multiplied by the Average Heat Value.

1 Rate T2 annual Firm Storage space allocation methodologies are designed for customers that
2 deliver a consistent quantity of gas to Union daily (obligated DCQ) but actual daily consumption
3 (end use consumption) varies. The annual firm storage space enables Rate T2 customers to
4 balance daily delivery obligations and daily consumptions. There are two existing annual firm
5 storage space allocation methodologies available to Rate T2 customers: 1) Aggregate Excess or
6 2) Obligated DCQ multiple of 15. Both annual firm storage space allocation methodologies
7 incorporate an obligated DCQ and enable a “no-notice” service, meaning a customer can
8 consume as necessary and any variance between what the customer delivered and consumed for
9 the day is allocated by Union to the customer’s Storage Account (net quantity injected into or
10 withdrawn from storage).

11
12 Currently, customers may request a reduction to their obligated DCQ to match consumption by
13 nominating a suspension of their obligated DCQ. A DCQ suspension is considered interruptible
14 and may be interrupted by Union. Prior to establishing the Customer Focus Group, some Rate
15 T2 customers expressed concern that Union may require a delivery of their obligated DCQ
16 during peak periods, particularly in peak periods where gas supply costs may be high, even if
17 customers’ consumption is minimal.

18 19 ***1.2 Customer Requests For Obligated DCQ Alternatives***

20 Some Rate T2 customers have expressed a desire to manage their supply requirements on a non-
21 obligated basis to enable a delivery of supply consistent with their end-use consumption.

1 ***1.3 Customer Consultation***

2 The proposed CMS was developed through discussions with a cross-section of existing Rate T2
3 customers and is responsive to customer requests. Union established a Customer Focus Group to
4 assist in designing an alternative service to meet Rate T2 customers' needs. The Customer Focus
5 Group included five existing Rate T2 customers representing different market segments,
6 including gas-fired power generators, industrial and manufacturing customers. The Customer
7 Focus Group first met on September 30, 2014 and continued to meet periodically until the
8 proposed service design was completed in March 2016.

9
10 During the Customer Focus Group discussions, customers confirmed that most components of
11 the existing Rate T2 service met their needs. In discussing alternatives or modifications to the
12 existing Rate T2 service, participants identified three main service design parameters for Union
13 to address. Specifically, customers requested Union to:

- 14 1. Introduce a service option that allows for non-obligated Dawn deliveries ("non-obligated
15 DCQ") for customers with demands less than 1,200,000 m³/day;
- 16 2. Allow customers the ability to nominate withdrawals from its Storage Account as an
17 option to meet consumption requirements; and,
- 18 3. Retain the "no notice" service component as customers do not wish to nominate their
19 daily consumption, only the supply into Union's system (including storage injections and
20 withdrawals).

1 Additionally, to guide any proposed changes during Customer Focus Group discussions Union
2 identified the following service design criteria:

- 3 1. No impact to the amount of physical assets used by the Rate T2 rate class during the
4 period of the current Incentive Regulation Mechanism (“IRM”);
- 5 2. Union remains financially neutral regardless of which customers elect the new service.
- 6 3. No financial impact to other rate classes during the period of the current IRM; and,
- 7 4. The PDO reductions are maintained as per the EB-2013-0365 Settlement Agreement.

8
9 The proposed CMS design meets the criteria outlined above and all of the customers that
10 participated in the Customer Focus Group support the proposed CMS as presented in this
11 submission. Please see Appendix A for a Summary of Stakeholder Consultations and Appendix
12 B for Customer Support Letters.

13 14 **2. Proposed CMS Design**

15 ***2.1 Overview***

16 The proposed CMS is available to customers that meet the Rate T2 applicability requirements, as
17 outlined in Union’s Rate T2 rate schedule, excluding customers that already meet Union’s
18 eligibility for new, large gas-fired power generation customers that currently have non-obligated
19 deliveries and daily firm transportation demand requirements in excess of 1,200,000 m³/day.

20 The proposed CMS offers Rate T2 customers the ability to replace their current obligated Dawn
21 DCQ with non-obligated deliveries at Dawn while managing the Firm Storage account and a
22 DVA. Specifically, the CMS design includes:

- i) Non-obligated gas deliveries at Dawn;
- ii) A new storage allocation methodology that provides the T2 customer with Firm Storage and a DVA using the customer's Firm Contract Demand ("CD");
- iii) A requirement to nominate their storage injections and withdrawals on a daily basis;
- iv) The ability to transfer gas between the Firm Storage account and the DVA during an interruption;
- v) A Monthly Billing Adjustment to maintain financial neutrality for the customer and Union; and,
- vi) A requirement that the Customer's PDO be maintained and managed according to the Board-approved EB-2013-0365 Settlement Agreement.

2.2 Storage Allocation Methodology - Annual Firm Storage Entitlements

As discussed in Section 1.1, there are currently two Board-approved cost-based storage space allocation methodologies and injection/withdrawal rights methodologies for Rate T2 customers with obligated daily supply requirements. The approved storage space allocation methodologies and their respective injection/withdrawal entitlements rely on an obligated DCQ to determine the level of cost-based storage space entitlement and injection/withdrawal entitlement that customers are eligible to contract. Without an obligated DCQ, the customers' cost-based storage space entitlement, and the corresponding injection/withdrawal rights, would calculate to be an unreasonable value (i.e. zero). For this reason, Union is proposing a new annual firm storage

1 space allocation methodology and a new annual firm storage injection/withdrawal right

2 allocation methodology for those Rate T2 customers that elect the CMS option.

3
4 To determine the storage allocation methodology for the proposed CMS, Union considered two
5 factors:

6 1) Total existing assets (Planned Storage Withdrawal on Peak Day and Storage Space)
7 used by current eligible Rate T2 customers; and,

8 2) Firm Injection/Withdrawal Rights and Storage Space that an eligible Rate T2
9 customer electing the proposed CMS will reasonably require to manage its business.

10
11 ***1) Existing Assets***

12 The existing assets used are the maximum quantity of assets available for the service design of
13 the proposed CMS.

14 a) Planned Storage Withdrawal on a Peak Day

15 The existing Planned Storage Withdrawal on a Peak Day for the relevant group of Rate
16 T2 customers is 89,487 GJ/d.

17 b) Storage Space

18 The existing annual Storage Space for the relevant group of Rate T2 customers is
19 9,018,600 GJ.

1 **2) *Firm Injection/Withdrawal Rights and Storage Space for the CMS***

2 a) Firm Storage Injection/Withdrawal Rights under CMS

3 Union is proposing firm storage injection/withdrawal rights of 1.2% of firm storage space
4 for CMS. This fixed level of firm injection/withdrawal rights is consistent with other
5 cost-based storage services, including “new, large gas-fired power generation customers”
6 Rate T2 customers that already meet Union’s eligibility for non-obligated deliveries daily
7 firm transportation demand requirements in excess of 1,200,000 m³/day. The Customer
8 Focus Group indicated that the 1.2% firm storage injection/withdrawal rights would
9 sufficiently meet their requirements. This proposed Firm Storage Injection/Withdrawal
10 Right, combined with the proposed annual Storage Space (Please see b) Storage Space
11 under CMS, is within the existing assets for Planned Storage Withdrawal on a Peak Day
12 as described in 1) Existing Assets above).

13
14 For customers that elect the proposed CMS, the maximum entitlement of firm storage
15 injection/withdrawal rights is calculated at 1.2% of contracted annual firm storage space.
16 Customers that elect the proposed CMS will nominate daily storage injections and
17 withdrawals, including fuel if applicable. Consistent with the current storage allocation
18 methodology, customers may contract for less than the maximum entitlement of cost-
19 based firm storage injection/withdrawal rights. Customers may also contract up to the
20 maximum entitlement with a combination of firm and interruptible injection/withdrawal
21 rights at the same Rate T2 cost-based rates as customers pay today.

1 b) Firm Storage Space under CMS

2 Union proposes to use a multiple of the CMS customer's Firm CD to calculate the annual
3 Firm Storage Space. The multiple was established by analyzing possible combinations of
4 eligible Rate T2 customers moving to the proposed CMS service or remaining on their
5 existing service. Combination analysis included:

- 6 • Rate T2 customers staying with their existing service;
- 7 • Rate T2 customers moving to the proposed CMS;
- 8 • Rate T2 customers, only greater than average Firm CD customers moving to the
9 proposed CMS (with less than average Firm CD customers stay on existing
10 service); and,
- 11 • Rate T2 customers elect the service that maximizes Storage Space.

12 Table 1 summarizes these scenarios.

Table 1

	Eligible Rate T2 Customers	Firm CD (GJ/day)	Firm Storage Space (GJ)	Planned Storage Withdrawal on Peak Day (GJ/day)	Daily Variance Account (GJ)
Existing T2 Service	20	563,838	9,018,600	89,487	n/a
All T2 Customers Switch to CMS	20	563,838	5,074,539	60,894	563,838
Customers Above Average Firm CD Switch to CMS	20	563,838	6,450,948	87,843	563,838
All Customers Elect T2 Service that Maximize Storage Space	20	563,838	9,096,742	82,860	563,838

Union also considered the amount CMS customers would likely require for storage space given no daily requirement to deliver gas to Union.

Union proposed to the Customer Focus Group an annual Storage Space entitlement of Firm CD times 9 (nine) which was considered acceptable by the Customer Focus Group and met the existing asset constraints initially established. Any excess storage space not contracted for by customers electing the proposed CMS becomes Excess Utility Storage Space and is treated accordingly.

The Firm CD to be used in the calculation of cost-based storage space is total amount contracted for the upcoming contract year. At each contract renewal, a Firm CD times 9

(nine) calculation shall be performed to determine the maximum annual cost-based firm storage space. Customers may contract for less than the maximum entitlement of annual Firm Storage space.

Storage Injection/Withdrawal Nominations

The proposed CMS requires customers to nominate storage injections and withdrawals (in addition to gas supply nominations) on a daily basis. Nominating both firm and interruptible storage injections and withdrawals provides Union with the information necessary to plan to meet system wide requirements on a daily basis. Currently, Rate T2 customers do not nominate storage injection or withdrawal activity, rather Union relies on the obligated deliveries and allocated storage assets to meet system planning requirements.

2.3 Daily Variance Account

The purpose of establishing the DVA is to provide customers electing the proposed CMS a means to manage small daily imbalances that may occur between nominated supply, nominated storage injections/withdrawals and consumption at end-use locations. This account allows the “no notice” feature of the Rate T2 service to remain for customers that elect CMS, as Union automatically injects into or withdraws from this account each day as imbalances occur. The “no-notice” aspect was a key principle that the Customer Focus Group participants wanted to preserve in the new service design.

1 ***a) Annual Firm Daily Variance Account Storage Space Allocation Methodology – Firm CD***

2 ***Times 1***

3 The maximum DVA firm storage space is calculated as the customer's Firm CD multiplied by a
4 factor of 1. A factor of 1 times Firm CD allows customers up to one day's grace in the
5 management of their account as it provides the opportunity to rectify up to one day's imbalance
6 without incurring penalties. The Firm CD to be used in the calculation is the amount contracted
7 in the Rate T2 contract for the upcoming contract year. At each contract renewal, the Firm CD
8 times 1 calculation is performed to determine the maximum DVA storage space. Customers may
9 contract for less than the maximum entitlement of the DVA storage space, to a minimum of zero.

11 ***b) Daily Variance Account Injection/Withdrawal Allocation Methodology***

12 For the existing T2 service, all storage injection/withdrawals for Rate T2 customers are
13 calculated after the gas day has ended and is based on the daily difference between the
14 customer's supply and consumption on a no-notice basis. Existing Rate T2 customers deliver
15 their obligated DCQ each day and consume as required at their end use locations. Union injects
16 or withdraws any imbalances using the individual customer's storage entitlements.
17 The proposed CMS requires that customers nominate their own storage activity and gas supply,
18 and the addition of the DVA provides the flexibility required for a small part of the daily activity.
19 The DVA injections/withdrawals are an interruptible service and customers only pay for
20 injections or withdrawals when used. The daily quantity injected or withdrawn from the DVA is
21 determined by Union at the end of the gas day as the sum of:

- 22 • Nominated gas supply delivered to Union;

- 1 • Plus nominated gas supply withdrawn from the customer's Storage Account;
- 2 • Less nominated gas supply injected into the customer's Storage Account; and,
- 3 • Less consumption for the day.

4

5 The maximum amount of DVA injections on any day is equal to the difference between the Firm

6 CD and the quantity in the DVA at the beginning of the gas day. The maximum amount of DVA

7 withdrawal on any day is equal to the quantity of gas in the Daily Variance Account at the

8 beginning of the gas day, to a maximum of the customer's Firm CD. Please see Appendix C for

9 DVA examples.

10

11 ***c) Daily Variance Account Overrun***

12 All quantities outside of the minimum and maximum threshold established for the DVA, as

13 outlined above, are treated as Storage Overrun (overrunning or drafting). These quantities are

14 interruptible and are subject to the same costs as the existing Authorized and Unauthorized

15 overrun storage service on the Rate T2 rate schedule.

16

17 ***d) Daily Variance Account Injection/Withdrawal Interruptions***

18 During periods when Union is curtailing interruptible storage injections or withdrawals, the

19 proposed CMS is designed such that customers manage their gas supply so that any daily

20 imbalances, which are allocated to/from the DVA, are counter to the interruption in effect. For

21 example, during times of storage injection interruptions, CMS customers could manage their

22 DVA balance by nominating gas supply that is less than or equal to the expected consumption, in

1 order to generate withdrawal activity from the DVA to make up for any difference. Conversely,
2 during times of withdrawal interruptions, CMS customers could manage their DVA balance by
3 nominating gas supply equal to or more than their expected consumption, in order to generate
4 injection activity into the DVA. If the allocated activity in the DVA is in violation of the
5 interruption in effect at the time, the activity is deemed Unauthorized Storage Overrun and is
6 subject to the Unauthorized Storage Injection/Withdrawal rate on the Rate T2 rate schedule.

7
8 Notice of a likely interruption of injections and withdrawals is communicated to customers using
9 the existing Authorized Overrun Indicator (“T-Service Authorized Overrun indicator”) on
10 www.uniongas.com. Customers are also encouraged to subscribe to receive e-mail notifications
11 of changes in status of the T-Service Authorized Overrun Indicator. These notification practices
12 are currently in use for all storage customers (utility and non-utility) and will also apply to the
13 DVA customers.

14 15 ***2.4 Transfer During Interruption***

16 In order to facilitate CMS customers accessing their DVA when an interruption is in effect,
17 Union is proposing to introduce a new Transfer During Interruption balancing service consistent
18 with other balancing transactions (i.e. name changes). This proposed new balancing service is a
19 nominated transaction available only during periods when interruptible storage transactions are
20 being curtailed. It allows CMS customers to continue to manage their DVA when an
21 interruption is in effect, so they are able to transfer gas between their Firm Storage Accounts and
22 DVAs.

1 ***a) Storage Injection Interruptions***

2 During periods of storage injection interruptions, transfers from customers' Firm Storage
3 Accounts to their DVAs are allowed. The maximum amount of Transfer During Injection
4 Interruption activity for each customer is limited to the available space in the DVA. This
5 transfer allows CMS customers to maintain gas within their DVAs to be withdrawn to make up
6 for any daily imbalances between nominated supply and consumption. During storage injection
7 interruptions, CMS customers manage their DVA balances by nominating gas supply that is less
8 than or equal to their expected consumption during periods of storage injection interruptions.

9
10 ***b) Storage Withdrawal Interruptions***

11 During periods of withdrawal interruptions, only transfers to the Storage Account from the DVA
12 are allowed. The maximum amount of Transfer During Withdrawal Interruption activity for
13 each customer is limited to the available gas within the DVA to a maximum of Firm CD. This
14 transfer allows CMS customers to maintain space in their DVAs to inject for any imbalance
15 between nominated supply and consumption. During storage withdrawal interruptions, CMS
16 customers manage their DVA balances by nominating gas supply that is more than or equal to
17 their expected consumption during periods of withdrawal interruptions.

18
19 The proposed Transfer During Interruption balancing service ensures that the DVA can be used
20 within the contracted parameters by CMS customers without incurring Unauthorized Storage
21 Injection/Withdrawal charges.

Union is proposing to set the rate for the Transfer During Interruption transaction at \$0.003/GJ. The Transfer During Interruption transaction is deemed to be underground and does not attract injection or withdrawal fees.

2.5 Maximum Quantity of Dawn Non-Obligated Deliveries

The maximum quantity of non-obligated Dawn deliveries that Union will accept from a customer on any day on a non-obligated basis is limited to:

- Firm CD;
- Plus Interruptible CD; and,
- Less Parkway Obligation.

2.6 Related Service Components

Consistent with the existing Rate T2 service, CMS customers continue to have access to the normal North American Energy Standards Board (“NAESB”) nomination windows and to market-priced storage services for any additional services they may require.

3. In-Service Date

Union proposes that the new CMS for Rate T2 customers be available November 1, 2017, following Board approval of the proposed CMS rate schedule.

Rate T2 customers can elect to move to CMS once the in-service date is in effect. For customers with an existing contract term of one year, the effective date of the switch to CMS is at contract renewal. For customers with an existing contract term greater than one year, Union will offer a one-time election, with an effective transfer date of November 1, 2017, conditional upon the new Rate T2 CMS distribution contract carrying a term that is equal to or greater than the existing contract term.

4. Proposed Rates and Rate T2 Rate Schedule Changes

Union is seeking Board approval to use existing cost-based storage rates for the proposed DVA and for modifications to the Rate T2 rate schedule, effective January 1, 2017. A proposed Blackline version of the Rate T2 rate schedule is provided at Rate Order, Appendix H.

Daily Variance Account Storage Rates

Union is proposing to set the rates for the DVA based on existing cost-based storage rates, in accordance with the Rate T2 rate schedule. The firm storage space is set at Union's existing annual firm storage space demand charge of \$0.011/GJ. The interruptible injection and withdrawal rates are set at the existing authorized overrun rates of \$0.101/GJ for those customers that elect for Union to provide compressor fuel and \$0.059/GJ for those customers that elect to provide their own compressor fuel. The authorized overrun rate is comprised of a commoditized demand charge, commodity charge and fuel-related charges, if applicable. A summary of the proposed DVA injection and withdrawal rates is provided at Table 2.

Table 2
Daily Variance Account - Injection/Withdrawal Rate (\$/GJ)

Line No.	Particulars	Union Supplied Fuel	Customer Supplied Fuel
		(a)	(b)
1	Monthly Demand	1.561	1.561
2	Annual Demand (line 1 x 12 months)	18.732	18.732
3	Daily Demand (line 2 / 365 days)	0.051	0.051
4	Commodity Charge (1)	0.050	0.008
5	Total Storage Overrun (line 3 + line 4)	0.101	0.059

Note:

(1) Calculated as Ontario Landed Reference Price / Heat Value x Overrun Fuel Ratio + Injection Commodity (\$4.881/GJ x 0.861% + \$0.008/GJ), as per October 2016 QRAM (EB-2016-0247).

Consistent with the existing Rate T2 service, the existing Authorized and Unauthorized Overrun rates are also applicable to the storage service and the DVA.

5. Monthly Billing Adjustment

Customers that elect the proposed CMS are subject to a Monthly Billing Adjustment (the “Adjustment”) for the remainder of the current Incentive Regulation Mechanism (“IRM”) period (customers who do not elect CMS are not subject to an Adjustment). The purpose of the Adjustment is to compensate for lost revenue associated with contracted firm, cost-based injection/withdrawal rights at the customer level. While the customer specific contracted quantities of firm, cost-based injection/withdrawal rights decrease with CMS, the underpinning assets Union sets aside to provide the service do not substantially change.

1 The Adjustment is calculated based on the difference in contracted quantities of firm, cost-based,
2 Annual Firm Injection/Withdrawal Rights from the customer's existing Rate T2 service to the
3 CMS (at the time the customer initially moves to CMS), multiplied by the Rate T2 Annual Firm
4 Injection/Withdrawal Demand Charge on the Rate Schedule in effect. An illustration is provided
5 in Appendix D.

6
7 **6. Summary**

8 Union is proposing the CMS to allow Rate T2 customers to manage their gas supply on a daily
9 basis to closely match their expected consumption to nominated, and deliver non-obligated
10 Dawn supplies.

11
12 To offer the proposed CMS to customers, Union requires Board-approval of a new storage space
13 allocation methodology and a new storage injection/withdrawal right allocation methodology. In
14 order to maintain the no-notice feature of the current Rate T2 service, Union is seeking Board-
15 approval of the rates for the cost-based DVA being used by customers to manage imbalances
16 between nominated supply, nominated storage transactions and consumption.

Appendix A – Summary of Customer Focus Group Consultations

Customer Managed Service
Summary of Customer Focus Group Consultations
September 30, 2014 to March 17, 2016

1. **September 30, 2014 – Conference call** – Sought customer feedback in regards to Union Gas's current services in light of the 2013/14 cold winter. Key questions included issues and concerns Rate T2 customers had in regards to their current service, improvements to the current service and ideas or potential solutions to address issues/concerns
2. **December 11, 2014 – Conference call** - Provided customers with a progress report which concluded that assets were not available to remove obligated deliveries under current available services. Union concluded that the concept of non-obligated supply could potentially be provided under a customer managed service where the customer takes accountability for their daily balancing requirements. Customer support was given to continue working on a Customer Managed Service that addressed identified issues
3. **February 4, 2015 – Conference call** – further service design discussions
4. **April 16, 2015 – In person and web-ex** – Union introduced two (2) potential service concepts for discussion
5. **June 1, 2015 – In person and web-ex** – Union presented scenarios for both service concepts and addressed customer questions raised in the April 16th session. Customers were supportive of moving ahead with service concept 2
6. **August 13, 2015 – In person and web-ex** - presented Customer Managed Service (CMS) design and rate information
7. **October 14, 2015 – Email** - to Focus Group advising Union Gas will be moving forward with the Customer Managed Service after receiving the required support from the group
8. **December 7, 2015 – Email** - update to group that Union would be filing with the OEB in Q1, 2016 after final review with group ; feedback received customers did not like the structure of deferral account
9. **March 17, 2016 – Web-ex** – final review of the service with Focus Group to address the replacement of the deferral account with a monthly billing adjustment

Appendix B – Customer Support Letters



CF Industries, Inc.
4 Parkway North, Suite 400
Deerfield, Illinois 60015-2590
847-405-2400
www.cfindustries.com

To Whom It May Concern,

CF Industries' subsidiary, Terra International (Canada) Inc., has been participating in a customer focus group sponsored by Union Gas Ltd. regarding a potential new Service Concept.

Based on the current parameters as discussed within the group, Terra is considering a potential move from the current T2 Service to the new service. We believe that the concept has good merits, and we are evaluating the economics in order to determine whether or not to take this service.

Sincerely,

A handwritten signature in black ink, appearing to read "Marty Melchi".

Marty Melchi
Director, Raw Materials Procurement
CF Industries, Inc.

Union Gas Limited
50 Keil Drive North
Chatham Ontario
N7M 5M1

August 26, 2015

Attention: Vice-President – Industrial Sales

Re: Customer Managed Service Focus Group

Suncor Energy Products Partnership (SEPP) has been an active participant in the Union Gas sponsored Non-Obligated Service Design Focus Group. We are pleased with the progress made to date and the concepts presented by the Union Gas team. We are confident that this service as presented would meet the needs of SEPP and other large industrials. Further evaluation is required at this stage however notionally this is a service SEPP would consider subscribing for.

I would like to thank the Union Gas team for the time and effort put into developing this potential new service. If approved we are hopeful this will eliminate many of the obligation concerns embedded within the existing T2 contract.

If further information or discussion is required I can be reached at (519) 383-3667.

Sincerely,



Dereck Francis,
Manager of Eastern Marketing, Suncor

From:
To:
Subject: FW: Customer Managed Service
Date: September-28-15 11:46:39 AM
Attachments: [image001.jpg](#)

FYI

From: Dave Van Driel [mailto:]
Sent: September 23, 2015 11:44 AM
To:
Cc:
Subject: Customer Managed Service

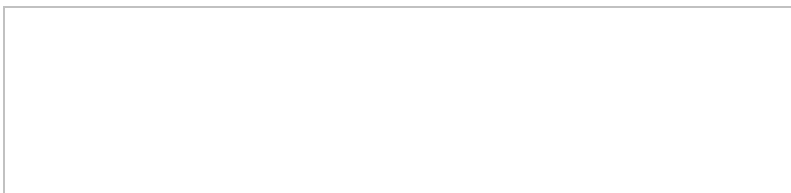
Veresen Inc. (East Windsor Cogeneration and Fort Chicago) requested that Union Gas provide a gas storage and distribution service for our operations similar to T2 service but one that does not obligate delivery of a daily contract quantity.

We participated in the customer focus group that Union Gas led to determine what was possible in that regard.

While we have considerable work to do in order to determine if what Union Gas has recently presented as its best product for meeting these needs will be appropriate for our business, Veresen does support Union Gas moving forward to finalize this offering and seek regulatory approval.

We do this having been assured by Union Gas that our costs will not be negatively affected by those customers switching to these services, during this current IRM period, if we remain on our existing service.

A. Dave Van Driel
Director, Asset Management
P: 403-218-3746 | C: 403-870-2387 | aol IM: ariedave



This transmission (including any attachments) may contain confidential information, privileged material, or constitute non-public information. Any use of this information by anyone other than the intended recipient is prohibited. If you have received this transmission in error, please immediately reply to the sender and delete this information from your system. Use, dissemination, distribution, or reproduction of this transmission by unintended recipients is not authorized and may be unlawful.

From:
To:
Subject: FW: Proposed Customer Managed Service
Date: September-28-15 11:45:55 AM

FYI

From: Pete Serafini [mailto:]
Sent: September 25, 2015 1:47 PM
To:
Cc:
Subject: Proposed Customer Managed Service

Tina and Frank,

TransAlta appreciates Union Gas responding to our concerns with the DCQ obligation in our contract and organizing a customer group to look at alternatives that provide similar services but exclude such an obligation.

We have not reached the conclusion that what Union Gas has presented for meeting these needs will be appropriate for our business. We will need to consider this further.

TransAlta does, however, support Union Gas working to finalize approvals for this alternative.

Union Gas's assurance that our costs will not be negatively affected by parties switching to these services if we remain on T2 service is an important component of our support for Union moving forward.

Regards,

Pete Serafini | Commercial Specialist, Trading & Asset Optimization

TRANSALTA CORPORATION

T: +1 (403) 267-5807 | C: +1 (403) 560-5729

[Email](#) | [Web](#) | [Facebook](#) | [Twitter](#)

1 ***Appendix C - Daily Variance Account Injection/Withdrawal Calculation Examples***

2 **Assumptions (applicable to all examples in this Appendix):**

3 Firm CD = 1,000 GJ

4 Customer chose maximum eligible:

5 Firm Storage Space = 9,000 GJ (Firm CD x 9)

6 Firm Injections/Withdrawals = 108 GJ (1.2% of Storage Space)

7 Daily Variance Account Firm Space = 1,000 GJ (Firm CD x 1)

8 Daily Variance Account beginning of Day = 400 GJ

9 Daily Variance Account Injections = Up to Firm CD less quantity in Daily Variance Account

10 Daily Variance Account Withdrawals = Up to quantity of gas in Daily Variance Account (not
11 including Overrun)

Example 1: Allocated Injection Calculation

Nominated Gas Supply delivered to Union = 1,500 GJ

Nominated Storage Withdrawals = 0 GJ

Nominated Storage Injections = 100 GJ

Consumption at the end of the day = 900 GJ

Daily Variance Account Injection/Withdrawal Calculation	
Nominated Supply to Union	1,500 GJ
plus Nominated Storage Withdrawals	+ 0 GJ
less Nominated Storage Injections	- 100 GJ
less Daily Consumption	- 900 GJ
Daily Variance Account Injection/(Withdrawal)	<u>500 GJ</u>

In this example, the allocated Daily Variance Account interruptible injection for the day is 500 GJ.

Daily Variance Account Balance Calculation	
Daily Variance Account Beginning of Day Balance	400 GJ
Daily Variance Account Injection/(Withdrawal) for the day	+ 500 GJ
Daily Variance Account End of Day Balance	<u>900 GJ</u>

In this example, the Daily Variance account stays within the allowable contract parameters.

Example 2: Allocated Withdrawal Calculation

Nominated Gas Supply delivered to Union = 500 GJ

Nominated Storage Withdrawals = 108 GJ

Nominated Storage Injections = 0 GJ

Consumption at the end of the day = 900 GJ

Daily Variance Account Injection/Withdrawal Calculation	
Nominated Supply to Union	500 GJ
plus Nominated Storage Withdrawals	+ 108 GJ
less Nominated Storage Injections	- 0 GJ
less Daily Consumption	- 900 GJ
Daily Variance Account Injection/(Withdrawal)	<u>(292) GJ</u>

In this example, the allocated Daily Variance Account interruptible withdrawal for the day is 292 GJ.

Daily Variance Account Balance Calculation	
Daily Variance Account Beginning of Day Balance	400 GJ
Daily Variance Account Injection/(Withdrawal) for the day	(292) GJ
Daily Variance Account End of Day Balance	<u>108 GJ</u>

In this example, the Daily Variance account stays within the allowable contract parameters.

Example 3: Allocated Space Overrun& Daily Variance Account Injections Overrun

Nominated Gas Supply delivered to Union = 900 GJ

Nominated Storage Withdrawals = 0 GJ

Nominated Storage Injections = 100 GJ

Consumption at the end of the day = 0 GJ

Daily Variance Account Injection/Withdrawal Calculation	
Nominated Supply to Union	900 GJ
plus Nominated Storage Withdrawals	+ 0 GJ
less Nominated Storage Injections	- 100 GJ
less Daily Consumption	- 0 GJ
Daily Variance Account Injection/(Withdrawal)	<u>800 GJ</u>

In this example, the allocated Daily Variance Account interruptible injection for the day is 800 GJ.

Daily Variance Account Balance Calculation	
Daily Variance Account Beginning of Day Balance	400 GJ
Daily Variance Account Injection/(Withdrawal) for the day	800 GJ
Daily Variance Account End of Day Balance	<u>1,200 GJ</u>

1 In this example,

2 i) the Daily Variance Account has Space Overrun of 200 GJ (1,200 GJ Daily Variance
3 Account End of Day balance less 1,000 GJ Daily Variance Account Firm Space), and
4 The Daily Variance Account Injection Overrun is 200 GJ (allowed injections for the day is 600
5 GJ calculated as 1,000 GJ of Firm CD less 400 GJ quantity in Daily Variance Account at the
6 beginning of the day). 800 GJ were injected into the Daily Variance Account, which is 200 GJ
7 greater than allowed injections.

Appendix D - Example of Monthly Billing Adjustment for Customer Taking CMS

Transportation Service Charges

No Change

Storage Services

Annual Firm Injection/Withdrawal Rights	Monthly Quantity	Rate \$/Unit	Monthly Charge
	3,000	1.561	\$4,683

Daily Variance Account

New

Based on T2
Rate Schedule

Monthly Billing Adjustment

Annual Firm Injection/Withdrawal Rights	7,000	1.561	\$10,927
---	-------	-------	----------

Note:

Current Annual Firm Injection/ Withdrawal Rights = 10,000 GJ/day

CMS Annual Firm Injection/ Withdrawal Rights = 3,000 GJ/day

ONTARIO ENERGY BOARD NOTICE
TO CUSTOMERS OF UNION GAS LIMITED

Union Gas Limited applied to change its natural gas rates effective January 1, 2017.

Learn more. Have your say.

Union Gas Limited applied to the Ontario Energy Board to change its natural gas rates effective January 1, 2017.

A portion of the change is set using a formula previously approved by the Ontario Energy Board for the period 2014-2018. The formula is tied to inflation and other factors intended to promote efficiency.

Some customers are also impacted by Union Gas Limited’s proposal for a new Customer Managed Service for new and existing Union South Rate T2 customers. Union Gas Limited’s application also includes the implementation of the Union North Cost Allocation and Rate Design and the Parkway Delivery Commitment Incentive, both of which were previously approved by the Ontario Energy Board.

If the application is approved, an average residential customer of Union Gas Limited would see the following service areas changes and annual impacts.

Previous Service Area	New Service Area	Annual Change
South	South	\$13.35
Fort Frances	North West	-\$8.05
Northwestern	North West	\$17.55
Northern (Union SSMDA)	North West	-\$28.75
Northern (Union NDA)	North East	-\$11.17
Eastern	North East	-\$50.33

THE ONTARIO ENERGY BOARD WILL HOLD A PUBLIC HEARING

The Ontario Energy Board (OEB) will hold a public hearing to consider Union Gas’ request. We will question the company on its case for a rate change. We will also hear questions and arguments from individual customers and from groups that represent Union Gas’ customers. At the end of this hearing, the OEB will decide what, if any, rate changes will be allowed.

The OEB is an independent and impartial public agency. We make decisions that serve the public interest. Our goal is to promote a financially viable and efficient energy sector that provides you with reliable energy services at a reasonable cost.

BE INFORMED AND HAVE YOUR SAY

You have the right to information regarding this application and to be involved in the process.

- You can review Union Gas’ application on the OEB’s website now.
- You can file a letter with your comments, which will be considered during the hearing.
- You can become an active participant (called an intervenor). Apply by **October 24, 2016** or the hearing will go ahead without you and you will not receive any further notice of the proceeding.
- At the end of the process, you can review the OEB’s decision and its reasons on our website.

The OEB intends to consider cost awards in this proceeding that are in accordance with the *Practice Direction on Cost Awards* and only in relation to Union Gas’ proposals on the Rate T2 Customer Managed Service, the Union North Cost Allocation and Rate Design Implementation and the Parkway Delivery Commitment Incentive.

LEARN MORE

Our file number for this case is **EB-2016-0245**. To learn more about this hearing, find instructions on how to file letters or become an intervenor, or to access any document related to this case, please enter the file number **EB-2016-0245** on the OEB website: www.ontarioenergyboard.ca/participate. You can also phone our Consumer Relations Centre at 1-877-632-2727 with any questions.

ORAL VS. WRITTEN HEARINGS

There are two types of OEB hearings – oral and written. The OEB will determine at a later date whether to proceed by way of a written or oral hearing. If you think an oral hearing is needed, you can write to the OEB to explain why by **October 24, 2016**.

PRIVACY

If you write a letter of comment, your name and the content of your letter will be put on the public record and the OEB website. However, your personal telephone number, home address and email address will be removed. If you are a business, all your information will remain public. If you apply to become an intervenor, all information will be public.

This rate hearing will be held under section 36 of the Ontario Energy Board Act, S.O. 1998 c.15 (Schedule B).



(File ZC1616)

October 19, 2016

PUBLIC MEETING NOTICE

RECEIVED

PROPOSED ZONING BY-LAW AMENDMENT

OCT 21 2016

City Council will hold a Public Meeting in accordance with the Planning Act for a City initiated Zoning By-law Amendment to complete technical revisions to the City's Comprehensive Zoning By-law.

Township of Puslinch

Meeting Date: **November 14, 2016**
Location: **Council Chambers, City Hall, 1 Carden Street**
Time: **6:30 p.m.**

SUBJECT LANDS

Lands affected by this proposed amendment include all lands in the City covered by the City's Comprehensive Zoning By-law (By-law Number (1995)-14864) as amended.

PURPOSE AND EFFECT OF APPLICATION

The intent of the proposed amendments is to improve the usability of the By-law for the development community, the general public, as well as City Staff. Proposed changes include revised definitions, minor changes that clarify and/or improve existing regulations and remove inconsistencies, corrected technical omissions, mapping corrections and typographical errors.

Summary of Proposed Technical Revisions to the Zoning By-law:

1. Section 2: Add a provision to permit technical revisions without requiring an amendment to the Zoning By-law.
2. Section 2: Add definition for "Donation Centre".
3. Section 2: Alter definition for Driveway (Residential) to remove "in a residential zone" so it can be used for residential in other appropriate zones (i.e. downtown).
4. Section 4. Clarify general provisions for accessory buildings, that in residential zones the by-law is referring to the ground floor area only.
5. Section 4 (Reg 4.10) Defining "adequate", "available" and "appropriate" when requiring municipal services.
6. Section 4 (Reg 4.13.3.2.2) Clarify that residential parking space dimensions apply to cluster townhouses, stacked townhouses and apartments.
7. Section 4 (Reg 4.21.4, Reg 4.21.5) change to refer to correct regulation (4.21.1, not 4.21.2)
8. Section 4 (Reg 4.25) clarify that regulation refers to Lodging House Type 1 (the "Type 1" is missing).
9. Section 5 (Reg 5.1.2.3 and 5.2.2.1.3) reduced distance to hydro transformer easements

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from 4.5 to 3 metres, as requested by Guelph Hydro.

10. Section 5 (Reg 5.3.2.3.1 and 5.3.2.3.3) Clarify appropriate building setback distances between multiple townhouse buildings.
11. Section 5 (Reg. 5.3.2.1) Clarify maximum coverage for cluster townhouse with garage is intended to be 40 percent; Row 8 of Table 5.3.2 needs update to match.
12. SC.1-18 Zone (Reg 6.4.3.1.18) to be deleted, site rezoned, no longer relevant.
13. B.2-7(H) Zone (Reg 7.3.2.7) H (holding provision) to be removed, holding conditions fulfilled.
14. B.4-1 (Reg. 7.3.4.1.1) to be deleted, site rezoned, no longer relevant.
15. Defined Area Maps #15 and #73 to be updated, minor mapping errors found.

TO SPEAK AT COUNCIL OR PROVIDE WRITTEN COMMENTS

Any person may attend the meeting and/or provide written or verbal representation on the proposal.

- 1a. If you wish to speak to Council on the application you may register as a delegation by contacting the City Clerk's Office, City Hall, **no later than November 10, 2016 at 10:00 a.m. in any of the following ways:**
 - By Phone at **519-837-5603** or TTY **519-826-9771**
 - By Email at clerks@guelph.ca
 - By Fax at 519-763-1269
 - In person at the ServiceGuelph Counter at City Hall, 1 Carden Street, Guelph
 - By regular mail or courier to Guelph City Clerk, 1 Carden Street, Guelph ON N1H 3A1
- 1b. You may attend the meeting and request to speak at the meeting.
2. If you wish to submit written comments to Council on the application you must submit the written comments to the City Clerk's Office, City Hall, **no later than November 10, 2016 at 10:00 a.m. in any of the following ways:**
 - By Email at clerks@guelph.ca
 - By Fax at 519-763-1269
 - In person at the ServiceGuelph Counter at City Hall, 1 Carden Street, Guelph
 - By regular mail or courier to Guelph City Clerk, 1 Carden Street, Guelph ON N1H 3A1

Personal information: as defined by the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) is collected under the authority of the Municipal Act, 2001, and in accordance with the provisions of MFIPPA. Personal information collected in relation to materials submitted for an agenda will be used to acknowledge receipt, however, please be aware that your name is subject to disclosure by way of publication of the agenda. If you have questions about this collection; use, and disclosure of this information, contact the City of Guelph's Access, Privacy and Records Specialist at 519-822-1260 ext. 2349 or jennifer.slater@guelph.ca.

Recording Notification: as defined by the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) is collected under the authority of the Municipal Act, 2001, and in accordance with the provisions of MFIPPA. As public meetings of Council and Standing Committees may be recorded by Cable TV network and broadcast on a local channel, your image may be seen as part of this broadcast. If you have questions about this collection; use, and disclosure of this information, contact the City of Guelph's Access, Privacy and Records Specialist at 519-822-1260 ext. 2349 or jennifer.slater@guelph.ca.

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The purpose of the meeting is to provide more information about the application and an opportunity for public input. No recommendations are provided at the Public Meeting and City Council will not be making any decision at this meeting. A recommendation report will be prepared and presented at a subsequent meeting of City Council following a full review of the application.

If you would like to be notified of the date when City Council will consider staff's recommendation on this application you must submit your full name and mailing address in writing or fill in the Public Meeting sign-in sheet at the Public Meeting.

IMPORTANT INFORMATION ABOUT MAKING A SUBMISSION

If a person or public body does not make oral submissions at a public meeting or make written submissions to Guelph City Council before the by-law is passed, the person or public body is not entitled to appeal the decision to the Ontario Municipal Board.

If a person or public body does not make oral submissions at a public meeting, or make written submissions to Guelph City Council before the by-law is passed, the person or public body may not be added as a party to the hearing of an appeal before the Ontario Municipal Board unless, in the opinion of the Board, there are reasonable grounds to do so.

FOR MORE INFORMATION

Additional information including copies of the staff report and related background information will be available for review by visiting 1 Carden Street, 3rd Floor or contacting **Katie Nasswetter at (519) 837-5616, ext. 2356** during regular office hours.

Please note that copies of the Staff report will be available on **November 4, 2016** and may be picked up at Infrastructure, Development and Enterprise (1 Carden Street, 3rd Floor) on, or after this date.

Public Meeting Notice

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To: Agencies and Departments

The City of Guelph is proposing technical revisions to the City's Comprehensive Zoning By-law as summarized above.

Please submit your comments by **November 10, 2016**. If you have any questions or require further information, please call **Katie Nasswetter** at (519) 837-5616 Extension #2356, or email / planning@guelph.ca

If you have no comments or concerns regarding this City initiated amendment (File # **ZC1616**), please sign and submit this form to:

Katie Nasswetter
Senior Development Planner
City of Guelph

katie.nasswetter@guelph.ca

Fax # (519) 822-4632

Agency

Representative (Please Print)

Representative (Signature)

Date

**Certificate with respect to approval of
a draft plan of condominium subdivision
by The Corporation of the City of Guelph**

I, Stephen O'Brien, City Clerk of The Corporation of the City of Guelph, hereby certify that the Notice of Decision of a Draft Plan of Condominium Subdivision, (23CDM16505) for Part of Lot 5, Concession 7, Geographic Township of Puslinch, municipally known as 1219 Gordon Street, in the City of Guelph, County of Wellington, was sent to the persons and public bodies prescribed under subsection 51 (37) of the *Planning Act*, R.S.O. 1990, c. P.13, as amended. I also certify that the 20 day objection period expired on the 5th day of October, 2016, and to that date, no notice of objection or request for a change in the provisions of the decision of the draft plan of condominium subdivision has been filed by any person with the City Clerk's Department. A declaration to this effect is on file.

In accordance with subsection 51 (41) of the *Planning Act*, R.S.O. 1990, c. P. 13, as amended, this Draft Plan of Condominium Subdivision is deemed to have been approved on the 6th day of October, 2016.

Dated this 25th day of October, 2016.

RECEIVED

OCT 31 2016

Township of Puslinch



City Clerk

Certified copy to:

Michael Wiltmer, City of Guelph
Assessment Commissioner, Municipal Property Assessment Corporation
GSP Group Inc., Applicant
2274237 Ontario Inc., Owner

Copies to:

List attached hereto

City Hall
1 Carden St
Guelph, ON
Canada
N1H 3A1

T 519-822-1260
TTY 519-826-9771

guelph.ca

**Distribution list with respect to the approval of draft plan of
condominium subdivision by The Corporation of the City of Guelph for
23CDM16505**

MMM Group Limited, (Bell Canada)
Canada Post
Manager of Community Planning and Development, Canadian Nation Railway Properties
Clerk, Township of Puslinch
CAO, County of Wellington
Guelph Hydro Electric Systems Inc.
Planning & Design Section, Corridor Control Office, Ministry of Transportation
Manager OPE, Rogers Cable TV Ltd.
Gwen Keep, Union Gas Limited
Jennifer Passy, Upper Grand District School Board
Dan Duszczyszyn, Wellington Catholic District School Board
City Solicitor, City of Guelph
Director of Finance, City of Guelph
Steve Gill, Guelph Police Services
City Engineer, City of Guelph
Program Manager-Open Spaces Planning, City of Guelph
Fire Chief, City of Guelph
Economic Development, City of Guelph
Randy Harris, City of Guelph
Manager of Development Planning, City of Guelph
Program Manager-Zoning, City of Guelph
Parks Planner

RECEIVED

NOV 21 2008

Township of Puslinch

Ontario
Provincial
Police

Police
provinciale
de l'Ontario



Municipal Policing Bureau
Bureau des services policiers des municipalités

777 Memorial Ave.
Orillia ON L3V 7V3

777, avenue Memorial
Orillia ON L3V 7V3

Tel: 705 329-6140
Fax: 705 330-4191

Tél. : 705 329-6140
Télec.: 705 330-4191

File Reference:

614-00

November 02, 2016

Dear Mayor/Municipal Clerk,

I take this opportunity to follow-up on the September 8, 2016 letter sent to all OPP-policed municipalities regarding the reconciliation of the municipal policing costs related to the collective agreement negotiations between the Ontario Provincial Police Association (OPPA) and the Province of Ontario (Employer). As you may be aware, both parties proceeded to mediation and ultimately to arbitration; the Arbitrator issued a decision on October 3, 2016, in accordance with the *Ontario Provincial Police Collective Bargaining Act*. The Arbitrator's award is final and binding to both the OPPA and the Employer. The new Civilian and Uniform Collective Agreements will expire on December 31, 2018.

The Arbitrator awarded a salary increase to all classifications in the OPPA Uniform and Civilian Collective Agreements, as follows:

- January 1, 2015 – 2.00 percent
- December 1, 2015 – 0.65 percent
- January 1, 2016 – 1.50 percent
- July 1, 2016 – 0.45 percent
- January 1, 2017 – 1.50 percent
- July 1, 2017 – 0.40 percent
- January 1, 2018 – 1.75 percent

As previously communicated, the OPP has been incorporating estimated salary rates in the municipal policing Annual Billing Statements for 2015 through 2017 as 1.5 percent, 2.64 percent and 2.54 percent, respectively.

As a result, the OPP estimated salary rate increases in your billing statements align very closely to the arbitration award rates and will have a minimal impact on your municipal policing costs. For 2015-2017, the annual compound salary rate percentage in our estimates only differed by 0.37 percent.

	Arbitration Award	Annual Billing Statement Estimates	Variance
Jan-15	2.00%	1.5%	
Dec-15	0.65%		
2015 Compound Impact*	2.06%	1.5%	0.56%
Jan-16	1.5%	2.64%	
Jul-16	0.45%		
2016 Compound Impact*	4.44%	4.18%	0.26%
Jan-17	1.5%	2.54%	
Jul-17	0.40%		
2017 Compound Impact*	6.46%	6.83%	-0.37%

*The yearly rate and the intra-year compound rates of previous periods prorated according to the specified periods.

The OPP will include both the 2015 and 2016 reconciliation adjustments in the 2018 Annual Billing Statement, providing municipalities with the opportunity to include these adjustments in their 2018 budget planning. The reconciliation adjustments for 2017 will be included in the 2019 Annual Billing Statements.

The cost of OPP services compares very favourably to those of other municipal police services in the province and will continue to do so in 2016 and beyond. I would like to thank municipal partners for their commitment and collaboration in reaching our common goal to maintain public safety in Ontario.

Yours truly,



M.M. (Marc) Bedard
Superintendent
Commander,
Municipal Policing Bureau

October 4, 2016

Council of the Municipality of Grey Highlands passed the following resolution at their meeting of October 3, 2016:

16-692

Mokriy - Halliday

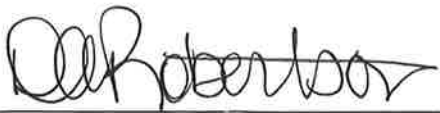
Whereas the current Accommodation Review process is not reflective of the reality of rural school and community life; and

Whereas school closures impact single-school small rural communities in all educational, social and economic aspects to a far greater degree than those impacts in multi-school urban communities;

Be it resolved, That the Municipality of Grey Highlands requests the Minister of Education initiate an immediate moratorium on the Accommodation Review Process until such time as a review of the above mentioned impacts on small rural communities be studied, completed and the results and recommendations be considered; and

**That this resolution be circulated to Premier Kathleen Wynne, MPP Bill Walker, Minister of Infrastructure, Bluewater District School Board, Bruce-Grey Catholic District School Board, Community School Alliance, County of Grey, County of Bruce, People for Education, and all municipalities in Ontario.
CARRIED.**

CERTIFIED TO BE A TRUE COPY



Debbie Robertson
Chief Administrative Officer(Acting)/Municipal Clerk
Director Council and Legislative Services

From: [Pierce, Loni \(MNRF\)](#)
To: [Admin](#)
Subject: Invitation: Bioheat Opportunities for Rural & Remote Communities
Date: October-27-16 8:04:03 AM

**Ministry of Natural Resources
and Forestry**

Forest Industry Division

Roberta Bondar Place
Suite 610
70 Foster Drive
Sault Ste. Marie ON
P6A 6V5

**Ministère des Richesses
naturelles
et des Forêts**

Division de l'industrie forestière

Place Roberta Bondar
Bureau 610
70, promenade Foster
Sault Ste Marie (Ontario)
P6A 6V5

October 27th, 2016

Good morning:

Subject: Bioheat Opportunities for Rural & Remote Communities, November 2016

On behalf of the Ministry of Natural Resources and Forestry, I would like to extend an invitation to you to participate in our third and final *Bioheat Opportunities for Rural and Remote Communities* workshop.

Bioheat is a sustainable, renewable energy resource available in Ontario that has the potential to assist Ontarians in reducing climate change. This energy source is derived from the conversion of biomass, whether from forestry or agriculture, to produce heat. It helps to keep our forests healthy, support forest products markets, and put organic by-products, industry by-products, and agricultural residuals to good use. We would be pleased to have you attend our event, which will raise awareness of the many economic and environmental benefits of using bioheat.

This free, full-day event will be held in Cambridge, Ontario on Friday, November 4th, 2016 at the Cambridge Hotel and Conference Centre. Speakers from across the province will provide information on topics such as community energy planning (CEP), the fundamentals of bioheat (e.g. pellets, chips, boilers, purpose-grown crops, etc.), and lessons learned from those already implementing CEP's and bioheat systems. This event is ideal for city staff and councillors, especially those who are responsible for planning, energy, environment, buildings and infrastructure, as well as members of the community at large.

We hope that you will be able to join us on November 4th to learn more about how bioheat is a sustainable, renewable, and carbon-friendly fuel option in Ontario. Attendance is contingent on pre-registration as there are a limited number of seats available. To view the agenda and to register, please follow the provided link: bioheatcambridge.eventbrite.ca

An RSVP for the event would be appreciated by Wednesday, November 2nd. If you have any questions or would like more information about the event, please contact me.

Sincerely,

Loni Pierce

A/Program Specialist, Forest Bioeconomy | Forest Tenure and Economics Branch
Telephone: 705.945.5843 | E-mail: Loni.Pierce@ontario.ca

Ministry of Housing

**Minister Responsible for the
Poverty Reduction Strategy**

Office of the Minister

777 Bay Street, 17th Floor
Toronto ON M5G 2E5
Tel.: 416 585-6500
Fax: 416 585-4035

Ministère du Logement

**Ministre responsable de la Stratégie
de réduction de la pauvreté**

Bureau du ministre

777, rue Bay, 17^e étage
Toronto ON M5G 2E5
Tél. : 416 585-6500
Téléc. : 416 585-4035



Let me thank you and your council for the work you do every day on behalf of the citizens of Ontario. It can't be said enough that a strong partnership between your government and my Ministry is critical to addressing the affordable housing challenges we collectively face.

As you'll know, the province recently released an update to the Long-Term Affordable Housing Strategy (LTAHS) 2016 (the "Update"). The Update continues the transformation of Ontario's housing system which we began with the 2010 LTAHS. On September 14, 2016, we re-introduced the Promoting Affordable Housing Act, 2016 (Bill 7). If passed, Bill 7 would help ensure that the people of Ontario have better access to affordable and adequate housing. This includes an even stronger emphasis on the role that private sector housing can play in providing a mix and range of affordable housing choices for Ontarians.

More specifically, second units are an important tool in contributing to the supply of private sector affordable housing choices. They are widely recognized as one of the most affordable forms of rental housing. Second units help optimize the use of the existing housing stock and infrastructure, all the while providing an income stream for homeowners, particularly younger and older homeowners, who may respectively have a greater need for income to help finance and/or remain in their homes.

In support of second units, I am pleased to announce that Bill 7 proposes to amend the *Development Charges Act*, 1997 which, if passed, give authority to amend the regulations and exempt second units in new homes from development charges. This should help spur the design of houses to accommodate second units at the outset, which is a more effective approach compared to retrofitting. In this way, we can plan ahead for houses to be used in a flexible way over time, depending on the life cycle stage of homeowners and whether they seek or need the income a second unit can provide.

Concurrently, we are proposing to publicly consult on potential changes to the Building Code (by way of an amendment to Regulation 332-12) to improve the affordability of second units in newly constructed houses while still meeting safety standards of both the Building Code and Fire Code. The proposed new requirements for construction of newly built houses with second units would allow for greater flexibility and decrease the construction costs.

You may recall that we began a renewed emphasis on second units as part of the 2010 LTAHS which saw us make amendments to the *Planning Act* to require municipalities to amend their official plans and zoning by-laws to authorize second units in single-detached, semi-detached and row dwellings, as well as in accessory structures (e.g. laneway garages). These provisions came into effect on January 1, 2012. The Act was

also amended to give the Minister regulation making authority - to both directly permit second units and/or to prescribe standards for them (e.g. parking).

I am aware that an increasing number of municipalities have taken, or are engaged in taking, steps to amend their official plans and zoning by-laws to reflect these provisions. I appreciate those efforts. However, in some instances, analysis reveals that certain official plan policies and/or zoning provisions do not reflect the permissive spirit and intent of these legislative changes. It is noted that Bill 7 proposes to provide the minister with appeal rights related to municipal adoption of second unit official plan policies and zoning by-laws.

However, the majority of municipalities have not updated their official plans and zoning by-laws to reflect the second unit requirements of the *Planning Act* - even though we are well into the fourth year since this requirement came into effect. As such, and based on all of the above, I have instructed staff to engage in a five part plan as follows:

1. Engage in outreach to apprise municipalities of the proposed changes to the Building Code and *Development Charges Act* as a means of supporting the planning and establishment of second units.
2. Our Municipal Services Offices will approach those municipalities that have adopted official plans and/or zoning by-laws post 2012 to:
 - a. Discuss policies, by-laws, or standards that appear to be overly restrictive and not in keeping with the permissive spirit and intent of the legislation; and
 - b. Request these municipalities to review the policies or standards considered restrictive at the next opportunity (i.e., during an official plan review or zoning by-law update) to reflect the purpose and intent of the *Planning Act* provisions on second units.
3. Our Municipal Services Offices will also approach all of those municipalities that have yet to adopt changes to their official plans and/or zoning by-laws to reflect the *Planning Act* requirements, to seek an understanding of when the changes will be made and to provide guidance as needed. I have instructed them to seek commitments to complete this work by March 31, 2017.
4. Propose a regulation under the *Planning Act* setting out standards and/or limitations on official plan policies and/or zoning standards which would take precedence over existing policies/standards which are deemed to be not in keeping with the permissive spirit and intent of the legislation as follows:
 - Only a maximum of up to one parking spot per second unit could be required and tandem parking would be permitted;
 - Second units could not be subject to any provision which requires the primary or second unit be occupied by any person (e.g. a by-law could not require the primary unit to be inhabited by the owner in order for a second unit to be permitted); and
 - Second units would be permitted in primary dwellings and accessory buildings regardless of date of construction of the primary or the second unit.

5. Publish an information backgrounder setting out best practices on second units, along with promoting guidance material and web content developed by the Landlord Self Help Centre.

While some of the above steps may seem strong, these province-wide legislative requirements for second units have been in place for some time. Since their enactment, the need for affordable housing choices for all Ontarians has increased.

The benefits of second units are widely recognized and they form a substantial and increasing part of the province's affordable housing supply. Since becoming Minister in June, I have crossed the province listening to municipal leaders, housing experts and advocates. In the formal and informal discussions, the need for secondary suites to be part of a healthy municipal housing "mix" became more obvious. I have instructed ministry staff to provide as much information and advice as possible to assist municipalities in moving forward with this important work.

I look forward to all municipalities in Ontario embracing a permissive second unit policy and zoning framework to help house their residents.

Thank you in advance for your help as we work together in partnership to achieve our shared goal of creating more affordable housing in our communities.

Sincerely,



Chris Ballard
Minister



TOWNSHIP OF ZORRA

274620 27th Line, PO Box 306, Ingersoll, ON, N5C 3K5
Ph. (519) 485-2490 · 1-888-699-3868 · Fax: (519) 485-2520

October 21, 2016

Honourable Michael Coteau, Minister of Children and Youth Services
Ministry of Children and Youth Services / Anti-Racism Directorate
14th Floor
56 Wellesley Street West
Toronto, ON M5S 2S3

Dear Minister Coteau:

Re: Autism Spectrum Disorder

Please be advised the Council of the Township of Zorra passed the following resolution at its October 18, 2016, regular meeting:

“WHEREAS, Autism Spectrum Disorder is now recognized as the most common neurological disorder affecting 1 in every 94 children, as well as their friends, family and community;

AND WHEREAS, Applied Behaviour Analysis (ABA) is the scientific process based on objective evaluation and empirically based interventions used to achieve meaningful, generalizable and enduring behavioural change. Intensive Behavioural Intervention (IBI) is an application of the principles of ABA in an intensive setting used to affect behaviour change and improvement;

AND WHEREAS, the current waiting list of children for Intensive Behaviour Intervention (IBI) is over 2,000 and more than 13,000 children await Applied Behaviour Analysis (ABA);

AND WHEREAS, the Province of Ontario has announced it intends to discontinue IBI services to children over the age of four and provide a one-time payment to assist with services, thereby abandoning thousands who have been wait-listed for years;

AND WHEREAS, there are two service models for affected children to be treated, 1) the Direct Service Offering (DSO) where children receive services directly from trained staff at Ontario's nine regional service providers, and 2) the Direct Funding Offering (DFO) where parents receive funding directly in order to purchase services;

AND WHEREAS, the DFO model to provide services is used in Alberta, British Columbia and imminently Saskatchewan. Such a model is clinically

rigorous and has been identified by the Auditor General of Ontario as being less expensive than Ontario's DSO model;

THEREFORE, be it resolved that a letter be sent to Hon. Tracy MacCharles, Minister of Children and Youth Services; Alexander Bezzina, Deputy Minister; Hon. Eric Hoskins, Minister of Health; and Hon. Kathleen Wynne, Premier of Ontario, requesting the Province to:

- 1. Amend its policy to one that will allow all children on the current waiting list to receive the IBI services promised them; and**
- 2. Remove the age limit for IBI therapy and replace it with a program that provides ongoing IBI services based on need and individual development, not age; and**
- 3. Ensure oversight by professionals and parents based on 'development progress' criteria and milestones; and**
- 4. Adopt a Direct Funding Offering (DFO) model in lieu of the current Direct Service Offering (DSO) model;**

AND FURTHER THAT a copy of this resolution be forwarded to all municipalities within the Province of Ontario."

Disposition: Carried

If you have any questions, please do not hesitate to contact me.

Yours truly,

A handwritten signature in blue ink, appearing to read "Donald W. MacLeod".

Donald W. MacLeod
Chief Administrative Officer

cc: The Honourable Nancy Matthews, Deputy Minister
The Honourable Eric Hoskins, Minister of Health
The Honourable Kathleen Wynne, Premier of Ontario
All Ontario Municipalities (by email)

From: [Karen Landry](#)
To: [Nina Lecic](#)
Subject: FW: New! OMAFRA Guidelines on Permitted Uses in Ontario's Prime Agricultural Areas - NOUVEAU! Lignes directrices sur les utilisations permises dans les zones agricoles à fort rendement de l'Ontario du MAAARO
Date: October-26-16 2:49:35 PM

From: OMAFRA Guidelines (OMAFRA) [<mailto:OMAFRA-Guidelines@ontario.ca>]

Sent: Tuesday, October 25, 2016 4:48 PM

Subject: New! OMAFRA Guidelines on Permitted Uses in Ontario's Prime Agricultural Areas - NOUVEAU! Lignes directrices sur les utilisations permises dans les zones agricoles à fort rendement de l'Ontario du MAAARO

OMAFRA would like to advise decision-makers, planners, economic developers and farmers that the final Guidelines on Permitted Uses in Ontario's Prime Agricultural Areas have been posted on [OMAFRA's website](#).

You can order a free printed copy of the Guidelines on Permitted Uses in Ontario's Prime Agricultural Areas, Publication 851, through ServiceOntario:

- Online: [ServiceOntario Publications](#)
- By phone:
Monday to Friday, 8:30 AM to 5:00 PM
416-326-5300
416-325-3408 (TTY)
1-800-668-9938 toll-free across Canada
1-800-268-7095 TTY toll-free across Ontario

Le MAAARO aimerait aviser les responsables de la prise de décisions, les planificateurs, les promoteurs du développement économique et les agriculteurs que la version finale des *Lignes directrices sur les utilisations permises dans les zones agricoles à fort rendement de l'Ontario* a été affichée sur le [site Web du MAAARO](#).

Vous pouvez commander un exemplaire gratuit de la publication 851F intitulée *Lignes directrices sur les utilisations permises dans les zones agricoles à fort rendement de l'Ontario* auprès de ServiceOntario :

- En ligne à [ServiceOntario Publications](#)
- Par téléphone :
Lundi à vendredi, 8 h 30 à 17 h
416 326-5300
416 325-3408 (TTY)
1 800 668-9938 Sans frais au Canada
1 800 268-7095 ATS Sans frais en Ontario

From: [Karen Landry](#)
To: [Nina Lecic](#)
Subject: FW: Ontario Taking Action to Protect Clean Water
Date: October-18-16 11:37:30 AM

From: Ministry of the Environment and Climate Change (MOECC)
[<mailto:STAKEHOLDERRELATIONS@ontario.ca>]

Sent: Monday, October 17, 2016 12:36 PM

Subject: Ontario Taking Action to Protect Clean Water

The Ministry of Environment and Climate Change is writing to inform you that today, the Ministry has posted a proposal for comment on the Environmental Registry to establish a moratorium on new or increased water takings from groundwater by water bottlers in the province. If approved, the moratorium would be in effect from the date the regulation is filed (anticipated to be before the end of 2016) until January 1, 2019. The government is also putting in place stricter rules for renewals of existing permits that would require increased public transparency, new operating guidelines, and scientific studies to deal with water problems such as drought.

As part of Ontario's ongoing efforts to protect its water resources, the government is also closely examining how pricing and other tools could be used to help manage and protect the province's water resources, and will provide an update later this fall.

While the proposed moratorium is in place, Ontario also plans to:

- Undertake research to improve understanding of groundwater in Ontario
- Review existing rules for adequate protection of groundwater for future generations
- Receive public input and feedback on Ontario's current groundwater permitting process and groundwater management moving forward.

This proposal has been posted for public review and comment. We invite your comments on this proposal and encourage you to submit your comments through the Environmental Registry by December 1, 2016. The proposal can be found on the

Environmental Registry at: <http://www.ebr.gov.on.ca/ERS-WEB-External/displaynoticecontent.do?noticeId=MTMwMjU1&statusId=MTk3NDM4&language=en> (registry number 012-8783).

Additional information can be found in the News Release: Ontario Taking Action to Protect Clean Water <http://news.ontario.ca/ene/en/2016/10/ontario-taking-action-to-protect-clean-water.html>.

October 11, 2016

The Honourable Kathleen Wynne
Premier of Ontario
Toronto ON M7A 1A1
By email only: premier@ontario.ca

Honourable Madam:

Provincial legislation and Hydro One's strategy regarding hydro costs was discussed at a recent Grey County standing committee meeting. At the October 4, 2016 Council session, resolution SSC70-16 was endorsed as follows:

WHEREAS there is inequity between the cost of hydro for rural residents as compared to urban residents due to higher distribution charges;

AND WHEREAS this practice targets and negatively affects rural residents, especially those who are already unable to pay for the high cost of hydro;

NOW THEREFORE BE IT RESOLVED THAT the County of Grey request the Province to re-evaluate the structure of hydro in terms of access and delivery and implement structural changes to address the unfair practice of charging more for delivery for rural residents;

AND THAT this resolution be circulated to all municipalities in the Province of Ontario as well as Ontario Small Urban Municipalities (OSUM) and Association of Municipalities of Ontario (AMO).

Grey County Council respectfully requests consideration of this resolution.

Yours truly,



Sharon Vokes
Clerk/Director of Council Services
sharon.vokes@grey.ca
www.grey.ca

cc. Glenn Thibeault, Minister of Energy by email: gthibeault.mpp.co@liberal.ola.org
AMO by email: amo@amo.on.ca
OSUM by email: lmccabe@goderich.ca
K. Weppler, Director of Finance
All Ontario Municipalities
Bill Walker, MPP Bruce Grey Owen Sound by email: bill.wlker@pc.ola.org
Jim Wilson, Simcoe Grey MPP by email: jim.wilson@pc.ola.org

Nina Lecic

From: Karen Landry
Sent: October-13-16 1:37 PM
To: Nina Lecic
Subject: FW: Haiti Emergency Fund

From: FCM Communiqué [<mailto:communiqu@fcm.ca>]
Sent: Tuesday, October 11, 2016 3:08 PM
To: Karen Landry
Subject: Haiti Emergency Fund

October 11, 2016

[Change your language](#) | [View email in your browser](#)

FCM seeks members' help for our Haitian partner municipalities severely damaged by Hurricane Matthew

Since 2011, with funding from the Government of Canada and in cooperation with the City of Montréal and the Union des municipalités du Québec, FCM has partnered with the Haitian municipalities of Grand-Goâve, Petit-Goâve, Gressier and Léogane. The four municipalities were hit hard by the hurricane and hundreds of homes have been destroyed, crops lost and roads severely damaged.

FCM and its staff in Haiti are already helping our municipal partners deal with the challenges of rebuilding. With FCM's support, each of the four municipalities is compiling a more complete report of damage and aid priorities.

Municipalities throughout Canada are invited to contribute to the Haiti Emergency Fund. The Fund will help rebuild culverts, bridges and public markets; strengthen protective dikes; clean out surface runoff canals; and replace roofing on public and community buildings.

Please send your donation by cheque payable to *FCM – Haiti Fund* directly to

FCM at 24 Clarence Street, Ottawa, K1N 5P3. Municipalities that make a donation will receive a detailed report on how the funds were used.

Thank you in advance for your generous help for our municipal partners and friends in Haiti.

Clark Somerville
FCM President and Regional Councillor, Halton Hills

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24 Clarence Street, Ottawa, Ontario K1N 5P3 • T. 613-241-5221 • F. 613-241-7440
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From: message@maddmessage.ca
To: [Nina Lecic](#)
Subject: MADD Message Yearbook
Date: November-02-16 9:51:34 AM

Dear Nina,

Further to our conversation today, the MADD Message Yearbook is a publication designed to raise awareness and funds for the many programs MADD Canada provides, including local educational seminars in schools for new young drivers. The publication will be available to the public free of charge in high traffic locations and via mail to our local business and professional advertisers. For additional information and to see a recent publication, please visit our website, www.maddmessage.ca To view our rates, please visit www.maddmessage.ca/rates By placing an ad in the publication, Puslinch Township can demonstrate its support for stopping impaired driving while publicly promoting your commitment to the cause. Without the support of the local business community this important publication would not be possible. Please feel free to email or call me at 1-866-767-1736. We hope to gain your support.

Yours Truly,

Stacey Biekx

Nina Lecic

From: Karen Landry
Sent: October-24-16 8:30 AM
To: Nina Lecic
Subject: FW: Ministry of Transportation Public Consultation on Electric Vehicle Initiatives
Attachments: EV EBR Letter to partners_EN.PDF; EV EBR Letter to partners_FR.PDF

From: Sustainable and Innovative Transportation (MTO) [<mailto:SandTransportation@ontario.ca>]
Sent: Thursday, October 20, 2016 4:47 PM
To: Sustainable and Innovative Transportation (MTO)
Subject: Ministry of Transportation Public Consultation on Electric Vehicle Initiatives

[le français suit l'anglais]

Dear valued partners,

Ontario's Climate Change Action Plan (CCAP), released on June 8, 2016, committed to creating a cleaner transportation sector in Ontario, in part by promoting the adoption of electric vehicles (EVs).

The Ministry of Transportation is ready to do its part to support the CCAP by implementing a number of initiatives that support reductions to transportation emissions. These initiatives will be funded by proceeds from the province's cap and trade program.

Through a discussion paper posted to the Environmental Registry, we are seeking your input on the development of programs included in the CCAP to support increased uptake of EVs in Ontario.

We encourage you to review the [discussion paper](#), accessible through the [Environmental Registry](#) or the Ministry's Electric Vehicles web page at www.ontario.ca/electricvehicles and provide your comments by November 14, 2016. We look forward to hearing from you.

Jill Hughes, Director
Transportation Policy Branch
Ministry of Transportation
777 Bay Street, 30th Floor
Toronto, ON M7A 2J8
Tel: (416) 585-7177

À nos précieux partenaires,

Le Plan d'action sur les changements climatiques de l'Ontario, lancé le 8 juin 2016, vise à assainir le secteur des transports de l'Ontario, notamment en encourageant l'utilisation de véhicules électriques.

Le ministère des Transports est prêt à contribuer à la mise en œuvre du Plan d'action sur les changements climatiques en lançant un certain nombre d'initiatives qui permettront de réduire les émissions découlant du transport. Ces initiatives seront financées par le programme de plafonnement et d'échange de la province.

Nous avons publié dans le Registre environnemental un document de discussion grâce auquel nous aimerions recueillir vos commentaires sur l'élaboration de programmes s'inscrivant dans le Plan d'action sur les changements climatiques afin de favoriser l'augmentation du nombre de véhicules électriques en Ontario.

Nous vous invitons à lire le document de discussion, que vous trouverez dans le Registre environnemental et sur la page Web du Ministère sur les véhicules électriques (www.ontario.ca/vehiculeselectriques), et à nous envoyer vos commentaires d'ici le 14 novembre 2016. Nous avons hâte de les lire.

Veuillez agréer, chers partenaires, mes salutations distinguées.

Jill Hughes, Directrice
Direction des politiques du transport
Ministère des Transports
777, rue Bay, 30 Street, 30^e étage
Toronto, ON M7A 2J8
Tél.: 416 585-7177

Ministry of
Transportation

Ministère des
Transports



Transportation Policy Branch
777 Bay Street, 30th Floor
Toronto, Ontario
M7A 2J8
Tel: 416 585-7177
Fax: 416 585-7204

Direction des politiques du transport
777, rue Bay, 30^e étage
Toronto (Ontario)
M7A 2J8
Tél. : 416 585-7177
Télééc. : 416 585-7204

October 20, 2016

Dear valued partners,

Ontario's Climate Change Action Plan (CCAP), released on June 8, 2016, committed to creating a cleaner transportation sector in Ontario, in part by promoting the adoption of electric vehicles (EVs).

The Ministry of Transportation is ready to do its part to support the CCAP by implementing a number of initiatives that support reductions to transportation emissions. These initiatives will be funded by proceeds from the province's cap and trade program.

Through a discussion paper posted to the Environmental Registry, we are seeking your input on the development of programs included in the CCAP to support increased uptake of EVs in Ontario.

We encourage you to review the [discussion paper](#), accessible through the [Environmental Registry](#) or the ministry's Electric Vehicles web page at www.ontario.ca/electricvehicles, and provide your comments by November 14, 2016. We look forward to hearing from you.

Sincerely,

Jill Hughes
Director

Nina Lecic

From: Karen Landry
Sent: October-24-16 8:49 AM
To: Nina Lecic
Subject: FW: pan am games debt
Attachments: Pan Am Games debt..pdf

From: Jaime Allen [<mailto:jallen@latchford.ca>]

Sent: Monday, October 24, 2016 8:45 AM

To: 'Lisa Teeple'; 'Jackie Boggs'; gdombroski@madawaskavalley.ca; clerk@addingtonhighlands.ca; info@adelaidemetcalfe.on.ca; lkeenan@townshipadjtos.on.ca; info@admastonbromley.com; alberton@jam21.net; mdaigneault@alfred-plantagenet.com; info@algonquinhighlands.ca; alnhald@alnwickhaldimand.ca; township@amaranth-eastgary.ca; info@armourtownship.ca; reynaldrivard@nt.net; arnprior@arnprior.ca; areld@bmts.com; clerk@acwtownship.ca; bbonisteel@asphodelnorwood.com; assignackinfo@amtelecom.net; athens@ripnet.com; info@atikokan.ca; pmercier@augusta.ca; peggy@townshipofbaldwin.ca; bayham@bayham.on.ca; khalahan@twp.beckwith.on.ca; billingsadmin@billingstwp.ca; reception@blackriver-matheson.com; generalmail@blandfordblenheim.ca; katie.scott@blindriver.ca; bluewater@town.bluewater.on.ca; clerk@ebonfield.org; admin@eganville.com; lmcdonald@bracebridge.ca; brant@brant.ca; brethour@parolink.net; gfrrost@brighton.ca; info@brockton.ca; info@brookealvinston.com; brucemines@bellnet.ca; blrtownship@xplornet.com; clerk@burksfalls.ca; burpeemills@vianet.ca; info@caledon.ca; administration@calvintownship.ca; info@carletonplace.ca; cao@carlingtownship.ca; clerk@carlowmayo.ca; harlytwp@parolink.net; info@casselman.ca; services@cavanmonaghan.net; dleitch@centralelgin.org; township@centralfrontenac.com; info@centralhuron.com; centralm@amtelecom.net; ppilgrim@centrehastings.com; kokane@centrewellington.ca; ctchamberlain@ontera.net; info@champlain.ca; apellow@chapleau.ca; chapple@tbaytel.net; dthibeault@charltonanddack.com; office@chatsworth.ca; info@chisholm.ca; mouellet@clarence-rockland.com; pfettes@clearview.ca; cobalt@ntl.sympatico.ca; jp.ouellette@town.cochrane.on.ca; brentstdenis@gmail.com; toc@ontera.net; townhall@collingwood.ca; conmee@tbaytel.net; dan@cramahetownship.ca; clerk@cramahetownship.ca; admin@dawneuphemia.on.ca; dawsontwp@tbaytel.net; gmaracle@deseronto.ca; office@doriontownship.ca; info@dourodummer.on.ca; admin@dnetownship.ca; scasey@dubreuilville.ca; cao@duttondunwich.on.ca; info@dysartetal.ca; eftownship@ear-falls.com; municipality@eastferris.ca; township@amaranth-eastgary.ca; lrozon@easthawkesbury.ca; ezt@ezt.ca; mail@twpec.ca; mail@elizabethtown-kitley.on.ca; info@city.elliottlake.on.ca; township@emo.ca; englehrt@ntl.sympatico.ca; dmctavish@enniskillen.ca; connie.cox@erin.ca; info@essatownship.on.ca; cbondy@essex.ca; evantureladmin@parolink.net; office@faraday.ca; info@fauquierstrickland.com; town@fort-frances.com; mbouffard@frenchriver.ca; admin@frontofyonge.com; dplumley@kos.net; diannesayer3@hotmail.com; sboonstra@gbtownship.ca; office@georgianbluffs.on.ca; gillies@tbaytel.net; townhall@goderich.ca; adminoffice@gordonbarrieisland.ca; aclarke@gorebay.ca; mail@townofgrandvalley.ca; cthwaites@gravenhurst.ca; admin@greaternadawaska.com; info@greaternapanee.com; administration@greenstone.ca; info@greyhighlands.ca; general@get.on.ca; info@haldimandcounty.on.ca; info@hamiltontownship.ca; harlytwp@parolink.net; harris@ntl.sympatico.ca; info@hastingshighlands.ca; havbelmet@hbmtpw.ca; cgroux@hawkesbury.ca; twpshcm@xplornet.com; townofhearst@hearst.ca; info@highlandseast.ca; twphill@parolink.net; admin@hiltontownship.ca; info@hiltonbeach.com; smith.hpayne@bellnet.ca; mjmhorton@xplornet.com; clerk@town.howick.on.ca; harlytwp@parolink.net; denise.corry@huntsville.ca; info@huronkinloss.com; bknight@huroneast.com; email@huronshores.ca; deputyclerk@tbaytel.net; clerks@ingersoll.ca; klauzon@irokeisfalls.com; elklake@ntl.sympatico.ca; jocelyntwp1@xplornet.ca; johnsontwp@bellnet.ca; office@townshipofjoly.com; general@kapuskasing.ca; info@city.kawarthakes.on.ca; info@townofkearney.com; jmcmillan@kenora.ca; harlytwp@parolink.net; info@khrtownship.ca; townkill@vianet.ca; clerk@kincardine.net; orton-pert@kingsville.ca; joann.ducharme@tkl.ca; lavalley@nwonet.net; lairdtpw@soonet.ca; m.percival@lakeofbays.on.ca; lakeofthewoodstwp@tbaytel.net; webmaster@lakeshore.ca; [1](mailto:administration@county-</p></div><div data-bbox=)

lambton.on.ca; rtrimble@lanarkhighlands.ca; dwightmctaggart@larderlake.ca; info@laurentianhills.ca; info@lvtownship.ca; info@leamington.ca; vanessa@townshipleeds.on.ca; clerk@township.limerick.on.ca; info@loyalist.ca; ldeboer@lucanbiddulph.on.ca; twpmacd@onlink.net; admin@vianet.ca; clerktreasurer@visitmachin.com; info@madawaskavalley.ca; clerk@madoc.ca; info@magnetawan.com; malahide@malahide.ca; ckerster@manitouwadge.ca; reception@town.mapleton.on.ca; clerk@marathon.ca; info@markstay-warren.ca; j.durbatch@marmoraandlake.ca; township@ntl.sympatico.ca; info@mattawa.ca; mattawan@xplornet.ca; mattice@ntl.sympatico.ca; cvankoughnett@mcdougall.ca; admin@mcgarry.ca; clerk@township.mckellar.on.ca; clerk@mcmurrichmonteith.com; info@mcnabbraeside.com; info@meaford.ca; info@melancthontownship.ca; admin@merrickville-wolford.ca; boyds@middlesexcentre.on.ca; admin@minden hills.ca; bwhite@town.minto.on.ca; town@mississippimills.ca; mono@townofmono.com; info@township.montague.on.ca; moonbeam@moonbeam.ca; townshipofmorley@gmail.com; nmichie@morristurnberry.ca; info@mulmurtownship.ca; cmortimer@muskokalakelakes.ca; nairncentre@personainternet.com; neebing@neebing.org; clerk@newtecumseth.ca; office@newbury.ca; info@nipigon.net; admin@nipissingtownship.com; inquiries@norfolkcounty.ca; naw@nalgonawil.com; info@northdundas.com; info@northfrontenac.ca; danielgagnon@northglengarry.ca; general@northgrenville.on.ca; info@northhuron.ca; c.parent@northkawartha.on.ca; admin@northmiddlesex.on.ca; town@northperth.ca; admin@northstormont.ca; info@townofnemi.on.ca; marylynn.nbp@amtelecom.net; karmstrong@twp.norwich.on.ca; twpoconn@tbaytel.net; oilsprings@ciaccess.com; twpopas@persona.ca; corporate@orillia.ca; info@oro-medonte.ca; info@osmtownship.ca; admin@papineaucameron.ca; 'Rob Mens'; info@pelee.ca; tlapierre@pembroke.ca; hbryce@penetanguishene.ca; info@townshipofperry.ca; lwalton@perth.ca; gschwendinger@pertheast.ca; lscott@perthsouth.ca; email@petawawa.ca; petrolia@town.petrolia.on.ca; picklelake@picklelake.org; plumtwsp@onlink.net; info@plympton-wyoming.ca; jburns@villageofpointedward.com; admin@porthope.ca; info@powassan.net; info@prescott.ca; kwhite@pecounty.on.ca; Karen Landry; kevinh@quintwest.ca; rainyriver@tbaytel.net; ramara@ramara.ca; municipality@redlake.ca; cao@shawbiz.ca; kbulmer@town.renfrew.on.ca; info@twprideaulakes.on.ca; info@russell.ca; admin@ryersontownship.ca; inquiries@sables-spanish.ca; clerk@schreiber.ca; info@seguin.ca; twpsel@nexicom.net; hsander@townshipofsevern.com; shuniah@shuniah.org; admin@siouxlookout.ca; info@livethelakelife.ca; 'CAO'; southalgonquin@xplornet.com; clerk@town.southbruce.on.ca; sbpen@bmts.com; mail@southdundas.com; admin@township.southfrontenac.on.ca; info@southglengarry.com; info@southhuron.ca; info@southriverontario.com; info@southstormont.ca; info@southgate.ca; info@southwestmiddlesex.ca; southwold@southwold.ca; info@townofspanish.ca; info@springwater.ca; renee.chaparon@stcharlesontario.ca; webmaster@twp.stclair.on.ca; stjoeadmin@bellnet.ca; lheinbuch@town.stmarys.on.ca; caoclerk@stonemills.com; clerk@strongtownship.com; villageoffice@sundridge.ca; tarbutt@township@bellnet.ca; taytownship@tay.ca; clerk@tayvalleytwp.ca; info@tecumseh.ca; twptehk@amtelecom.net; visit@temagami.ca; municipality@temiskamingshores.ca; info@terracebay.ca; inquiries@thamescentre.on.ca; hgage@thearchipelago.on.ca; mweaver@thearchipelago.on.ca; info@thebluemountains.ca; mmccuaig@nationmun.ca; bgreen@ontera.net; townthess@bellnet.ca; reynaldrivard@nt.net; dewilson@tillsonburg.ca; dluker@tiny.ca; info@trenthills.ca; loneill@trentlakes.ca; clerk@tudorandcashel.com; info@twp.tweed.on.ca; info@tyendinagatownship.com; administration@valharty.ca; info@warwicktownship.ca; clerk@wasagabeach.com; ccyr@wawa.cc; township@wellington-north.com; westelgin@westelgin.net; info@westperth.com; westport@rideau.net; winniempl@onlink.net; info@whitestone.ca; info@whitewaterregion.ca; wollaston@bellnet.ca; cityclerk@portcolborne.ca; winniethepooh@whiteriver.com; cao@whiteriver.com; bwatson@brighton.ca

Cc: clerk@zorra.on.ca; 'GUY MISENER'

Subject: pan am games debt

Good Morning see attached resolution passed by Latchford Council regarding Pan Am games debt.

Thanks

Jaime

Jaime Allen

Clerk
Town of Latchford
705-676-2416
705-676-2121(Fax)
jallen@latchford.ca

**TOWN OF LATCHFORD
RESOLUTION**

MOVED BY: Mike Brooks

No.: 16/ 138

SECONDED BY: P. Ruzicka

Date: October 20th 2016

Be it resolved that the Corporation Of The Town Of Latchford supports the Town Of Lakeshores resolution. That debt incurred from the 2015 Pan Am and Parapan AM Games should be funded by the City Of Toronto.(As per Attached)

Carried ✓

Amended _____

Defeated _____

[Signature]
Signature of Presiding Officer

DIVISION VOTE

FOR

AGAINST

Declaration of Pecuniary Interest/Conflict of Interest

declared interest, abstained from discussion and did not vote on the question.

Clerk-Treasurer



ACTION

TOWN OF LAKESHORE

419 Notre Dame St.
Belle River, ON N0R 1A0

July 12, 2016

Via Email

To: All Municipalities in the Province of Ontario

**RE: SUPPORT OF RESOLUTION – DEBT INCURRED FROM THE 2015 PAN
AM AND PARAPAN AM GAMES**

At their meeting of June 14, 2016 the Council of the Town of Lakeshore duly passed the following resolution.

That:

A letter requesting support be forwarded to all Ontario municipalities to suggest that the \$342 million additional costs incurred for the Pan Am and Parapan Am Games should be funded by the City of Toronto.

Motion Carried Unanimously

Should you require any further information regarding the above, please contact the undersigned.

Yours truly,

Mary Masse
Clerk

/cl

Nina Lecic

From: Karen Landry
Sent: October-26-16 11:55 AM
To: Nina Lecic
Subject: FW: Resolution in Support of Elimination of Barriers for CCAs (Certified Crop Advisors)
Attachments: Correspondence_SWOX Resolution in Support of Elimination of Barriers for CCAs_10.26.2016.pdf

From: Clerk [<mailto:clerk@swox.org>]
Sent: Wednesday, October 26, 2016 10:48 AM
Subject: Resolution in Support of Elimination of Barriers for CCAs (Certified Crop Advisors)

Good morning,

Please find attached, correspondence from the Township of South-West Oxford.

Thank you,



Lisa VanderWallen
Clerk
312915 Dereham Line, Mount Elgin, ON N0J 1N0
P: 519-485-0477 ext. 223 | 519-877-2702 F: 519-485-2932
C: 226-970-1343 | www.swox.org

"A leader in the development and delivery of municipal services for the growth and well being of our community."

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TOWNSHIP OF SOUTH - WEST OXFORD

R. R. # 1, 312915 Dereham Line

Mount Elgin, ON N0J 1N0 / www.swox.org

Phone: (519) 877-2702; (519) 485-0477; Fax: (519) 485-2932

October 26, 2016

Lisa Thompson, MPP
Huron-Bruce
Room 425, Main Leg Bldg, Queen's Park
Toronto, ON, M7A 1A8

Dear Ms. Thompson:

Please be advised that the Township of South -West Oxford Council passed the following resolution at their regular meeting held on October 18th, 2016.

Resolution No. 10 Moved by David Hayes
Seconded by Gerald Mitchell

RESOLVED that the Council of The Township of South-West Oxford supports the efforts of the Member of Provincial Parliament for Huron—Bruce to eliminate barriers to employment opportunities for CCAs, and allow Ontario farmers the freedom to engage in business with the expert of their choice; and

FURTHER RESOLVED that a copy of this resolution be forwarded to all Ontario municipalities, and AMO.

DISPOSITION: Motion Carried

Should you require anything further, please do not hesitate to contact me.

Regards,

A handwritten signature in black ink, appearing to read 'Lisa VanderWallen', is written over the typed name.

Lisa VanderWallen, Clerk
clerk@swox.org

Nina Lecic

From: Karen Landry
Sent: October-25-16 11:25 AM
To: Nina Lecic
Subject: FW: Resolution - 25 Signatures - Municipality of Charlton and Dack
Attachments: RESOLUTION-2016-10-24-MCD-25 Signatures-V1.pdf

From: Dan Thibeault [<mailto:dthibeault@charltonanddack.com>]
Sent: Tuesday, October 25, 2016 10:18 AM
To: Dan Thibeault
Cc: minister.mma@ontario.ca; policy@amo.on.ca; FONOM Office/ Bureau de FONOM
Subject: Resolution - 25 Signatures - Municipality of Charlton and Dack

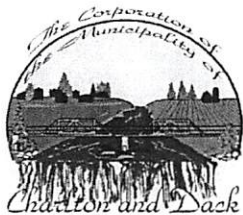
Good Morning,

Please find attached a resolution passed by the Council for the Municipality of Charlton and Dack. We would appreciate your consideration and support.

Thank you,

Dan Thibeault
Clerk/ Treasurer CAO
Municipality of Charlton and Dack
P:705.544.7525
F:705.544.2369
www.charltonanddack.com

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MUNICIPALITY OF CHARLTON AND DACK

Resolution of Council

MOVED BY:

Julie Veerman

MOTION NO: 16-271

SECONDED BY:

Jim Huff

DATE: October 24th, 2016

WHEREAS the Ministry of Municipal Affairs has implemented a new requirement that anyone wishing to run for office on a council must submit the signatures of 25 voters supporting the nomination;

AND WHEREAS in many small municipalities it has become increasingly difficult to attract councillors and this requirement will discourage qualified and new candidates;

AND WHEREAS in rural communities accessibility is even more difficult and infringes Ontarians with Disabilities (AODA);

AND WHEREAS the Province has stated that they want to encourage more local decision making.

NOW THEREFORE BE IT RESOLVED THAT the Municipality of Charlton and Dack request the Province to re-evaluate this requirement and allow it to be an optional local decision to avoid negative consequences to many municipalities.

FURTHER THAT this resolution be circulated to the Minister of Municipal Affairs, the Critics for Municipal Affairs, the Association of Municipalities of Ontario, the Federation of Northern Ontario Municipalities, and all municipalities in the Province of Ontario for consideration.

<input checked="" type="checkbox"/>	CARRIED
<input type="checkbox"/>	DEFEATED
<input type="checkbox"/>	DEFERRED

Signature of Presiding Officer:

M. N. Bond

DIVISION VOTE

Position	Name	Yeas	Nays
Councillor	Chauncey Corley	Certified to be a true copy from the Corporation of the Municipality of Charlton and Dack, passed in Council on the <u>24</u> day of <u>October</u> , 20 <u>16</u> .	
Councillor	Jim Huff		
Councillor	Debbie Veerman		
Councillor	Clem Yantha		
Reeve	Merrill Bond		

Dan Thibeault, Clerk Treasurer CAO
Municipality of Charlton and Dack

DECLARATION OF CONFLICT OF INTEREST

declared their interest, abstained from the discussion and did not vote on the question.



2017 Municipal Insurance Program

CORPORATION OF THE TOWNSHIP OF PUSLINCH

Renewal Report for the Policy Term February 1, 2017 to February 1, 2018

In Partnership with:
Mr. Julio D'Antonio
Jeffery & Spence Limited
130 Paisley Street
Guelph, ON N1H 2P1

Prepared by:
Steve Smith, CIP, R.F., R.I.B. (Ont.)
Regional Manager

Ref 62850/bm

24 October 2016

Frank Cowan Company Limited
75 Main Street North
Princeton, ON N0J 1V0

MIP 11-2016-v1

Built with integrity, leading through innovation.

About Frank Cowan Company

Frank Cowan Company is a leader in providing specialized insurance programs, including risk management and claims services to municipalities, healthcare, education, community, children's and social service organizations across Canada. Proven industry knowledge, gained through eight decades of partnering with insurance companies and independent brokers, gives Frank Cowan Company the ability to effectively manage the necessary risk, advisory and claims services for both standard and complex issues.

Frank Cowan Company Limited is affiliated with Cowan Insurance Group Ltd., The Guarantee Company of North America and Millennium Credit Risk Management Limited through common ownership under Princeton Holdings Limited.

Frank Cowan Company is a Managing General Agent (MGA) with the authority to write and service business on behalf of strategic partners who share our commitment and dedication to protecting specialized organizations. Because our partners are long-term participants on our program, they understand the nature of fluctuating market conditions and complex claims and are prepared to stay the course.

THE ADVANTAGE OF A MANAGING GENERAL AGENT The MGA model is different than a traditional broker/insurer arrangement in that an MGA provides specialized expertise in a specific, niche area of business. As an MGA we also offer clients additional and helpful services in the area of risk management, claims and underwriting. And unlike the reciprocal model, a policy issued by an MGA is a full risk transfer vehicle not subject to retroactive assessments but rather a fixed term and premium.

We invite you to work with a partner who is focused on providing a complete insurance program specific to your organization that includes complimentary value added services that help drive down the cost of claims and innovative first to market products and enhancements. You will receive personalized service and expertise from a full-service, local and in-house team of risk management, claims, marketing and underwriting professionals.

As a trusted business partner, we believe in participating in and advocating for the causes that affect our clients. For this reason we affiliate with and support key provincial and national associations. In order for Frank Cowan Company to be effective in serving you, we, as an MGA, believe in fully understanding your needs, concerns and direction. Our support is delivered through thought leadership, financial resources, advocacy, services, education and more.

RISK MANAGEMENT SERVICES We are the leader in specialized risk management and place emphasis on helping your organization develop a solid plan to minimize exposure before potential incidents occur. Risk management is built into our offerings for all clients, fully integrated into every insurance program. Our risk management team is comprised of analysts, inspectors and engineers who use their expertise to help mitigate risk. We do everything we can to minimize your exposure before potential incidents occur. This includes providing education, road reviews, fleet reviews, contract analysis and property inspections.

CLAIMS MANAGEMENT SERVICES Our in-house team of experts have the depth of knowledge, experience and commitment to manage the complicated details of claims that your organization may experience. You deal with the public often in sensitive instances where serious accusations can be made. Your claims are often long-tail in nature and can take years to settle. Some claims aren't filed until years after the occurrence or accident. You want a team of professionals on your side who will vigorously defend your reputation. We understand your risks and your exposures and have maintained a long-term commitment to understanding the complex issues your organization may face so that we can better service your unique claims requirements.

Best in Class Value-Added Services

Frank Cowan Company offers more than just an insurance policy. As an MGA, we provide Canadian municipalities with a complete insurance program. What is the difference? A vested interest in helping you reduce your cost of claims. Every one of our best in class value added services helps to mitigate risk, which can translate into fewer claims.

RISK MANAGEMENT

Contract Reviews

Valuable feedback and insight on the suitability and effectiveness of liability provisions and insurance clauses in contracts and agreements.

Road Risk Reviews

MVA's and road liability greatly impact your municipality's cost of risk. Access a qualified professional to analyze your roads and improve areas with a high frequency of claims.

MMS Compliance

MMS compliance can help when defending a claim. A review of your operations, policies and procedures can assess your current state of compliance and uncover areas for improvement.

Asset Valuation and Risk Inspections

Inspections review properties and operations for potential liabilities and provide extensive detail and documentation.

Educational Seminars

Seminars and training that focus on methods to reduce risk and recurring incidents.

Fleet Risk Solutions

An onsite risk evaluation of your municipal fleet will evaluate compliance, safety and risk management practices and provide tools to address risk issues.

Policy and Procedural Reviews

Audit systems and processes to reduce potential losses by focusing on documentation, reporting and consistency with accepted standards and practices.

Municipal GPS & Weather Monitoring

Municipalities with readily accessible information are better able to make smart decisions that help reduce redundancies and promote efficiency. Trusted information tied to GPS and weather can also help with assessing and defending a road related claim.

Cyber Risk Preparedness

Cyber is a new and developing risk that many municipalities aren't prepared for. Cyber education and the implementation of specific policies and procedures can assist greatly with preparedness and mitigation. Network security assessment tools and Cyber Risk Insurance are also available.

Risk Management Centre of Excellence

Online resource library dedicated to sharing information and tools to help manage risk. excellence.frankcowan.com

Excellence in Municipal Risk Management Award

An annual \$10,000 award recognizing the advancement of the practice of risk management within the municipal sector.

Claims History Analysis

Identify the cause of claims and focus on trends and patterns to help eliminate risk sources.

CLAIMS

Claims Management Best Practices Framework

View the status of your open claims and claims history. Experience increased efficiency and see trends in claims data. Couple this with strong claims and risk management and your organization will be better prepared to help mitigate and manage future incidents.

Guidewire ClaimCenter® Claims Management

View the status of claims in addition to data mining capabilities for risk management purposes so as to better identify risk trends and address them with mitigation techniques.

Claims Education

Customized municipal seminars on claims related topics delivered to solve specific risk issues.

Expertise

Canadian municipal claims experience and expertise is important. Our technically proficient claims team has hundreds of years of combined experience specifically in the municipal area. We have maintained a long-term commitment to understanding municipal issues so that we can better service your unique claims requirements.



***Excellence* in Municipal Risk Management Award**

Frank Cowan Company is pleased to announce the launch of the *Excellence* in Municipal Risk Management Award to recognize the advancement of the practice of risk management within the municipal sector.

The award will be presented annually to a Canadian municipality that has recognized a risk within their municipality's operations and has developed and successfully implemented a solution that will prevent harm or injury to its assets or to a third party. This risk management solution must also have the potential to be adopted by other municipalities.

Eligibility

The award is open to all Canadian municipalities

The solution:

- Must have the potential to be adopted by other municipalities
- Is cost-effective to implement
- Addresses a risk within the municipal sector

The municipality agrees to the documentation and sharing of the winning solution along with the use of the \$10,000 prize through the Frank Cowan Company Risk Management Centre of Excellence, social media posts, a press release as well as an awards presentation.

Award

An award in the amount of \$10,000 will be presented by Frank Cowan Company to the municipality that is awarded the annual *Excellence* in Municipal Risk Management Award. The award monies must be used to continue to fund the current or a future risk management initiative. The recipient will be asked to provide details regarding the use of the funds. The use of the funds will be publicly disclosed as referenced in the "Eligibility" section.

A plaque recognizing the municipality's advancement of the practice of risk management will be presented to Municipal Council by representatives of Frank Cowan Company.

Visit <http://www.frankcowan.com/news/article/new-10000-excellence-in-municipal-risk-management-award-unveiled-for-canada> for full award details and to download application.

Your Insurance Coverage

Schedule of Coverage

(Coverage is provided for those item(s) indicated below)

Casualty

Coverage Description	(\$) Deductibles	(\$) Limit of Insurance
General Liability (Occurrence Form) <i>Broad Definition of Insured</i>	25,000	15,000,000 Per Claim No Aggregate
Voluntary Medical Payments	Nil	50,000 Per Person 50,000 Per Accident
Voluntary Property Damage	Nil	50,000 Per Occurrence 50,000 Annual Aggregate
Voluntary Compensation - Employees	Nil	50,000 Each Person 250,000 Annual Aggregate
Sewer Backup	25,000 Per Claimant	
Wrongful Dismissal (Legal Expense)	5,000	250,000 Per Claim 250,000 Aggregate
Forest Fire Expense	Nil	1,000,000 1,000,000 Aggregate
Errors & Omissions Liability (Claims Made Form)	25,000	15,000,000 Per Claim No Aggregate
Non-Owned Automobile Liability		15,000,000
Legal Liability for Damage to Hired Automobiles	500	250,000
Environmental Liability (Claims Made Form)	2,500	3,000,000 Per Claim 4,000,000 Aggregate

Follow Form – Excess Liability

Coverage Description		(\$) Limit of Insurance
Excess Limit		5,000,000
Underlying Policy	(\$) Underlying Limit	
General Liability	15,000,000	
Errors & Omissions Liability	15,000,000	
Non-Owned Automobile	15,000,000	
Owned Automobile	15,000,000	

Total Limit of Liability (\$) 20,000,000

Schedule of Coverage

(Coverage is provided for those item(s) indicated below)

Crime

Coverage Description	(\$) Deductibles	(\$) Limit of Insurance
Employee Dishonesty – Form A (Commercial Blanket Bond)		1,000,000
Loss Inside the Premises (Broad Form Money & Securities)		300,000
Loss Outside the Premises (Broad Form Money & Securities)		300,000
Audit Expense		200,000
Money Orders and Counterfeit Paper Currency		200,000
Forgery or Alteration (Depositors Forgery)		1,000,000
Computer and Transfer Fraud (Including Voice Computer Toll Fraud)		200,000

Conflict of Interest

Coverage Description	(\$) Deductibles	(\$) Limit of Insurance
Legal Fees Expenses		100,000 Per Claim No Aggregate

Legal Expense

Coverage Description	(\$) Deductibles	(\$) Limit of Insurance
Legal Defence Cost		100,000 500,000 Aggregate

Schedule of Coverage

(Coverage is provided for those item(s) indicated below)

Property

Coverage Description	(\$) Deductibles	Basis	(\$) Limit of Insurance
Property of Every Description - Blanket Including: Digital Sign and Scoreboard, 23 Brock Road South (Excluding Items specifically insured)	5,000	RC	11,025,300
Scheduled Items of Coverage - Insured	Refer to Schedule		Refer to Schedule
Valuable Papers			500,000
Accounts Receivable			500,000
Extra Expense			500,000
Rent or Rental Value			500,000
Master Key			25,000
Personal Effects			5,000 per person 25,000 per occurrence
Data Processing	5,000		
System & Equipment			39,700
Media			6,500
Extra Expense			88,000
Earthquake	Not Applicable		Excluded
Flood	Not Applicable		Excluded
(\$) Total Amount of Insurance			13,222,000
RC = Replacement Cost ACV = Actual Cash Value VAL = Valued The Deductible is on a Per Occurrence Basis			

Property – Scheduled Items of Coverage - Insured

Item	Coverage Description	(\$) Deductibles	Basis	(\$) Limit of Insurance
2. (a)	Olympia Ice Machine, Serial No. KSP 770304 (Outdoor Rink)	5,000	ACV	12,500

Schedule of Coverage

(Coverage is provided for those item(s) indicated below)

Equipment Breakdown (TechAdvantage)

Coverage Description	(\$) Deductibles / Waiting Period	(\$) Limit of Insurance
Direct Damage	1,000	50,000,000 Per Accident
Extra Expense		500,000
Spoilage		50,000
Expediting Expense		Included
Hazardous Substances		500,000
Ammonia Contamination		500,000
Water Damage		500,000
Professional Fees		500,000
Civil Authority or Denial of Access		30 days
Errors and Omissions		250,000
Data Restoration		50,000
By-Law Cover		Included
Off Premises Transportable Object		10,000
Brands and Labels		100,000
Green Coverage		50,000
Environmental Efficiency *Will not show on Declarations Page		Up to 150% of Loss
Anchor Locations		Included
Service Interruption *Will not show on Declarations Page		Included Within 1000 metres
Contingent Business Interruption		25,000
Public Relations Coverage		5,000

Schedule of Coverage

(Coverage is provided for those item(s) indicated below)

Owned Automobile

Coverage Description	(\$) Deductibles	(\$) Limit of Insurance
Liability		
Bodily Injury		15,000,000
Property Damage		Included
Accident Benefits		As stated in Section 4 of the Policy
Uninsured Automobile		As stated in Section 5 of the Policy
Direct Compensation – Property Damage		
*This policy contains a partial payment of recovery clause for property damage if a deductible is specified for direct compensation-property damage.		
Loss or Damage**		
Specified Perils (excluding Collision or Upset)		
Comprehensive (excluding Collision or Upset)		
Collision or Upset		
All Perils applies to: - 2006 Freightliner Pumper Tanker - 2010 Int. Fire Tanker Truck - 1991 Int. Telescopic Squirter Fire, - 2000 Freightliner Rescue Truck, - 2005 Freightliner Fire Pumper - 2012 Ford F550 Pumper - 2003 American LaFrance Aerial Truck	5,000	Included
All Perils applies to: - 2012 International 7600 W/Plow - 2011 International Dump/Plow - 2013 International Dump/Sander - 2015 International 7500 Dump/Plow	2,500	Included
All Perils	1,000	Included
Endorsements		
GCNA #4 - Fire Department Vehicles		Included
GCNA #8 - Replacement Cost		Included
#20 - Coverage for Transportation Endorsement	Item #12 Only (2011 Chev Silverado)	Limit \$900 / Occ
#21B - Blanket Fleet Coverage		50 / 50
** This policy contains a partial payment of loss clause. A deductible applies for each claim except as stated in your policy.		

Account Premium

Prior Term	Total Annual Premium (Excluding Taxes Payable)	\$ 169,440	Total Annual Premium (Excluding Taxes Payable)	\$ 172,850
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Please refer to the insurance contract for all limits, terms, conditions and exclusions that apply. The premium Quoted is subject to a 15% minimum retained (unless otherwise stated).

Cost Analysis

	<u>Expiring Program Term</u>	<u>Renewal Program Term</u>
Casualty		
General Liability	\$ 97,051	\$ 103,845
Errors and Omissions Liability	21,230	21,867
Non-Owned Automobile Liability	200	200
Environmental Liability	2,462	2,462
Crime	1,250	1,250
Conflict of Interest	300	300
Legal Expense	900	900
Property		
Property / Data Processing	17,577	16,030
Equipment Breakdown	1,713	1,730
Automobile		
Owned Automobile	22,517	22,900
Excess		
Excess Automobile	297	N/A
Follow Form	3,943	1,366
Total Annual Premium	\$ 169,440	\$ 172,850
(Excluding Taxes Payable)		

Changes to Your Insurance Program

Please be advised of the following changes to your insurance program that now apply:

Changes may have been made to Insurer(s), participation percentage and/or policy number(s).

Liability, Errors and Omissions and Cyber Risk Insurance (if coverage is applicable)

- Please refer to '**IMPORTANT PRODUCT CHANGES – DATA**' regarding changes to the above coverages.

Casualty - Voluntary Medical Payments

- Coverage pays reasonable medical expenses after an accident where somebody is accidentally injured on the Insured's property. The Insured does not have to be legally liable for coverage to apply. There are specific exclusions applicable to the endorsement.
- Coverage will automatically be provided for \$50,000 per Person and \$50,000 per Accident at no additional cost.

Casualty - Voluntary Property Damage

- Coverage insures direct damage the Insured causes to property when the property is under the control and management of the Insured. The Insured does not have to be legally liable for coverage to apply.
- Coverage will automatically be provided for \$50,000 Each Occurrence and \$50,000 Annual Aggregate at no additional premium.

Casualty – Voluntary Compensation – Employees

- Voluntary Compensation is similar to an accident form in that specific benefits are paid to an employee when they become injured while performing work for the Named Insured.
- Benefits payable are calculated based on a set of 'weekly indemnity limits' payable for a maximum number of weeks. For each benefit payable, the 'weekly indemnity limit' and the 'number of weeks' payable are specifically shown in this endorsement.
- Coverage will automatically be provided for a weekly indemnity limit of \$500 for \$50,000 per person and \$250,000 annual aggregate at no additional cost.

Casualty – Sewer Back Up Per Claimant Deductible

- The Sewer Back Up Per Claimant Deductible Endorsement has been revised. We have reformatted and clarified our intent under this endorsement.

Crime Coverage

- Computer and Transfer Fraud has been updated to clarify the intent of coverage. We now specify that coverage is to apply when a computer system is used to fraudulently transfer funds.

Legal Expense

- The Legal Expense wording has changed. For a brief description in the changes to coverage please refer to Legal Expense Coverage Change information attached.
- The Legal Expense Important Information document has been updated to include a wallet card that can be copied and distributed to Insured's covered under the policy (e.g. employees, managers etc.)
- We have automatically increased the Legal Expense limits to a \$100,000 occurrence and \$500,000 aggregate limit for no additional premium.

Property Policy

- Building values have been increased in order to reflect inflationary trends.

Equipment Breakdown Coverage

- Coverage has been expanded and limits increased. For product information refer to Equipment Breakdown TechAdvantage Highlights Sheet.

Automobile Policy

- Your policy now provides for primary automobile limits up to 15 million. As a result your policy will be issued without the need for an excess Automobile policy (SPF 7). Your primary auto limit is as shown on your "Schedule of Coverage".
- As of June 1, 2016, new auto reforms in Ontario will be in effect, including lower accident benefit limits, new options to increase coverage.

The Financial Services Commission of Ontario (FSCO) has produced a publication entitled *"Important Changes to your Policy"* which is available at www.fSCO.gov.on.ca and provides consumers with information regarding the auto insurance reforms. The publication explains changes to the standard auto insurance policy and the new choices available. A copy of this will also be provided with your Insurance renewal documents.

Please contact your Insurance Representative if you have any questions regarding the Auto Reforms.

IMPORTANT PRODUCT CHANGES – DATA

Every organization depends on data - be it in paper or digital form - to operate. Client and employee information is gathered and stored for transactional and/or customer service purposes, however, this activity poses a threat to both individuals and organizations with respect to right of privacy.

One of the largest exposures an organization has is the unauthorized access of confidential information and the number of ways in which access can be illegally obtained is countless and ever evolving. Frank Cowan Company believes in providing you with coverage that responds to new and emerging trends. As a result we are announcing several product changes and enhancements.

LIABILITY CHANGES

Liability policies were not designed to cover loss of information from computer systems. Common cyber exposures are routinely and expressly excluded under liability. Instead, insurance has evolved to offer specific solutions for cyber events by way of cyber liability policies.

To clarify the intent of the Frank Cowan Company liability wordings, the personal injury coverage has been amended. While 'invasion of privacy' coverage is still provided under personal injury, coverage has been removed as it relates to data losses because a cyber liability policy is a better fit for this exposure. In addition, standard exclusions for fungi, asbestos, terrorism are now included within the base wording. These were previously added to the policy via endorsement. The war and nuclear exclusions have been updated for consistency in liability wordings.

ERRORS AND OMISSIONS CHANGES

E & O coverage has changed to allow for an error or omission that may have resulted from a data entry error (e.g. a date error for an employees' benefit coverage). A loss of data or change in data as a result of a virus or cyber exposure is still not covered; however this change broadens coverage slightly and accurately reflects the original intent of this wording to cover human errors and omissions.

CYBER RISK INSURANCE CHANGES

The Frank Cowan Company offers a comprehensive cyber product and responds to network and data breaches to *your own* computer system.

There is an emerging trend where businesses that are similar in nature use Shared Computer Networks and Services via a Shared Network Agreement. This involves sharing specialized technological resources such as databases, programs, hardware and other resources to maintain the system and security. Such an arrangement can have many benefits such as cost savings and access to more reliable systems/services, but is not traditionally covered by cyber insurance policies.

EXAMPLES OF HOW COVERAGE MAY RESPOND WITH THE CHANGES WE HAVE MADE

	Liability	E&O	Cyber
Invasion of Privacy			
Loss involving personal or confidential data in electronic form stored on the Insured's own computer system.	No	No	Yes
Loss involving personal or confidential data that is stored on a third party controlled shared computer network.	No	No	Yes
Invasion of Privacy involving personal or confidential information from other sources (public disclosure of private facts). E.g. A person is advised of a serious illness during a medical visit. A paper with this information is carelessly left on a desk and another patient reads and repeats this damaging information.	Yes	No	No
Data Entry or Administration Error			
The Insured makes an administration error or omission on computer system to an employee benefit plan.	No	Yes	No
The Insured makes an administration error or omission to a paper file to an employee benefit plan.	No	Yes	No

The following changes have been made to our cyber policy:

- We have clarified the definition of Service Provider to automatically include Network Service Agreements for Privacy Liability Coverage. New definitions have been added for Network Sharing Agreements and PCI-DSS (Payment Card Industry Data Security Standard).
- Forensic Costs no longer extend to a Service Providers System and industry standard war, radioactive contamination and nuclear exclusions have been added.
- We have amended the software responsibility exclusion so that it will only apply to software relating to security.

Frank Cowan Company is pleased to offer optional protection for Crisis Management Coverage when entering into a Shared Network Agreement via an endorsement that can be added to your cyber policy.

For your convenience, Frank Cowan Company has several resources available to assist your organization with next steps. Visit frankcowan.com and search for "cyber" to download articles and policies and procedures associated with cyber protection.

Note: Coverage for Liability, Errors and Omissions is optional and may not be provided on all risks. Should you have any or all of the above coverages, these changes will become effective at your next renewal date. If you are adding one of these coverages to your program, the changes to our wordings are effective July 1, 2016. If you have questions, or require more information, please contact your Company Representative.

Legal Expense Coverage Changes

Legal Expense

We offer comprehensive Legal Expense Coverage to protect an Insured against the cost of potential legal disputes arising out of the Named Insured's operations.

Overview of Changes

The following document outlines the changes to our wording:

- **'Permissions' Clause:** we have removed the clause that stated: *Any "Insured" claiming under this policy must have permission of the "Named Insured"*.
It is important to note that the definition of 'Insured' includes a wide range of people e.g. employees, volunteers, managers, council and committee members; and coverage is applicable to duties relating to the Named Insured's business.
- The term **'Insurer'** has been changed to **'Insurer's Claims Administrator'**.
- The term **'date of claim'** has been removed and replaced by the term **'claim'**. The term **'claim'** has been defined and spells out what constitutes a "claim" under each Insuring Agreement.

Insuring Agreements

- We have added a clause stating we will not cover legal costs related to an investigation that is conducted by the Named Insured (e.g. an internal investigation).
- Insuring Agreement II Contract Disputes and Debt Recovery
 - o Coverage was previously excluded for disputes relating to the terms of a lease of land or building, we now only exclude coverage when the Named Insured is the landlord; and
 - o We have deleted the exclusion relating to disputes over hardware, software or sales/services of computers.

Limits of Insurance Section

- We have clarified that all offences stemming from the same originating cause are considered to be one claim and apply to each legal proceeding.
- The **'Each Claim Limit'** shown on the declarations will still apply to each Insured.
- Coverage is still subject to an Each Claim Limit and an Aggregate Limit.

General Conditions

The General Condition 'Choice of Appointed Representative' has been amended to 'Conduct and Control of a Claim'. It is requested that Insureds select a law firm from the DAS panel of lawyers. The Insured must cooperate with legal counsel handling an Insured's case.

Client Material Available – Wallet Cards

- The 'Legal Expense Important Information' wording attached to each policy explains the steps that are to be taken in event of a claim.
- A **wallet card** is now attached to the policy which the Named Insured can copy & distribute to each Insured (e.g. managers, employees, etc.).

The information in this notice is intended for informational purposes only. For full details with respect to coverage, exclusions, conditions and limitations refer to the policy wordings. While coverage may be quoted, once a policy is issued coverage is only applicable if shown on Declaration Page or Schedule of Coverage.

Equipment Breakdown TechAdvantage Highlights

Overview

Property policies typically exclude losses that Equipment Breakdown Insurance is designed to cover.

Equipment Breakdown Coverage insures against losses (property damage and business interruption) resulting from 'accidents' (as defined in the wording) to various types of equipment such as pressure, mechanical, electrical and pressure equipment (called "objects" in the policy). Coverage also extends to electronic equipment for 'electronic circuitry impairment'. Coverage typically extends to production machinery unless specifically excluded.

Features

Coverage is extended to pay for:

Property Damage: The cost to repair or replace damaged equipment or other covered property, including computers, due to a covered accident.

Business Income The loss of business income due to an interruption caused by a covered accident from the date of loss until such equipment is repaired or replaced or could have been repaired or replaced plus additional time to allow your business to become fully operational.

Extra Expense: Additional costs (e.g., equipment rental) you incur after a covered loss to maintain normal operations.

Expediting Expenses: The cost of temporary repairs or to expedite permanent repairs to restore business operations.

Service Interruption: Business income and extra expense resulting from a breakdown of equipment owned by a supplier with whom the Insured has a contract to supply a service. If there is no contract, the equipment must be within 1000 metres of the location.

Data Restoration: The restoration of data that is lost or damaged due to a covered loss.

Demolition: Building demolition and rebuilding required by building laws.

Ordinance or law: The additional costs (other than demolition) to comply with building laws or codes.

Other Coverage: Spoilage, Hazardous Substances, Ammonia, Water damage, Professional Fees, Errors and Omissions, Newly Acquired Locations, Civil Authority or Denial of Access.

Coverage Automatically Includes:

Microelectronics Coverage: Provides insurance when physical damage is not detectable or when firmware or software failure causes non-physical damage. Triggered when covered equipment suddenly stops functioning as it had been and that equipment or a part containing electronic circuitry must be replaced.

Cloud Computing – Service Interruption: Pays for business interruption and extra expense when your cloud computing service provider experiences an outage due to an equipment breakdown.

Cloud Computing – Data Restoration: Pays for data restoration for data lost when stored and managed by a cloud computing service provider that experiences an equipment breakdown.

Off Premises Transportable Objects: Extends coverage to transportable equipment anywhere in North America.

Anchor Location: (when business income coverage is purchased) expands Business Income coverage resulting from a covered accident at an anchor location that attracts customers to an insured location.

Environmental Efficiency and Green Coverage: Pays for upgrades to more energy efficient or environmentally friendly equipment.

Brands and Labels: Pays for the cost of removing labels or additional cost of stamping salvaged merchandise after a loss.

Other Benefits

Public Relations Coverage: (when business income coverage is purchased other than extra expense) pays for public relations assistance to help manage your reputation that may be damaged by business interruption or data loss.

Contingent Business Interruption: (when business income coverage is purchased other than extra expense) pays for Business Income resulting from a covered accident to property not owned, operated or controlled by the Insured.

Additional Information

Inspection Services: we automatically provide inspections of boilers and pressure vessels to satisfy the provincial inspection requirements.

The information in this notice is intended for informational purposes only. For full details with respect to coverage, exclusions, conditions and limitations refer to the policy wordings. While coverage may be quoted, once a policy is issued coverage is only applicable if shown on Declaration Page or Schedule of Coverage.

Program Options

Frank Cowan Company offers a comprehensive insurance program. Outlined below are the program options, followed by your current coverage highlights.

1. Volunteers' Accident

Volunteer Accident coverage is available. See attached Highlight Sheet for details.

A quote is available on request (based on the total # of volunteers).

2. Legal Expense Policy

Comprehensive Legal Expense Coverage and Optional Coverage are available as per attached Highlights Sheet.

Coverage Description	(\$) Deductibles	(\$) Limit of Insurance	(\$) Premium
Contract Disputes and Debt Recovery	2,500	Included	2,038
Property Protection		Included	Quote Available
Tax Protection	500	Included	Quote Available

3. Cyber Liability

Organizations rely on technology and the safe processing and storage of data to conduct business on a daily basis. Ensuring the security of data information is becoming an increasingly difficult task, especially considering changing regulations. A failure in technology or data breach can have significant consequences not only on the balance sheet but also to your organization's reputation.

Cyber Risk Insurance is available. See attached Highlights Sheet. A completed application is required should a quote be requested.

Cyber Liability		
Coverage Description	(\$) Deductibles	(\$) Limit of Insurance
Cyber Risk Insurance Coverage		Limits from \$100,000 to \$5,000,000 Available
Media Content Services Liability		Included
Network Security Liability		Included
Privacy Liability		Included
Extortion Threat		Included
Sub-Limits of Insurance (part of and not in addition to Policy Aggregate above)		
Privacy Notification Costs		Aggregate
Regulatory Proceedings		Aggregate
Crisis Management Expense		Aggregate
Business Interruption	24 Hours	Aggregate

4. Facility User Solution

You may have numerous facilities that can be rented to the public. An important Risk Management step is to ensure third parties renting or leasing such facilities have their own insurance when they are renting or leasing your facilities. The **Facility User Solution** automatically provides this insurance.

The product is designed for short or long term rental agreements (e.g. social or sporting events) when Frank Cowan Company insures you, the facility owner.

We would be pleased to work with you in providing a quote for your facilities. See attached Highlight Sheet for details. A quote is available on request.

Description of Coverages

Frank Cowan Company offers a Comprehensive Insurance Program to meet your needs.

"Your Insurance Coverage" provides a summary of current coverages, limits and deductibles included in this proposal.

Highlights of coverage follow providing a summary of coverage. Highlight pages may include description of optional coverages.

The information in this notice is intended for informational purposes only. For full details with respect to coverage, exclusions, conditions and limitations refer to the policy wordings. While coverage may be quoted, once a policy is issued coverage is only applicable if shown on Declaration Page or Schedule of Coverage.

Municipal Liability Coverage Highlights

Overview

The Frank Cowan Company are specialists at insuring Public Entities. Our liability wording has been specially designed to meet the unique needs of these types of risks.

Coverage

- Limits up to \$50,000,000 Available.
- Occurrence coverage with No General Aggregate.
- Territory – World-wide for all coverage.
- Products and Completed Operations – liability arising out of the Insured's operations conducted away from the Insured's premises once those operations have been completed or abandoned. An Aggregate limit may apply for limits in excess of \$25,000,000.
- Bodily Injury including coverage for assault and battery.
- Personal Injury coverage - broad coverage (including advertising coverage) for acts that violate or infringe on the rights of others.
- Liquor Liability for bodily injury or property damage imposed upon an Insured by a Liquor Liability Act.
- Blanket Contractual for liability assumed by the Insured in contracts, whether reported to the insurer or not.
- Products Liability - legal liability incurred by an Insured because of injury or damage resulting from a products exposure.
- Professional/Malpractice Liability including for bodily injury or property damage from professional exposures.
- Abuse Liability for the entity insured.
- Employers Liability providing coverage for liability to employees for work-related bodily injury or disease, other than liability imposed on the Insured by a workers compensation law.
- Sewer backup Liability.
- Watercraft Liability - full coverage with no restrictions.
- Tenants legal liability.
- Cross Liability.
- Broad Definition of Insured.

Common Endorsements

In addition to the base wording, we have many optional endorsements to tailor coverage for individual accounts including:

- Wrongful Dismissal (Legal Expense).
- Forest Fire Expense.
- Marina Liability Extension.
- Sexual Abuse Therapy and Counselling Extension for long term care homes.
- Other endorsements specifically crafted for a particular exposure.

Coverage is Provided for Unique Exposures

- Products and Completed Operations Aggregate Limit may come into play for exposures such as road maintenance, snow removal, garbage collection / waste disposal, street cleaning or other duties that the Insured Municipality has to perform on behalf of third parties.
- Assault and battery coverage is imperative when there are security exposures (e.g. police).
- Products exposures such as utilities (e.g. water) are covered.
- Full Malpractice including Medical Malpractice as well as professional exposures are covered.
- Professional exposures include those such as medical, engineering, design errors or building inspection operations.
- Abuse and Professional Liability– as we have no exclusions for abuse, professional liability, negligent hiring practices or failure to supervise we provide exceptionally broad coverage for health risks such as long term care homes.

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Public Entity Errors and Omissions Liability Coverage Highlights

Public Entity Errors and Omissions Insurance

Public Entity Errors and Omissions Insurance (E&O) Coverage protects risks from civil litigation caused by allegations of professional negligence or failure to perform professional duties. Errors and Omissions focuses on providing coverage when there is financial loss to a third party (rather than bodily injury or property damage as general liability does).

Features

Limits	Typically limits follow that of our Liability. We have the availability to offer up to \$50,000,000.
Defence Costs	Over and above the Limit of Insurance. Whether a potential claim is baseless, or not, mounting legal expense can have serious monetary consequences for an Insured.
No Annual Aggregate	With higher out of court settlements and increased damage awards, large or even a series of small claims can quickly erode an annual aggregate limit.
Claims Made Policy	Pays for claims occurring and reported during the policy period. Our policy provides retroactive coverage (no date need be specified) and stipulates that a claim is first known only when written notice is first received.
Claims Definition	The definition of claim also includes arbitration, mediation or alternative dispute resolution proceedings.
Insured Definition	Includes Councilors, Statutory Officers, Council Committees, Firefighters, Employees and Volunteers.

Coverage is Provided for Unique Exposures

Insurance	No exclusion for failure to procure or maintain adequate insurance bonds or coverage (e.g. construction projects).
Benefit Plans	Errors or Omissions in administering Employee Benefit Plans are covered.
Misrepresentations	Municipal governments are required to provide information with respect to local matters and must ensure the information which is provided is accurate, true and not misleading. Our definition of a Wrongful Act covers misstatements or misleading statements.
Other Specialists and Services	Covers errors or omissions when they are rendered in connection with operations that are typical of public sector such as those of building inspections, zoning, planning, developing or regulating by-laws. Officials and employees acting in good faith are often times the subject of lawsuits.

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Non-Owned Automobile Coverage Highlights

Overview

Non-Owned and hired automobile liability insurance covers bodily injury and property damage caused by a vehicle not owned by the Insured (including rented or borrowed vehicles). Coverage is provided for Third Party Liability arising from the use or operation of any automobile not owned or licensed in the name of the Insured if it results in bodily injury (including death), property damage (if the property was not in possession of the Insured) to a third party.

Features

SEF No. 96 Contractual Liability:

- When renting a vehicle you engage in a contractual relationship with the rental company where you assume liability for the operation of the automobile. It is therefore important that contractual coverage is added to the policy by way of an endorsement known as SEF (Standard Endorsement Form) No. 96. Contractual Liability coverage is automatically provided for all written contractual agreements with our Non-Owned Automobile coverage.

SEF No. 99 Long Term Lease Exclusion:

- When Contractual Liability is provided under the policy there is also an exclusion for Long Term Leased vehicles SEF No. 99. This excludes coverage for vehicles hired or leased for longer than a certain period such as 30 days.

Territory:

- The Non-Owned Automobile policy provides coverage while in Canada and United States.

Termination Clause:

- The standard termination clause has been amended in that the Insured may still provide notice of cancellation at any time, however, the Insurer must provide ninety days' notice of cancellation to the Insured rather than the standard 15 or 30 days.

SEF No. 94 Legal Liability (Physical Damage) to a Hired/Rented Automobile:

- We automatically provide coverage for damage to a vehicle that you have hired or rented. Coverage is provided via endorsement SEF No. 94. We automatically provide 'All Perils' coverage. The limit of coverage will vary per client.

Additional Information

Courts have repeatedly held that when an automobile is used on a person's behalf or under a person's direction, that person (or entity) has a responsibility for the operation of the automobile and may be held liable for damages in the event of an accident even though he or she is not the owner or driver of the vehicle. This common law principle has been supported by a number of court decisions making an employer responsible for the use and operation of an automobile when an employee is operating an automobile (not owned by the employer) while being used for the employer's business.

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Environmental Coverage Highlights

Overview

Pollution incidents are a significant risk that can result in serious harm to public health and safety as well as to the environment.

We provide pollution liability insurance for claims for third party bodily injury and property damage. Coverage is provided on a blanket basis resulting from pollution conditions on or migrating from premises owned, occupied, rented or leased by the insured that are discovered and are reported during the policy period. The policy responds to events that are gradual in nature as well as those that are sudden and accidental causing third party damage whether pollutants are released on land, into the atmosphere or in the water.

Features

Defence Costs

- Our Defence costs are over and above the limit of insurance and will respond even if allegations are groundless or false.

Storage Tanks

- Seepage or leakage from both above and below ground storage tanks are covered without being specifically listed on the policy.

Territory

- Worldwide territory.

Limits of Insurance

- Both a 'per incident' and an 'aggregate' limit is applicable.

Additional Information

Environmental exposures pose an imminent and substantial threat to public health, safety or welfare or to the environment. Exposures could stem from: wastewater treatment plants, electric utility plants, construction sites, flood and rainwater runoff or retention basins, underground fuel storage tanks, herbicides, pesticides, and fertilizers, road salts and chemicals used to de-ice roads and bridges, contaminated waste from medical facilities or health clinics, marina's, fire-fighting chemicals or even contaminated swimming pools.

An environmental exposure arising from sewers is covered under our liability.

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Crime Coverage Highlights

Overview

Our Crime Coverage is flexible in that the Insured may elect to purchase any or all of the crime coverage we have available.

Features

Below is a brief description of each coverage:

Employee Dishonesty – Form A Commercial Blanket Bond

- Covers loss of money, securities or other property from fraudulent or dishonest acts of the Insured's Employees.

Loss Inside and Loss Outside the Premises (Broad Form Money and Securities)

- Loss of Money and Securities caused by destruction, disappearance or wrongful abstraction.

Money Orders and Counterfeit Paper Currency

- Covers acceptance of false money orders or counterfeit Canadian or U.S. currency.

Forgery and Alteration

- Covers forgery or alteration to a financial instrument (cheque, draft or promissory note).

Credit Card Forgery

- Coverage protects the Insured (a corporate entity) from losses arising from its employees being defrauded on their corporate credit cards.

Computer and Transfer Fraud (Including Voice Computer Toll Fraud)

- Theft of money, securities or property when a computer is used to transfer money from an Insured to another person or place is provided.
- Voice computer toll fraud – the cost of long distance calls is covered if caused by the fraudulent use of an account code or a system password.

Extortion (Threats to Persons and Threats to Property)

- Threats to Person: Provides coverage when a threat is communicated to the Insured to do bodily harm to a director, officer or partner of the Insured (or a relative) when these persons are being held captive and the captivity has taken place within Canada or the U.S.A.
- Threats to Property: Provides coverage when a threat is communicated to the Insured to do damage to the premises or to property of the Insured located in Canada or the U.S.A.

Pension or Employee Benefit Plan Coverage

- Loss from a pension or employee benefit plan resulting directly from a dishonest or fraudulent act committed by a fiduciary.

Loss Sustained by a Client (Third Party Bond Coverage)

- Coverage is extended to a third party or client of an Insured for the loss of money, securities or other property caused by fraudulent or dishonest acts of an employee.

Audit Expense

- Coverage for the expenses that are incurred by the Insured to external auditors to review their books in order to prove a loss. This is a separate limit of insurance.

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Board Members' (Including Councillors') Accidental Death and Dismemberment Coverage Highlights

AD&D and Paralysis Limits		Option 1	Option 2
Accidental Death or Dismemberment (including loss of life and heart attack coverage).		\$100,000	\$250,000
Paralysis Coverage – 200% of Accidental Death and Dismemberment Limit.			
Permanent Total Disability - Accidental Death and Dismemberment Limit.			
Weekly Indemnity		Option 1	Option 2
Total Loss of Time		\$300	\$500
Partial Loss of Time		\$150	\$300
Accident Reimbursement - \$15,000			
Chiropractor	Crutches [†]		
Podiatrist/Chiropodist	Splints [†]		
Osteopath	Trusses [†]		
Physiotherapist	Braces (excludes dental braces) [†]		
Psychologist	Casts [†]		
Registered or Practical Nurse	Oxygen Equipment – Iron Lung		
Trained Attendant or Nursing Assistant [†]	Rental of Wheelchair		
Transportation to nearest hospital [†]	Rental of Hospital Bed		
Prescription drugs or Pharmaceutical supplies [†]	Blood or Blood Plasma [‡]		
Services of Physician or Surgeon outside of the province	Semi Private or Private hospital room [‡]		
<small>†Maximum \$1,000 per accident. ‡If prescribed by physician</small>			
Dental Expenses			
Dental Expenses			\$5,000
Occupational Retraining – Rehabilitation			
Retraining – Rehabilitation for the Named Insured.			\$15,000
Spousal Occupational Training.			\$15,000
Repatriation			
Repatriation Benefit (expenses to prepare and transport body home).			\$15,000
Dependent Children – per child			
Dependent Children's Education (limit is per year- maximum 4 years).			\$10,000
Dependent Children's Daycare (limit is per year- maximum 4 years).			\$10,000
Transportation/Accommodation (When treatment is over 100km from residence)			
Transportation costs for the Insured when treatment is over 100km from home.			\$1,500
Transportation and accommodation costs when Insured is being treated over 100km from			\$15,000
Home Alternation and Vehicle Modification			
Expenses to modify the Insured's home and/or vehicle after an accident.			\$15,000
Seatbelt Dividend			
10% of Principal Sum.			\$25,000
Funeral Expense			
Benefit for loss of life.			\$10,000

Identification Benefit

Benefit for loss of life.	\$5,000
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Eyeglasses, Contact Lenses and Hearing Aids

When Insured requires these items due to an accident.	\$3,000
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Convalescence Benefit – Per day

Insured Coverage.	\$100
One Family Member Coverage.	\$50

Workplace Modification Benefits

Specialized equipment for the workplace.	\$5,000
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Elective Benefits

Complete Fractures

Skull	\$ 5,200	Foot & Toes	\$ 2,200
Lower Jaw	\$ 2,800	Two or More Ribs	\$ 1,900
Collar Bone	\$ 2,800	Colles' fracture	\$ 2,800
Shoulder Blade	\$ 3,500	Potts' fracture	\$ 3,400
Shoulder Blade complications	\$ 3,700	Dislocation	
Thigh	\$ 4,600	Shoulder	\$ 2,200
Thigh/hip joints	\$ 4,600	Elbow	\$ 2,200
Leg	\$ 3,500	Wrist	\$ 2,500
Kneecap	\$ 3,500	Hip	\$ 4,600
Knee/joint complications	\$ 4,000	Knee	\$ 3,500
Hand/Fingers	\$ 2,200	Bones of Foot or Toe	\$ 2,500
Arm (between shoulder & elbow)	\$ 4,600	Ankle	\$ 2,800
Forearm (between wrist & elbow)	\$ 2,800		

Aggregate Limit

Aggregate Limit only applicable when 2 or more board members are injured in same accident.	\$ 2,500,000
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Coverage Extensions

- Standard coverage is applicable while the Insured is 'On Duty'. Coverage for Accidents that may occur 24/7 may be purchased.
- Accidental Death of a Spouse While Travelling on Business is automatically included when this coverage is purchased. This endorsement provides for Accidental Death of a spouse when the spouse is travelling with an Insured Person on business. Coverage applies while travelling to or from such an event and /or if the loss of life occurs within one year of the accident.
- When Board Members' Accidental Death and Dismemberment Coverage is purchased, the Insured also has the option to purchase Critical Illness Coverage.

Additional Information

- Loss of life payments up to 365 days from date of Accident or if permanently disabled up to 5 years.
- Weekly Indemnity coverage pays in addition to Elective Benefits.
- Weekly Indemnity payments take other income sources into consideration (e.g. automobile, CPP, group plans).
- Coverage is applicable to Insured 80 years of age or under.

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Conflict of Interest Coverage Highlights

Overview

Conflict of Interest can be described as a situation in which public servants have an actual or potential interest that may influence or appear to influence the conduct of their official duties or rather divided loyalties between private interests and public duties.

Conflict of Interest coverage provides protection for the cost of legal fees and disbursements in defending a charge under the Municipal Conflict of Interest Act (or other similar Provincial Legislation in the respective province of the Insured).

Features

Coverage is offered as a stand-alone coverage providing the client a separate limit of insurance that is not combined with any other coverage such as legal expense coverage.

- Per Claim Limit only – No Annual Aggregate.
- Coverage provided on a Reimbursement Basis.

Coverage Description

Coverage is provided for legal costs an Insured incurs in defending a charge under the Provincial Conflict of Interest Act if a court finds that:

- There was no breach by the Insured; or
- The contravention occurred because of true negligence or true error in judgment; or
- The interest was so remote or insignificant that it would not have had any influence in the matter.

Additional Information

Coverage is provided for elected or appointed members of the Named Insured including any Member of its Boards, Commissions or Committees as defined in the 'Conflict of Interest Act' while performing duties related to the conduct of the Named Insured's business.

Conflict of Interest coverage is applicable to only those classes of businesses that are subject to the Municipal Conflict of Interest Act (or other similar Provincial legislation in the respective province of the Insured).

Legal Expense Coverage Highlights

Coverage Features

We offer comprehensive Legal Expense Coverage to protect an Insured against the cost of potential legal disputes arising out of your operations.

- Coverage will pay as costs are incurred.
- Broad Core Coverage.
- Optional Coverage.
- Coverage for Appeals for Legal Defence Costs and any Optional Coverage purchased.
- Unlimited Telephone Legal Advice and access to Specialized Legal Representation in event of legal disputes.
- Additional Optional Coverage available.

Broad Core Coverage

The core coverage provides Legal Defence Costs for:

- Provincial statute or regulation.
- Criminal Code Coverage when being investigated or prosecuted. Coverage is applicable whether pleading guilty or a verdict of guilt is declared.
- Civil action for failure to comply under privacy legislation.
- Civil action when an Insured is a trustee of a pension fund for the Named Insured's employees.

Optional Coverage

In addition to the Core Coverage an Insured can mix and match any of the following Optional Coverage:

- Contract Disputes and Debt Recovery.
- Statutory License Protection.
- Property Protection.
- Tax Protection.

Limits and Deductibles

- Coverage is subject to an Occurrence and an Aggregate Limit.
- The Core Coverage is typically written with no deductible however a deductible may be applied to Optional Coverage.

Exclusions

- Each Insuring Agreement is subject to Specific Exclusions and Policy Exclusions.
- Municipal Conflict of Interest Act (or other similar provisions of other Provincial legislation) is excluded.
* Conflict of Interest Coverage may be provided under a separate policy for eligible classes of business.

Telephone Legal Advice and Specialized Legal Representation

- General Advice (available from 8 am until 12 am local time, 7 days a week).
- Emergency access to a Lawyer 24 hours a day, 7 days a week.
- Services now automatically include the option of using an appointed representative from a panel of Lawyers with expertise in a variety of areas.

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Property Coverage Highlights

Overview

We recognize Public Entities have a wide variety of property (buildings, equipment and supplies). Our wording is exceptionally broad and can cover property without it being specifically listed. Equipment and Supplies that may be unique to Public Entities may include: sewer maintenance equipment, unlicensed mobile equipment and other maintenance equipment, emergency equipment (e.g. firefighting equipment), generators, computers. Other contents and supplies are also automatically covered under our property wording without being specifically listed such as road salts, herbicides/pesticides, fuels or office contents.

Coverage can be tailored for particular risks or unique exposures e.g. coverage for police dogs, watercraft coverage for rescue operations, buildings in course of construction or property of others may require coverage.

Features

Coverage is typically written:

- On an all risk basis including replacement cost.
- As Property of Every Description – coverage can be scheduled separately if required.
- With no coinsurance, no statement of values, no margins clause or same site restriction.

Additional Coverage Features

- Land/water (pollution) clean-up: provided up to the limit of insurance if caused by an insured peril to insured property, no sublimit.
- Property in Transit is automatically covered and need not be scheduled separately (all property in transit is covered including that which is typically covered under ocean marine policy).
- Unlicensed Equipment (e.g. contractors equipment): Automatically includes replacement cost as the basis of settlement regardless of age (can be ACV or Valued if client requires) this is applicable if insured owns the unlicensed equipment.
- Standard Extensions of Coverage are included (e.g. accounts receivable or valuable papers).
- Water Towers, Standpipes and Water Reservoirs can be specifically insured.
- Coverage for docks and wharves is available.
- Sewer Back up – automatically covered.
- By-laws Coverage –for insured losses.
- Flood and Earthquake – available.
- Worldwide territory.
- Newly acquired.

Business Interruption Coverage

Business Interruption Coverage:

- Extra Expense – automatically covered.
- Other business interruption forms available upon request including:
 - Profits, Gross Revenue, Gross Earnings, Rental Value, Gross Rents forms.

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Equipment Breakdown TechAdvantage Highlights

Overview

Property policies typically exclude losses that Equipment Breakdown Insurance is designed to cover.

Equipment Breakdown Coverage insures against losses (property damage and business interruption) resulting from 'accidents' (as defined in the wording) to various types of equipment such as pressure, mechanical, electrical and pressure equipment (called "objects" in the policy). Coverage also extends to electronic equipment for 'electronic circuitry impairment'. Coverage typically extends to production machinery unless specifically excluded.

Features

Coverage is extended to pay for:

Property Damage: The cost to repair or replace damaged equipment or other covered property, including computers, due to a covered accident.

Business Income: The loss of business income due to an interruption caused by a covered accident from the date of loss until such equipment is repaired or replaced or could have been repaired or replaced plus additional time to allow your business to become fully operational.

Extra Expense: Additional costs (e.g., equipment rental) you incur after a covered loss to maintain normal operations.

Expediting Expenses: The cost of temporary repairs or to expedite permanent repairs to restore business operations.

Service Interruption: Business income and extra expense resulting from a breakdown of equipment owned by a supplier with whom the Insured has a contract to supply a service. If there is no contract, the equipment must be within 1000 metres of the location.

Data Restoration: The restoration of data that is lost or damaged due to a covered loss.

Demolition: Building demolition and rebuilding required by building laws.

Ordinance or law: The additional costs (other than demolition) to comply with building laws or codes.

Other Coverage: Spoilage, Hazardous Substances, Ammonia, Water damage, Professional Fees, Errors and Omissions, Newly Acquired Locations, Civil Authority or Denial of Access.

Coverage Automatically Includes:

Microelectronics Coverage: Provides insurance when physical damage is not detectable or when firmware or software failure causes non-physical damage. Triggered when covered equipment suddenly stops functioning as it had been and that equipment or a part containing electronic circuitry must be replaced.

Cloud Computing – Service Interruption: Pays for business interruption and extra expense when your cloud computing service provider experiences an outage due to an equipment breakdown.

Cloud Computing – Data Restoration: Pays for data restoration for data lost when stored and managed by a cloud computing service provider that experiences an equipment breakdown.

Off Premises Transportable Objects: Extends coverage to transportable equipment anywhere in North America.

Anchor Location: (when business income coverage is purchased) expands Business Income coverage resulting from a covered accident at an anchor location that attracts customers to an insured location.

Environmental Efficiency and Green Coverage: Pays for upgrades to more energy efficient or environmentally friendly equipment.

Brands and Labels: Pays for the cost of removing labels or additional cost of stamping salvaged merchandise after a loss.

Other Benefits

Public Relations Coverage: (when business income coverage is purchased other than extra expense) pays for public relations assistance to help manage your reputation that may be damaged by business interruption or data loss.

Contingent Business Interruption: (when business income coverage is purchased other than extra expense) pays for Business Income resulting from a covered accident to property not owned, operated or controlled by the Insured.

Additional Information

Inspection Services: we automatically provide inspections of boilers and pressure vessels to satisfy the provincial inspection requirements.

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Owned Automobile Coverage Highlights

Overview

We can provide mandatory automobile coverage for all licensed vehicles owned and/or leased by the Insured.

Features

Third-Party Liability Coverage:

- Coverage is provided for Third Party Liability (bodily injury and property damage) protecting you if someone else is killed or injured, or their property is damaged. It will pay for claims as a result of lawsuits against you up to the limit of your coverage, and will pay the costs of settling the claims. Coverage is for licensed vehicles you own and/or leased vehicles.

Standard Statutory Accident Benefits Coverage:

- We automatically provide standard benefits if you are injured in an automobile accident, regardless of who caused the accident. Optional Increased Accident Benefits Coverage is available upon written request.

Optional Statutory Accident Benefits Coverage - Available upon request

- Including coverage for: Income Replacement; Caregiver, Housekeeping & Home Maintenance; Medical & Rehabilitation; Attendant Care; Enhanced Medical Rehabilitation & Attendant Care; Death & Funeral; Dependent Care; Indexation Benefit (Consumer Price Index) – Ontario

Direct Compensation Property Damage:

- Covers damage to your vehicle or its contents, and for loss of use of your vehicle or its contents, to the extent that another person was at fault for the accident as per statute.

Physical Damage Coverage:

- Various basis of settlement including: Replacement Cost, Valued Basis and Actual Cash Value.

Replacement Cost – No deduction for depreciation for repairs or replacement.

- Available for specified vehicles (up to 25 years of age).
- Total Loss: the Insured has the option of purchasing a new vehicle, or accepting a cash settlement for the amount it would cost to purchase a new vehicle.
- Partial Loss: repair estimates are calculated by using all new parts to repair damage.

Valued Basis:

- Can be provided on specified vehicles, usually those that are obsolete, would not be replaced, or would be replaced with a used vehicle.

Actual Cash Value:

- Actual Cash Value (ACV) coverage is automatically provided for specified vehicles.

Additional Information

Blanket Fleet Endorsement:

- Coverage is provided on a blanket basis under the 21B – Blanket Fleet Endorsement. Premium adjustment is done on renewal. Adjustment is made on a 50/50 or pro rata basis as specified in the endorsement. Mid-term endorsements are not processed on policies with this blanket cover.

Single Loss:

- If a single loss involves both the Automobile and Property Insurance policies, the Property policy deductible is waived only on any insured property attached to the automobile.

For a list of vehicles quoted, refer to Exhibit "B".

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Program Options – Highlights of Coverage

Frank Cowan Company offers a Comprehensive Insurance Program to meet your needs.

In addition to "Your Insurance Coverage", enhancements to your coverage are available as outlined under the Program Options page.

Highlights of coverage follow providing a brief description of these options.

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Volunteers' Accidental Death and Dismemberment Coverage Highlights

AD&D and Paralysis Limits

Accidental Death or Dismemberment.	\$50,000
Paralysis Coverage – 200% of Accidental Death and Dismemberment Limit.	\$100,000

Weekly Indemnity

Total Loss of Time.	\$500
Partial Loss of Time.	\$250

† Volunteer must be gainfully employed immediately prior to an accident for weekly indemnity benefits

Accident Reimbursement - \$15,000

Chiropractor	Crutches [†]
Podiatrist/Chiropodist	Splints [†]
Osteopath	Trusses [†]
Physiotherapist	Braces (excludes dental braces) [†]
Psychologist	Casts [†]
Registered or Practical Nurse	Oxygen Equipment – Iron Lung
Trained Attendant or Nursing Assistant [†]	Rental of Wheelchair
Transportation to nearest hospital [†]	Rental of Hospital Bed
Prescription drugs or Pharmaceutical supplies [†]	Blood or Blood Plasma [†]
Services of Physician or Surgeon outside of the province	Semi Private or Private hospital room [‡]

†Maximum \$1,000 per accident. ‡If prescribed by physician.

Dental Expenses

Dental Expenses.	\$5,000
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Occupational Retraining – Rehabilitation

Retraining – Rehabilitation for the Volunteer.	\$15,000
Spousal Occupational Training.	\$15,000

Repatriation

Repatriation Benefit (expenses to prepare and transport body home).	\$15,000
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Dependent Children – per child

Dependent Children's Education (limit per year- maximum 4 years).	\$10,000
Dependent Children's Daycare (limit per year- maximum 4 years).	\$10,000

Transportation/Accommodation (When treatment is over 100km from residence.)

Insured Coverage.	\$1,500
Family Member.	\$15,000

Home Alteration and Vehicle Modification

Expenses to modify the Insured's home and/or vehicle after an accident.	\$15,000
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Seatbelt Dividend

10% of Principal Sum when proof of wearing a seatbelt.	\$5,000
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Funeral Expense

Benefit for loss of life.	\$10,000
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Identification Benefit

Transportation and accommodation costs for family member to identify Insured's remains.	\$5,000
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Eyeglass, Contact Lenses and Hearing Aids

When Insured requires these items due to an accident.	\$3,000
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Convalescence Benefit – Per day

Confined to hospital.	\$100
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Out patient.	\$ 50
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Workplace Modification Benefits

Specialized equipment for the workplace.	\$5,000
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Aggregate Limit

Aggregate Limit only applicable when 2 or more volunteers are injured in same accident.	\$ 1,000,000
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Additional Information

- Loss of life payments up to 365 days from date of Accident Weekly Indemnity payments take other income sources into consideration (e.g. automobile, CPP, group plans).
- Coverage is applicable to Insured 80 years of age or under.
- Coverage is afforded to the Volunteer only when they are 'On Duty'.

The information in this notice is intended for informational purposes only. For full details with respect to coverage, exclusions, conditions and limitations refer to the policy wordings. While coverage may be quoted, once a policy is issued coverage is only applicable if shown on Declaration Page or Schedule of Coverage.

Cyber Risk Insurance Coverage Highlights

Overview

Cyber, network and data exposures impact all companies and thus this solution is suitable for almost any industry. We offer comprehensive Cyber Risk Insurance Coverage to protect an Insured against the cost of a failure in technology or data breach as well as costs involved in restoring the organization's reputation.

The Privacy Liability coverage section will now automatically extend coverage to a 'Service Provider' and/or under a 'Shared Network Arrangement'. We also offer an optional endorsement which will extend coverage to Crisis Management Costs.

Coverage

Media Content Services Liability.

- Media exposures such as defamation and breaches of intellectual property rights arising from your on-line publishing.

Network Security Liability.

- Failure to protect against unauthorized access to; unauthorized use of, or denial of services attack.

Privacy Liability Coverage.

- Consists of various components such as: Privacy Liability, Privacy Notification Costs and Regulatory Proceedings Coverage.
 - Privacy Liability
 - Provides coverage for your liability when you fail to safeguard personal information you have been entrusted with.
 - Privacy Notification Costs
 - Notification costs and credit monitoring after a breach.
 - Regulatory Proceedings Coverage
 - Covers fines and penalties.

Extortion Threat

- Cover to assist you in dealing with the costs of handling/response to a threat from a hacker to attack your information and electronic assets.

Crisis Management Expense

- Costs to assist you after a network compromise to your own system (e.g. public relations costs).

Business Interruption

- Covers the reduction in business income during the period of restoration after compromise to your own system.

Limits and Deductibles

Limits

- A range of limits available up to \$5 million (sub limits apply to first party coverage).
- Pays up to the Limit of Insurance for each coverage specified, subject to an Aggregate Limit.

Deductibles

- A separate deductible may apply to each coverage.

The information in this notice is intended for informational purposes only. For full details with respect to coverage, exclusions, conditions and limitations refer to the policy wordings. While coverage may be quoted, once a policy is issued coverage is only applicable if shown on Declaration Page or Schedule of Coverage.

Facility User Solution Coverage

Overview

The **Frank Cowan Company Facility User Solution** provides you (the facility owner) with the knowledge that the person(s) renting or leasing your facilities have insurance for events they are hosting.

You also have peace of mind knowing they have added you (the facility owner) as an 'additional insured' to that insurance. As an 'additional insured' your interests are covered when a claim occurs as a result of negligence by someone renting or leasing the facilities.

With the **Frank Cowan Company Limited Facility User Solution** we automatically cover a variety of 'Sporting' and 'Non Sporting Events.'

Features

We provide coverage on one master policy with:

- The option of insuring all of your rented or leased facilities or only selected facilities.
- The option of \$2,000,000 or \$5,000,000 liability limits for all users.
- Coverage under a commercial general liability form with extensions for Tenants Legal Liability, Medical Expenses and Non Owned Automobile Coverage.
- Coverage is written on a Reporting Basis – with a deposit premium at inception and premium being adjusted annually.

Activities or Events Insured

Approved Activities include the following Non Sporting and Sporting Events:

Non Sporting Events

Anniversaries, arts, art shows and exhibits, auctions, banquets, bazaars, birthday parties, bridge, chess clubs, crafts, dance parties, dance recitals, dinners, engagement parties (e.g. Jack and Jill events), fashion shows, graduations, music recitals or other family celebrations (e.g. christenings, showers, graduations etc.), photo shoots, picnics, religious services, retirement parties, reunions, seasonal markets, seminars, speakers, talent shows, theatre performances, weddings or other ceremonies, workshops/classroom instruction.

Sporting Events

Badminton, baton twirling, bowling, curling, dance lessons, horseshoes, lawn bowling, public skating, shuffle board, table tennis, tai chi, tennis, ball/roller/floor hockey, baseball, basketball, broomball, cheer leading, cricket, dodge ball, dry land training, field hockey, figure skating, fitness classes, frisbee, handball, non-contact sports (martial arts, pick up hockey, pick up lacrosse, touch/flag football), pickle ball, racquet ball, ringette, slo-pitch, soccer, softball, squash, swimming with life guard, synchronized swim, t-ball, track & field, volleyball and yoga.

Excluded Activities

Alpine skiing, bachelorette/stagette parties, bike racing, boxing, climbing walls, contact sports, cycling, fireworks, gymnastics, horse related, kabaddi, kayaking, kickboxing, motor vehicle activities, rugby, skateboarding, snowboarding, stag/bachelor parties, tackle football or wrestling.

While we do provide coverage under the program for sporting activities we do not provide coverage for Organized Sports Teams/Leagues.

The information in this notice is intended for informational purposes only. For full details with respect to coverage, exclusions, conditions and limitations refer to the policy wordings. While coverage may be quoted, once a policy is issued coverage is only applicable if shown on Declaration Page or Schedule of Coverage.

Claims Exhibit

IMPORTANT: This claims report is prepared by Frank Cowan Company for the sole and exclusive use of Frank Cowan Company, the Insured and, where applicable, their broker and may not be relied upon by any other party. By receipt of this information the Insured and their broker acknowledge their responsibility for keeping this information *strictly confidential*. Neither Frank Cowan Company nor its representatives shall be liable, either directly or indirectly, for any loss, damage, injury or costs suffered or incurred by the Insured or any other party arising or alleged to have arisen by the reliance on this report, outside of Frank Cowan Company. Frank Cowan Company is not responsible for any changes or alterations to this report from its original form or content. Please be advised that deductibles indicated for sewer backup claims are on a per claimant basis. Therefore, if there are sewer backup claims in this report, you could be responsible for multiple deductibles for those claims, up to the number of claimants. For further information, please refer to your policy.

WARNING: Claim reserves by their nature are estimates only and are subject to change. Casualty claims can be complex and can take many years to reach resolution. Over that time it is not unusual for claims costs to escalate, sometimes dramatically, from current estimates. Further, for many reasons liability claims are often reported after a policy year has ended - sometimes years later. Therefore, this report is likely not a complete or final view of the ultimate incurred claims for this Insured.

Classification of Claim		Year	Number	Incurred Amount *	
1.	Liability				
		2007-2008	2	\$	0
		2008-2009	3		79,711
		2009-2010	1		0
		2010-2011	0		0
		2011-2012	3		195
		2012-2013	2		302,998
		2013-2014	3		129,581
		2014-2015	0		0
		2016-2017	0		0
		TOTAL	14	\$	512,485
2.	Errors and Omissions				
		2007-2008	0	\$	0
		2008-2009	0		0
		2009-2010	0		0
		2010-2011	0		0
		2011-2012	2		29,674
		2012-2013	1		126,461
		2013-2014	0		0
		2014-2015	0		0
		2016-2017	0		0
		TOTAL	3	\$	156,135

Classification of Claim		Year	Number	Incurred Amount *	
3.	Automobile				
		2007-2008	1	\$	47,733
		2008-2009	0		0
		2009-2010	1		10,945
		2010-2011	0		0
		2011-2012	2		16,971
		2012-2013	2		2,483
		2013-2014	1		3,083
		2014-2015	0		0
		2016-2017	0		0
		TOTAL	7	\$	81,215

* INCURRED AMOUNT - Includes all payments plus outstanding reserves plus expenses, less any deductible applying.

Economic Development programs designed to help Employers in Wellington County

Tom Lusi
Talent Attraction Initiative
County of Wellington, Economic Development



What is the Talent Attraction Initiative (TIA)?

- The goal of the TAI is to help meet labour market needs in Wellington County and support strategic economic growth

Three main areas of activity

- 1) Post-Secondary Partnerships
- 2) Global Talent Recruitment
- 3) Immigration Programs and Intercultural Supports



Post-Secondary Partnerships

- Raising awareness of employment opportunities in Wellington County
- Providing “soft skills” training to help students be more employable
- Connecting employers with University of Guelph and Conestoga College resources and programs



Global Talent Recruitment

- Partnership with Immigrant Services Guelph-Wellington to promote working in Wellington County
- Newcomer Career Fairs in Toronto (April and October)
- Peel Newcomer Centre: Rural Employment Initiative
- Toronto Region Immigrant Employment Council

Immigration Programs and Intercultural Supports

- Raising awareness of how immigration programs could be used for labour needs
- Advising employers throughout the application process, outlining costs and timelines
- Intercultural training to support worker recruitment and retention

Thank You

Tom Lusi

toml@wellington.ca

519-837-2600 x. 2610





**RESOLUTION
MUNICIPAL COUNCIL
THE CORPORATION OF THE TOWNSHIP OF PUSLINCH**

2016-

Date: November 9, 2016

Moved by: _____ Seconded by: _____

That Council does hereby authorize the applications for Cancellation, Reduction or Refund of Taxes chapter 25, section 357 or 358 of the Municipal Act, 2001 as follows:

Year	Application #	Roll #	Write Off Amount
2016	10/16	3-25500	\$ 572.26
2016	09/16	3-25600	\$ 689.77
2016	11/16	3-11900	\$ 506.25
2016	12/16	2-17500	\$ 54.86

RECORDED VOTE	YES	NO	CONFLICT	ABSENT
Councillor Bulmer				
Councillor Roth				
Mayor Lever				
Councillor Sepulis				
Councillor Fielding				
TOTAL				

MAYOR: _____

CARRIED

LOST



REPORT ADM-2016-017

TO: Mayor and Members of Council

FROM: Nina Lecic, Deputy Clerk

Meeting Date: November 9, 2016

SUBJECT: Municipal Complaint Policy

RECOMMENDATION

THAT Council approves the Township of Puslinch Municipal Complaint Policy.

DISCUSSION

Background

On December 15, 2015 Council passed report ADM-2015-024, including the recommendation that staff would be reporting back in 2016 with a Municipal Complaint Policy. The Township does not currently have a system for recording or tracking complaints with respect to municipal services, or a process for resolving them.

Please note that this report does not address the by-law complaint process, as that is handled separately. Staff will report back in 2017 with a review of the by-law complaint process.

Purpose

There are many reasons to track all municipal complaints, including: risk management, budgeting, continuous improvement and accountability. Furthermore, the *Public Sector and MPP Accountability and Transparency Act, 2014 (Bill 8)* was implemented on January 1, 2016 allowing municipalities to be investigated, on a complaint basis, for any decision, recommendation or act. Complaints can be made with respect to municipal programs, services, facilities, staff members, or in cases where citizens believe that a municipality has not provided a satisfactory customer service experience. Please note that complaints can be made by residents, corporations within the municipality, and Councillors.

Bill 8 amended the Ombudsman Act to expand the Ontario Ombudsman's jurisdiction to investigate complaints made against municipalities where a local Ombudsman has not been appointed, as is the case in Puslinch. Investigations by the Ontario Ombudsman in these instances will usually be complaint based and can relate to any decision or act or omission in the course of the municipality's administration.

It is important to note that the new provisions in Bill 8 give the Ombudsman authority to investigate complaints only after local processes have been completed. If the Ombudsman is satisfied the complaint was resolved adequately at the local level, they can opt for no further investigation. As such, Township staff feels it prudent to create and adhere to a clearly defined Complaint Policy.

FINANCIAL IMPLICATIONS

None at this time

APPLICABLE LEGISLATION AND REQUIREMENTS

Public Sector and MPP Accountability and Transparency Act, 2014

ATTACHMENTS

Schedule A- Complaint Policy

Schedule B- Complaint Form



Department: Administration
Date: November 2016
Subject: Municipal Complaint Policy

Policy Statement:

The Municipal Complaint Policy is intended to provide a consistent and uniform process to respond to program and service delivery concerns raised by members of the public. The policy will assist the municipality in continuing to provide excellent service to the public, and will contribute to the continuous improvement of operations. The Municipality strives to maintain a high level of customer satisfaction by:

- Providing a timely and accurate response to complaints
- Using complaints as an opportunity to improve program and service delivery

Purpose:

The purpose of this policy is to outline the principles and processes for the disposition of complaints related to services delivered by the Township, while ensuring transparency and accountability.

Definition:

A complaint is an expression of dissatisfaction related to a municipal program, service, facility or staff member. Complaints are distinct from: requests for service; general inquiries about municipal services; opinions or feedback with respect to a program or services; or suggestions with respect to services or programs.

This policy does not apply to complaints made by employees, contractors, or volunteers working on behalf of the Town, or complaints about Members of Council.

Complaint Policy Overview:

The following is the guideline for filing a complaint:

1. Step One: Frontline Resolution

- It is the responsibility of the complainant to attempt to resolve concerns by contacting the relevant Township department. Township staff will attempt to resolve all issues or concerns



before they become complaints, and identify opportunities to improve municipal services. Most customer concerns are resolved at this step. If the matter is not addressed here, complainants can continue to step two.

2. Step Two: Filing the Complaint

- Where frontline resolution cannot be achieved, complaints should be submitted to the designated Department Head on the form attached as Schedule “A”. Anyone personally affected or their representative can submit a complaint. Anonymous complaints will not be accepted.
- Receipt and Acknowledgment: The designated Department Head will send acknowledgement of complaint in writing within seven (7) calendar days of receipt of complaint. In addition, the designated Department head will be responsible for forwarding the complaint to the Clerk for record keeping purposes.

3. Step 3: Investigation

- All complaints are investigated by the appropriate Department Head. Complaints made against Department Heads shall be investigated by the Chief Administrative Officer (CAO), or designate. If a complaint is made against the CAO, the Mayor may consult with Council and may designate the municipal solicitor to investigate.
- The designated investigator shall review the issues identified, any relevant legislation, and any relevant policies and procedures. As part of the investigation, all involved parties (complainant, employee, etc) may be interviewed by the investigator.

4. Decision

- Within 30 calendar days of receipt of the complaint, the Department Head shall provide a written response outlining the results of the investigation to the complainant.
- The response shall note whether the complaint was substantiated (along with reasons), along with any actions the municipality will take as a result of the complaint.
- If the Designated Officer is unable to provide a response within 30 calendar days, they shall notify the complainant of the delay and provide an estimate of when a response will be provided.

The Clerk shall keep record of all complaints and resolutions.

An annual report will be provided to Council outlining the complaints received and the outcome.



Appeals: Once the municipality has communicated the decision, there is no appeal process at the municipal level. Non-compliance with this policy may result in the complaint being filed with the Ontario Ombudsman for investigation.

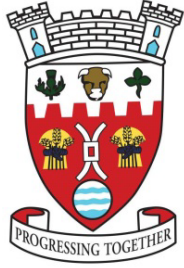
Potentially Frivolous and/or Vexatious Complaints

A complaint may be considered vexatious or frivolous if it is pursued in a matter that is reasonably perceived by Township staff to be (a) malicious, (b) intended to embarrass or harass the recipient, or (c) intended to be a nuisance.

- Where the Complaint may be considered frivolous and/or vexatious, or there appears to be a pattern of frivolous and/or vexatious complaints, the Department Head and CAO may deem the file closed and refer the complaint to the Ombudsman.

Responsibilities of Employees

Staff will treat all complaints as confidential and protect the Complainant's Privacy.



Township of Puslinch
7404 Wellington Road #34
Puslinch, ON, N0B 2J0
T: (519) 763 – 1226
F: (519) 763 – 5846
www.puslinch.ca

Municipal Complaint Form

Name:	
Date of Complaint:	
Address:	
Phone #:	
E-mail:	
<p>Please outline details of your complaint below, including relevant dates, times, location and background information (which may include municipal employees you have contacted to resolve the complaint, witnesses to the incident, photographs, etc).</p>	

How do you suggest the situation be improved or the complaint be resolved?	
Office Use Only	
Complaint #	
Received By:	Date:
Forwarded to:	Date:
Acknowledgment Letter	Additional Correspondence
Date Sent:	Date Sent:
Action taken:	
Final Decision Letter	Copies of all documents filed with Clerk:
Date sent:	Date filed:



REPORT ADM-2016-021

TO: Mayor and Members of Council

FROM: Karen Landry, CAO/Clerk

DATE: November 9, 2016

SUBJECT: County of Wellington – Road Maintenance Agreement

FILE No.: L04WEL

RECOMMENDATIONS

THAT Council receive Report ADM-2016-021 regarding County of Wellington – Road Maintenance Agreement; and

THAT Council enact a By-law to authorize the entering into a road maintenance agreement with the County of Wellington in accordance with Report ADM-2016-021.

DISCUSSION

Background

Attached as Schedule A to this report is the County of Wellington Road Maintenance Sharing Report and By-law that indicates the purpose of the Road Maintenance Agreement is to establish consistent road maintenance terms and conditions across the County.

Purpose

The purpose of this report is to obtain authorization from Council to enter into a road maintenance agreement with the County of Wellington.

A cursory review of the agreement has been completed and the primary conditions of the agreement are:

Level of Maintenance - The level of maintenance to be provided by the County is separated into three sections as outlined below:

- Rural Area
- Semi Urban Area
- Urban Area

The Township's Director of Public Works and Parks has advised that all three sections outlined above are applicable to the Township.

Term/Termination – The term of the agreement has not been identified. Although a termination clause is not included in the agreement, should either party wish to terminate the agreement, reasonable notice would need to be provided.

Observation – The Township is to report to the County Central Garage, if during the course of winter maintenance activities on Township roads, any observations made regarding damage, missing or obstructed County Stop or Stop Ahead signs.

Sidewalks – As noted in the agreement the Township is responsible for the maintenance of a sidewalk on a County road. Section 55 of the Municipal Act states:

“An upper-tier municipality is not responsible for the construction and maintenance of sidewalks on its highway and the lower-tier municipality in which the highways are located is responsible for the construction and maintenance of the sidewalks and has jurisdiction over the part of the highway, unless the municipalities agree otherwise.

A lower-tier municipality that is responsible for the construction and maintenance of the sidewalks on upper-tier highways is liable for any injury or damage arising from the construction or presence of the sidewalk to the same extent and subject to the same limitations to which a municipality is liable under section 44 in respect of a sidewalk on its own highway.

A lower-tier municipality may, with the agreement of the upper-tier municipality, construct a sidewalk or other improvement or service on an upper-tier highway and the lower-tier municipality is liable for any injury or damage arising from the construction or presence of the sidewalk, improvement or service.”

Indemnity – The various clauses in the agreement that request the Township to report to the County Central Garage issues regarding County Stop or Stop Ahead signs, includes the following indemnity wording:

“The County continues to remain liable with respect to the said signage irrespective of any action or inaction by the Municipality in undertaking this visual inspection on behalf of the County.”

Staff recommends this clause be amended to clarify that liability does not solely apply to the said signage and read as follows, “The County continues to remain liable with respect to any action or inaction by the Municipality to notify the County of any observations regarding County Stop and Stop Ahead signs.

FINANCIAL IMPLICATIONS

The Township's Director of Public Works and Parks has advised that the proposed agreement reflects what has been the practice followed by the parties in the past. As a result, there are no new budgetary impacts.

APPLICABLE LEGISLATION AND REQUIREMENTS

Municipal Act, 2001

ATTACHMENTS

Schedule A – County of Wellington – Road Maintenance Sharing Report and By-law
Schedule B – County of Wellington - Maintenance Agreement



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Roads Committee
From: Gordon J. Ough, P. Eng., County Engineer
Date: Tuesday, February 09, 2016
Subject: Road Maintenance Sharing Report

Background:

Over the years the County has carried out a variety of maintenance operations within urban areas of the County, not all consistently across the County. Agreements between County Foremen and local Road Superintendents were common; such as sharing the work, exchange of services or one party **paying for the work done by the other. This worked pretty well except it wasn't consistent across the County. What one foreman did didn't necessarily reflect what was done by another nor how it was done**

Mr. Paul Johnson, the Counties Operations Manager, has had conversations related to this proposed agreement with the Roads Superintendents/Directors of **Public Works of the County's member** municipalities over the past couple of years. Mr. Johnson reports that all those he has talked to are in favor of formalizing what has been, in most cases, long standing but informal arrangements

The latest draft of one of the agreements is attached for **Committee's information.**

Recommendation:

That the Maintenance Agreement, between the County of Wellington and its 7 member municipalities, based on the draft agreement referenced above, be finalized as soon as practical.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Gordon J. Ough".

Gord Ough,
County Engineer



THE CORPORATION OF THE COUNTY OF WELLINGTON

BY-LAW NUMBER 5460-16

A By-law to authorize the Warden and Clerk to execute a Maintenance Agreement between the Corporation of the County of Wellington and each of our seven Member Municipalities

NOW THEREFORE the Council of The Corporation of the County of Wellington enacts as follows:

1. That the Warden and Clerk are hereby authorized to execute, on behalf of the Corporation of the County of Wellington and seal with the corporate seal, a Maintenance Agreement, between the Corporation of the County of Wellington and each of our seven member municipalities.

READ A FIRST, SECOND AND THIRD TIME AND PASSED THIS FEBRUARY 25, 2016.




GEORGE BRIDGE, WARDEN


DONNA BRYCE, COUNTY CLERK

SAMPLE AGREEMENT

MAINTENANCE AGREEMENT

This agreement made this XX day of XX, 2016.

Between

The Corporation of the County of Wellington
herein called the "County"
of the First Part

and

Municipality of The Town of Minto
hereinafter called the "Municipality"
of the Second Part

WHEREAS the County wishes to enter into a Maintenance Agreement with the Municipality to clarify who does what.

PRE-AMBLE

Over the years the County has carried out a variety of maintenance operations within urban areas of the County, not all consistently across the County. Agreements between County Foremen and local Road Superintendents were common; such as sharing the work, exchange of services or one party paying for the work done by the other. This worked pretty well except it wasn't consistent across the County. What one foreman did didn't necessarily reflect what was done by another nor how it was done. To complicate matters twenty-one former municipalities have amalgamated into seven new municipalities with in most cases new Road Supervisors responsible for areas formerly maintained by others. In addition with the downloading of provincial highways, connecting links which shared responsibility between the MTO and the local municipality have now been given back to the locals who in turn have transferred the roads to the County. Therefore, we have urban areas, which are generally maintained through guidelines used in the former "Connecting Link Agreement" and other areas maintained by "gentlemen's" agreements between County Foremen and the local Road Manager. The purpose of this Maintenance Agreement is to clarify what the County **IS** responsible for and by default what the County is **NOT** responsible for on County roadways within rural, semi urban and urban centres throughout the County.

This is not a policy statement of how, when or the level of service to be provided but by whom. This is maintenance agreement only. Capital works will be dealt with through other agreements.

DEFINITIONS

"bridge" means a public bridge, and includes a bridge forming part of a highway or on, over or across which a highway passes

"century trees" in the context of this policy shall mean trees approximately about 100 years old.

"city", "town", "village", "township" and "county" respectively means a city, town, village, township, or county; the inhabitant of which as a body corporate within the meaning and purpose of the Municipal Act

"highway" means a common and public highway

"local municipality" means a city, town, village and township

"maintenance" or "maintained" means the act of keeping something in a state of good repair .

“municipal water system” means underground system of pipes for residential, commercial and industrial potable water and includes but is not limited to fire hydrants, water services, and valve boxes.

“road” refers specifically to the travelled road surface on a roadway assumed by a road authority.

“roadside” refers to all the elements or conditions which make up the roadway within the jurisdiction of the roadway authority except for the road surface itself.

“roadway” in the contents of this policy means any publicly assumed road right of way, for vehicular traffic and includes the road plus roadside. For “rural” this definition will imply property line to property line. For “semi-urban” and “urban” areas this definition will imply back of curb to back of curb or where there is no curb to front edge of sidewalk or where there is no sidewalks to property line.

“rural” light density agricultural and residentially undeveloped with generally open ditches and generally speed limits of 80 km/hr.

“sanitary sewer system” underground collection system for residential, commercial and industrial liquid waste and includes sanitary sewer manholes.

“semi-urban” medium density residential industrial commercial with open or closed drainage and generally speed limits of 60 km/hr or less.

“shoulder” is that maintained surface immediately adjacent to the traveled surface of the road. The shoulder may be partially or fully hardtop, loose top, grassed or earth. It is not considered a part of the road for this policy.

“storm sewer system” an open ditch including culverts, or buried pipe including catch-basins, manholes, curb and gutter, designed for the purposes of collecting and disposing of storm water.

“urban” all densities, all types, generally closed drains and 50 km/hr or less.

“utilities” means gas, hydro, street illumination, telephone, television cable, and includes valve boxes, overhead or underground cables, or pipes to conduct same.

RURAL AREAS

The County will be responsible for all maintenance as per the County standards on all County roadways within rural areas subject to agreement with other road authorities who have been contracted to undertake this work on behalf of the County.

In winter especially it is very difficult for County staff to visually inspect Stop and Stop Ahead signs posted on municipal roads intersecting County roads. As in the course of the municipalities winter maintenance of their respective roads they have an opportunity to observe these Stop and Stop Ahead signs. We would ask municipal staff, for the safety of those traveling on municipal roads, to notify the County, at the Counties Central garage, of any damaged, missing or obstructed sign so that we can correct the deficiency ASAP. The County assumes 100% liability for any action or inaction provided by the municipality in undertaking this visual inspection and reporting.

See Schedule 1

SEMI URBAN AREAS

The County will be responsible for all maintenance as per the County standard on all County roadways within a semi-urban area including the storm sewer system, whether open or closed, catch basins and curb and gutter, where applicable.

The County assumes no financial or legal liability for maintenance of any sidewalk, municipal water system, utility or sanitary sewer system which is placed within the County roadway.

In winter especially it is very difficult for County staff to visually inspect Stop and Stop Ahead signs posted on municipal roads intersecting County roads. As in the course of the municipalities

winter maintenance of their respective roads they have an opportunity to observe these Stop and Stop Ahead signs. We would ask municipal staff, for the safety of those traveling on municipal roads, to notify the County, at the Counties Central garage, of any damaged, missing or obstructed sign so that we can correct the deficiency ASAP. The County assumes 100% liability for any action or inaction provided by the municipality in undertaking this visual inspection and reporting.

See Schedule 2

URBAN AREAS

The County will be responsible for all County roadways within an urban area with the following condition and shared costs.

- 1) Where on street parking is provided the County will maintain the equivalent of three traveled lanes. The local municipality will be responsible for the plowing and disposal of snow within the remainder of the right of way subject to the County paying 50% of the cost of snow disposal.
- 2) The County will pay 100% of the cost for the first spring cleanup. All subsequent cleanups will be 100 % cost to the local municipalities
- 3) County will be responsible to paint centre line, stop blocks at intersections with other County Roads as well as painting crosswalks. All special markings such as stop blocks on municipal streets or parking stalls on the County Roads will be 100% cost to the local municipality.
- 4) Traffic signals will be at 100% cost to the County. See Schedule 4
- 5) Traffic signs, route makers, direction signs erected by the County will be 100% to the County. All other signs will be 100% cost to the local municipality.
- 6) Grass mowing, weed sprays, litter pickup will be 100% cost to the local municipality
- 7) Illumination – Unless installed by the County 100% cost will be to the local municipality. Those installed by the County will be 100 % to the County.
- 8) Pavement Patching – 100% to the County unless road surface is open cut for placement of utility in which case the utility company and/or local municipality will be 100% responsible.
- 9) All existing storm sewer works within the limit of the County road allowance will be maintained 100% by the County. Major upgrades to the current system will be done through Capital Works agreements.
- 10) All sanitary sewer system, municipal water systems, utilities will be at 100% by the municipality (During resurfacing the adjustment of all manholes, catch basins, valve boxes will be 100% by the County, at all other times 100% to the municipality or utility company whichever applies.)
- 11) All bridge and culvert maintenance within the County roadway will be 100 % cost to the County.
- 12) All boulevards between curb and sidewalk whether grass, dirt, concrete or asphalt will be 100 % cost to the local municipality.
- 13) All financial or legal liability associated with sidewalks whether concrete, brick, asphalt or dirt will be at 100 % cost to the local municipality.
- 14) All “century trees” will be 100% the responsibility of the County if within the County roadway. They will be 100% the responsibility of the property owner when they are located outside the County roadway.

- 15) Trees planted within the boulevard of urban areas will be 100 % the responsibility of the local municipality to maintain. Any future planting within these boulevards will be permitted only if approved by the County.
- 16) . Stop and Stop Ahead signs fronting onto County Roads to be maintained 100% by the County but in winter especially it is very difficult for County staff to visually inspect these Stop and Stop Ahead signs. As in the course of the municipalities winter maintenance of their respective roads they have an opportunity to observe these Stop and Stop Ahead signs. We would ask municipal staff, for the safety of those traveling municipal roadways, to notify the County, at the Counties Central garage, of any damaged, missing or obstructed signs so that we can correct the deficiency ASAP. The County assumes 100% liability for any action or inaction provided by the municipality in undertaking this visual inspection

See Schedule 3

IN WITNESS WHEREOF the County has hereunto affixed its corporate seal attested by the hands of its Warden and Clerk and the Municipality has affixed its corporate seal attested to by the hands of its proper officers duly authorized in that behalf.

Municipality XXX

THE CORPORATION OF
THE COUNTY OF WELLINGTON

Per:

Per:

GEORGE BRIDGE - MAYOR

GEORGE BRDGE, WARDEN

BILL WHITE- CLERK

DONNA BRYCE, CLERK

SCHEDULE 1

RURAL AREA				
Maintenance Activity	Cost Sharing		Performance of Work	
	County	Municipality	County	Municipality
All maintenance activities (1)	100 %		YES (2)	
Visual inspection and reporting of Stop and Stop Ahead Sign issues	100%			YES (3)
<p>Note</p> <p>1) The County assumes no financial or legal liability for maintenance of any sidewalk, municipal water system, utility or sanitary sewer system which is placed within the County roadway.</p> <p>2) Some Winter Maintenance may be carried out by neighbouring County or Regional Road Authorities under Maintenance Agreements, as well as work which is carried out by Local Municipalities at the Counties expense.</p> <p>3) In winter especially it is very difficult for County staff to visually inspect Stop and Stop Ahead signs posted on municipal roads intersecting County roads. As in the course of the municipalities winter maintenance of their respective roads they have an opportunity to observe these Stop and Stop Ahead signs. We would ask municipal staff, for the safety of those traveling on municipal roads, to notify the County, at the Counties Central garage, of any damaged, missing or obstructed sign so that we can correct the deficiency ASAP. The County assumes 100% liability for any action or inaction provided by the municipality in undertaking this visual inspection and reporting.</p>				

SCHEDULE 2

SEMI-URBAN AREA				
Maintenance Activity	Cost Sharing		Performance of Work	
	County	Municipality	County	Municipality
All maintenance activities (1) & (2)	100 %		YES (3)	
Visual inspection and reporting of Stop and Stop Ahead Sign issues.	100%			YES (4)
<p>Note</p> <p>1) The County assumes no financial or legal liability for maintenance of any sidewalk, municipal water system, utility, or sanitary sewer system which is placed within the County roadway.</p> <p>2) As some areas contain a combination open and closed storm sewer system the County will maintain the entire system including where applicable curb and gutter, catch basins and man holes.</p> <p>3) Some Winter Maintenance may be carried out by neighbouring County or Regional Road Authorities under Maintenance Agreements, as well as work which is carried out by Local Municipalities at the Counties expense.</p> <p>4) In winter especially it is very difficult for County staff to visually inspect Stop and Stop Ahead signs posted on municipal roads intersecting County roads. As in the course of the municipalities winter maintenance of their respective roads they have an opportunity to observe these Stop and Stop Ahead signs. We would ask municipal staff, for the safety of those traveling on municipal roads, to notify the County, at the Counties Central garage, of any damaged, missing or obstructed sign so that we can correct the deficiency ASAP. The County assumes 100% liability for any action or inaction provided by the municipality in undertaking this visual inspection and reporting.</p>				

SCHEDULE 3

URBAN AREA				
Maintenance Activity	Cost Sharing		Performance of Work	
	County	Municipality	County	Municipality
Spring clean up	100 %			YES (1)
Centreline, stop blocks, crosswalks	100 %		YES	
Special marking Stop blocks on municipal streets, parking stalls		100 %		YES (2)
Traffic signals	100 %		YES (3)	
Traffic signs, route markers, other signs erected by the County	100 %		YES	
Business signs, street signs, local signs		100 %		YES
Grass moving, weed control, litter pickup		100 %		YES
Illumination		100 %		YES
Pavement Patching	100 %		YES (4)	
Storm sewer system	100 %		YES	
Sanitary sewer system		100 %		YES
Sidewalks and boulevards				YES
Bridges and culverts	100 %		YES	
WINTER MAINTENANCE				
Snow plowing	100 %		YES (5)	
Snow removal	50 %	50 %		YES (5)
Visual inspection and reporting of Stop and Stop Ahead Sign issues.	100%			YES (7)
<p>Note</p> <ol style="list-style-type: none"> 1) The County will pay 100 % of the cost for one spring cleanup of sand and salt from the County roadway. The municipality can have the work done and bill the County or the County will have the work done. 2) Within the Urban Area the County will paint all stop blocks at intersections with other County roads or at County owned traffic signals but will not paint stop blocks on municipal streets or lanesways that intersect the County road. In the Rural Area the County will paint all the stop blocks at intersections of County and municipal roads where applicable. 3) See SCHEDULE 4 4) If the road surface has to be removed to install any utilities the parties responsible for the work will be required to return the road surface to the pre-installation condition at 100 % of the cost.. 5) The County will maintain the equivalent of 3 lanes (33 feet) of road surface. 6) The County will pay for 50 % of the total cost to plow and remove snow from the balance of the road allowance. 7) In winter especially it is very difficult for County staff to visually inspect Stop and Stop Ahead signs posted on municipal roads intersecting County roads. As in the course of the municipalities winter maintenance of their respective roads they have an opportunity to observe these Stop and Stop Ahead signs. We would ask municipal staff, for the safety of those traveling on municipal roads, to notify the County, at the Counties Central garage, of any damaged, missing or obstructed sign so that we can correct the deficiency ASAP. The County assumes 100% liability for any action or inaction provided by the municipality in undertaking this visual inspection and reporting. 				

SCHEDULE 4

**MAINTENANCE AT INTERSECTIONS OF COUNTY ROADS AND CONNECTING
LINKS**

Where a municipality has a Connecting Link and County Road that intersect, the County will pay the proportional share of all maintenance costs at that intersection based on the number of legs that are County Roads. For example 1 leg County 3 legs municipal would equal 25% County cost.

TOWN OF MINTO

HARRISTON				
Intersection CR 109 and Highways 9 and 89	Cost Sharing		Performance of Work	
	County	Municipality	County	Municipality
ALL ROUTINE MAINTENANCE (Including traffic signals)	25 %	75 %		YES

CLIFFORD				
Intersection CR 2 and Highways 9 and Allan Street	Cost Sharing		Performance of Work	
	County	Municipality	County	Municipality
ALL ROUTINE MAINTENANCE (Including traffic signals)	25 %	75 %		YES

MAINTENANCE AGREEMENT

This agreement made this day of , 2016.

Between

The Corporation of the County of Wellington
herein called the “County”
of the First Part

and

The Corporation of the Township of Puslinch
hereinafter called the “Municipality”
of the Second Part

PREAMBLE

Historically the County has carried out road maintenance operations within urban areas of Wellington but not consistently across Wellington. Ad hoc Agreements between County Foremen and local Road Superintendents were common and included sharing road maintenance operations, exchange of services or one party paying for the road maintenance operations done by the other. Although the system worked well, it was not consistent across Wellington.

Further, when twenty-one former municipalities were amalgamated into seven new municipalities, new Road Supervisors became responsible for areas formerly maintained by others.

In addition, in some Municipalities, the downloading of some provincial highways, connecting links which shared responsibility between the Ministry of Transportation of Ontario and the local municipality have now been transferred back to the local municipality who in turn has transferred those roads to the County.

In other municipalities, the provincial highways were not downloaded and therefore “Connecting Links” still exist in those municipalities though these are no longer funded by the Province.

As a result of the above, road maintenance operations in urban areas in Wellington are generally done through guidelines used in the former “Connecting Link Agreement” and in other areas in Wellington maintained by “gentlemen’s” agreements between County Foremen and the local Road Manager.

The purpose of this Maintenance Agreement is to clarify what the County **IS** responsible for and by default what the County is **NOT** responsible for on County roadways within rural, semi urban and urban centres throughout Wellington.

This is not a policy statement of how, when or the level of service to be provided but by whom. This is maintenance agreement only. Capital works will be dealt with through other agreements.

WHEREAS the County wishes to enter into a Maintenance Agreement with the Municipality to clarify the role of the County and the Municipality in road maintenance operations;

AND WHEREAS the purpose of the Maintenance Agreement is to clarify what the County is responsible for on County roads within rural, semi urban and urban centres throughout the County of Wellington (“Wellington”).

DEFINITIONS

“bridge” means a public bridge forming part of a highway or on, over or across which a highway passes;

“century trees” in the context of this policy shall mean trees approximately 50 to 100 years old that were generally planted on the property line within urban areas with a 24” or greater diameter,

“city”, “town”, “village”, “township” and “county” respectively means a city, town, village, township, or county; the inhabitant of which as a body corporate within the meaning and purpose of the Municipal Act;

“highway” means a common and public highway and includes any bridge, trestle, viaduct or other structure forming part of the highway and, except as otherwise provided, includes a portion of a highway;

“local municipality” means a city, town, village and township;

“maintenance” or “maintained” means the act of keeping something in a state of good repair;

“municipal water system” means underground system of pipes for residential, commercial and industrial potable water and includes but is not limited to fire hydrants, water services, and valve boxes;

“road” refers specifically to the travelled road surface on a roadway assumed by a road authority;

“roadside” refers to all the elements or conditions which make up the roadway within the jurisdiction of the roadway authority except for the road surface itself;

“roadway” in the contents of this policy means any publicly assumed road right of way, for vehicular traffic and includes the road plus roadside. For “rural” this definition will imply property line to property line. For “semi-urban” and “urban” areas this definition will imply back of curb to back of curb or where there is no curb to front edge of sidewalk or where there is no sidewalks to property line;

“rural” light density agricultural and residentially undeveloped with generally open ditches and generally speed limits of 80 km/hr;

“sanitary sewer system” underground collection system for residential, commercial and industrial liquid waste and includes sanitary sewer manholes;

“semi-urban” medium density residential industrial commercial with open or closed drainage and generally speed limits of 50-60 km/hr or less;

“sidewalks” for the purpose of this agreement shall mean a walkway of concrete, asphalt, brick or dirt that runs parallel and between the curb and if no curb the shoulder of the road and the adjacent property line and is used for pedestrian traffic;

“shoulder” is that maintained surface immediately adjacent to the traveled surface of the road. The shoulder may be partially or fully hardtop, loose top, grassed or earth. It is not considered a part of the road for this policy;

“storm sewer system” an open ditch including culverts, or buried pipe including catch-basins, manholes, curb and gutter, designed for the purposes of collecting and disposing of storm water;

“urban” all densities, all types, generally closed drains and 50 km/hr or less;

“utilities” means gas, hydro, street illumination, telephone, television cable, and includes valve boxes, overhead or underground cables, or pipes to conduct same;

RURAL AREAS

The County will be responsible for all road maintenance operations in accordance with County standards on all County roadways within rural areas subject to agreement with other road authorities who have been contracted to undertake this work on behalf of the County.

At intersections of County road and municipal roads where a stop bar is required, as per Books 5 and 11 of the Ontario Traffic Manual, the County will paint the stop blocks.

In winter, it is very difficult for County staff to visually inspect these Stop and Stop Ahead signs. If in the course of the municipalities winter maintenance of their respective roads they have an opportunity to observe these Stop and Stop Ahead signs, Municipality staff shall, for the safety of those traveling municipal roadways, assist to notify the County, at the Counties Central garage, of any damaged, missing or obstructed signs so that the County can correct the deficiency as soon as practicable. The County continues to remain liable with respect to the said signage irrespective of any action or inaction by the Municipality in undertaking this visual inspection on behalf of the County.

SCHEDULE 1 details the cost sharing for roads maintenance operations in Rural Areas and the scope of work by the County and the Municipality.

SEMI URBAN AREAS

The County will be responsible for all road maintenance operations in accordance with the County standard on all County roadways within a semi-urban area including the storm sewer system, whether open or closed, catch basins and curb and gutter, where applicable.

The County assumes no financial or legal liability for maintenance of any sidewalk, municipal water system, utility or sanitary sewer system which is placed within the County roadway.

At intersections of County road and municipal roads where a stop bar is required, as per Books 5 and 11 of the Ontario Traffic Manual, the County will paint the stop blocks.

In winter, it is very difficult for County staff to visually inspect these Stop and Stop Ahead signs. If in the course of the municipalities winter maintenance of their respective roads they have an opportunity to observe these Stop and Stop Ahead signs, Municipality staff shall, for the safety of those traveling municipal roadways, assist to notify the County, at the Counties Central garage, of any damaged, missing or obstructed signs so that the County can correct the deficiency as soon as practicable. The County continues to remain liable with respect to the said signage irrespective of any action or inaction by the Municipality in undertaking this visual inspection on behalf of the County.

SCHEDULE 2 details the cost sharing for roads maintenance operations in Semi Urban Areas and the scope of work by the County and the Municipality.

URBAN AREAS

County roads in Urban Areas have unique characteristics and demands that are not found in Rural Areas. Quite often the County road is a major street within a Town or Village that shares the same road allowance with sidewalks, storm and sanitary systems, water, utilities, street lights etc. Because of this it is necessary to establish who does what and who pays for what. The following is a list of maintenance activities and cost allocation to each party.

- 1) During winter operations, where on street parking is provided, the County will maintain the equivalent of three traveled lanes. The Municipality will be responsible for the maintenance of the remainder of the right of way. During the balance of the year the County will maintain the road allowance from back of curb to back of curb.
- 2) If snow banks reach a point where it is necessary to remove (lift or blow the snow and haul away) the County will pay 50% of that cost.

- 3) The County will pay 100% of the cost for the first spring cleanup. This will include street sweeping and the sucking out of catch basins. All subsequent sweeping will be 50 -50 to a maximum of 4 times.
- 4) County will be responsible to paint centre line, stop bars at intersections with other County Roads as well as Municipal streets if required under Books 5 and 11 of the Ontario Traffic Manual. All special markings such as parking stalls on the County Roads will be 100% cost to the local municipality.
- 5) The County will maintain, including paint, signage and where applicable signals, on all crosswalks that currently exist on County roads.
- 6) Traffic signals on County roads will be maintained at 100% cost to the County with the exception of Traffic signals on roads specified in **Schedule 4** details of special cost sharing at shared intersections.
- 7) Traffic signs, route makers, direction signs erected by the County will be 100% to the County. All other signs will be 100% cost to the Municipality.
- 8) In Urban Areas, the County will only mow the roadside grass where there is a rural cross section. The County will not cut grass boulevards or do weed control or litter pickup.
- 9) Illumination (Street Lights) – Unless installed by the County, 100% cost will be to the Municipality. Those installed by the County will be at 100% to the County.
- 10) Pavement Patching – 100% to the County unless road surface is open cut for placement of utility in which case the utility company and/or Municipality will be 100% responsible.
- 11) All existing storm sewer works within the limit of the County road allowance will be maintained 100% by the County. That portion of the system contained within the local road allowance will be 100% Municipality cost. Major upgrades to the current system will be done through Capital Works agreements.
- 12) All sanitary sewer system, municipal water systems, utilities will be at 100% by the Municipality. If the County resurfaces the road, the adjustment of all manholes, catch basins, valve boxes will be 100% by the County. At all other times, 100% to the municipality or utility company whichever applies.
- 13) All bridges and culverts, under the jurisdiction of the County, will be maintained at 100% cost to the County.
- 14) The Ontario Municipal Act 2001 S.O. 2001, Chapter 25 Sections 55 (1), (2) and (3) states that an Upper-Tier Municipality being the County is not responsible for the construction and maintenance of sidewalks on its highways and the lower-tier municipality in which the highways are located being the Municipality is responsible for the construction and maintenance of the sidewalks and also is liable for any injury and damage arising from the construction or presence of the sidewalk and the County and the Municipality confirm that there is no change to this obligation.
- 15) Any retaining walls within the County road allowance will be maintained at 100% cost to the County.
- 16) The County will be financially responsible for all maintenance for “Roundabouts” on County roads.
- 17) All financial or legal liability associated with sidewalks whether concrete, brick, asphalt or dirt will be at 100% cost to the Municipality.
- 18) All “century trees” will be maintained at 100% of the responsibility of the County if within the County road allowance. They will be maintained at 100% of the responsibility of the property owner when they are located outside the County roadway.
- 19) Trees planted within the boulevard of urban areas will be maintained at 100% of the responsibility of the Municipality. Any future planting within these boulevards will be permitted only if approved by the County.

- 20) Stop and Stop Ahead signs fronting onto County Roads are County owned and as such to be maintained 100% by the County. However, in winter, it is very difficult for County staff to visually inspect these Stop and Stop Ahead signs. If in the course of the municipalities winter maintenance of their respective roads they have an opportunity to observe these Stop and Stop Ahead signs, Municipality staff shall, for the safety of those traveling municipal roadways, assist to notify the County, at the Counties Central garage, of any damaged, missing or obstructed signs so that the County can correct the deficiency as soon as practicable. The County continues to remain liable with respect to the said signage irrespective of any action or inaction by the Municipality in undertaking this visual inspection on behalf of the County.

SCHEDULE 3 details the cost sharing for roads maintenance operations in Urban Areas and the scope of work by the County and the Municipality.

IN WITNESS WHEREOF the County has hereunto affixed its corporate seal attested by the hands of its Warden and Clerk and the Municipality has affixed its corporate seal attested to by the hands of its proper officers duly authorized in that behalf.

THE CORPORATION OF THE TOWNSHIP
OF PUSLINCH

Per:

DENNIS LEVER - MAYOR

KAREN LANDRY- CAO/CLERK

THE CORPORATION OF
THE COUNTY OF WELLINGTON

Per:

GEORGE BRDGE, WARDEN

DONNA BRYCE, CLERK

SCHEDULE 1

(details the cost sharing for roads maintenance operations in Rural Areas and the scope of work by the County and the Municipality)

RURAL AREA				
Maintenance Activity	Cost Sharing		Performance of Work	
	County	Municipality	County	Municipality
All maintenance activities (note 1)	100%		YES (note 2)	
Visual inspection and reporting of Stop and Stop Ahead Sign issues	100%			YES (note 3)
<div>Note</div> <div> <div>1) The County assumes no financial or legal liability for maintenance of any sidewalk, municipal water system, utility or sanitary sewer system which is placed within the County roadway.</div> <div>2) Some Winter Maintenance may be carried out by neighboring County or Regional Road Authorities under Maintenance Agreements, as well as work which is carried out by Local Municipalities at the Counties expense.</div> <div>3) In winter, it is very difficult for County staff to visually inspect these Stop and Stop Ahead signs. If in the course of the municipalities winter maintenance of their respective roads they have an opportunity to observe these Stop and Stop Ahead signs, Municipality staff shall, for the safety of those traveling municipal roadways, assist to notify the County, at the Counties Central garage, of any damaged, missing or obstructed signs so that the County can correct the deficiency as soon as practicable. The County continues to remain liable with respect to the said signage irrespective of any action or inaction by the Municipality in undertaking this visual inspection on behalf of the County.</div> </div>				

SCHEDULE 2

(details the cost sharing for roads maintenance operations in Semi Urban Areas and the scope of work by the County and the Municipality)

SEMI-URBAN AREA				
Maintenance Activity	Cost Sharing		Performance of Work	
	County	Municipality	County	Municipality
All maintenance activities (see note 1) & (see note 2)	100%		YES (note 3)	
Visual inspection and reporting of Stop and Stop Ahead Sign issues.	100%			YES (note 4)
<p>Note</p> <p>1) The County assumes no financial or legal liability for maintenance of any sidewalk, municipal water system, utility or sanitary sewer system which is placed within the County roadway.</p> <p>2) As some areas contain a combination open and closed storm sewer system the County will maintain the entire system including where applicable curb and gutter, catch basins and man holes.</p> <p>3) Some Winter Maintenance may be carried out by neighboring County or Regional Road Authorities under Maintenance Agreements, as well as work which is carried out by Local Municipalities at the Counties expense.</p> <p>4) In winter, it is very difficult for County staff to visually inspect these Stop and Stop Ahead signs. If in the course of the municipalities winter maintenance of their respective roads they have an opportunity to observe these Stop and Stop Ahead signs, Municipality staff shall, for the safety of those traveling municipal roadways, assist to notify the County, at the Counties Central garage, of any damaged, missing or obstructed signs so that the County can correct the deficiency as soon as practicable. The County continues to remain liable with respect to the said signage irrespective of any action or inaction by the Municipality in undertaking this visual inspection on behalf of the County.</p>				

SCHEDULE 3

(details the cost sharing for roads maintenance operations in Urban Areas and the scope of work by the County and the Municipality)

URBAN AREA				
Maintenance Activity	Cost Sharing		Performance of Work	
	County	Municipality	County	Municipality
Spring clean up	100%			YES (note 1)
Centreline, stop bars, crosswalks	100%		YES	
Special marking Stop bars on municipal streets, parking stalls		100%		YES (note 2)
Traffic signals	100%		YES (note 3)	
Traffic signs, route markers, other signs erected by the County	100%		YES	
Business signs, street signs, local signs		100%		YES
Grass moving, weed control, litter pickup		100%		YES
Illumination		100%		YES
Pavement Patching	100%		YES (note 4)	
Storm sewer system	100%		YES	
Sanitary sewer system		100%		YES
Sidewalks and boulevards		100%		YES
Bridges and culverts	100%		YES	
WINTER MAINTENANCE				
Snow plowing	100%		YES (note 5)	
Snow removal	50 %	50 %		YES (note 6)
Visual inspection and reporting of Stop and Stop Ahead Sign issues.	100%			YES (note 7)
Note				
1) The County will pay 100% of the cost for one spring cleanup of sand and salt from the County roadway and 50% of subsequent sweeping to a maximum of 4 times in total. The municipality can have the work done and bill the County or the County will have the work done.				
2) County will be responsible to paint centre line, stop bars at intersections with other County Roads as well as Municipal streets if required under Books 5 and 11 of the Ontario Traffic Manual. All special markings such as parking stalls on the County Roads will be 100% cost to the local municipality. In the Rural Area the County will paint all the stop blocks at intersections of County and municipal roads where applicable.				
3) See SCHEDULE 4				
4) If the road surface has to be removed to install any utilities the parties responsible for the work will be required to return the road surface to the pre-installation condition at 100% of the cost.				
5) The County will maintain the equivalent of 3 lanes (33 feet) of road surface.				
6) If snow banks reach a point where it is necessary to remove (lift or blow the snow and haul away) the County will pay 50% of that cost.				
7) In winter, it is very difficult for County staff to visually inspect these Stop and Stop Ahead signs. If in the course of the municipalities winter maintenance of their respective roads they have an opportunity to observe these Stop and Stop Ahead signs, Municipality staff shall, for the safety of those traveling municipal roadways, assist to notify the County, at the Counties Central garage, of any damaged, missing or obstructed signs so that the County can correct the deficiency as soon as practicable. The County continues to remain liable with respect to the said signage irrespective of any action or inaction by the Municipality in undertaking this visual inspection on behalf of the County.				

SCHEDULE 4

**MAINTENANCE AT INTERSECTIONS OF COUNTY ROADS AND CONNECTING
LINKS**

(details of special cost sharing at shared intersections)

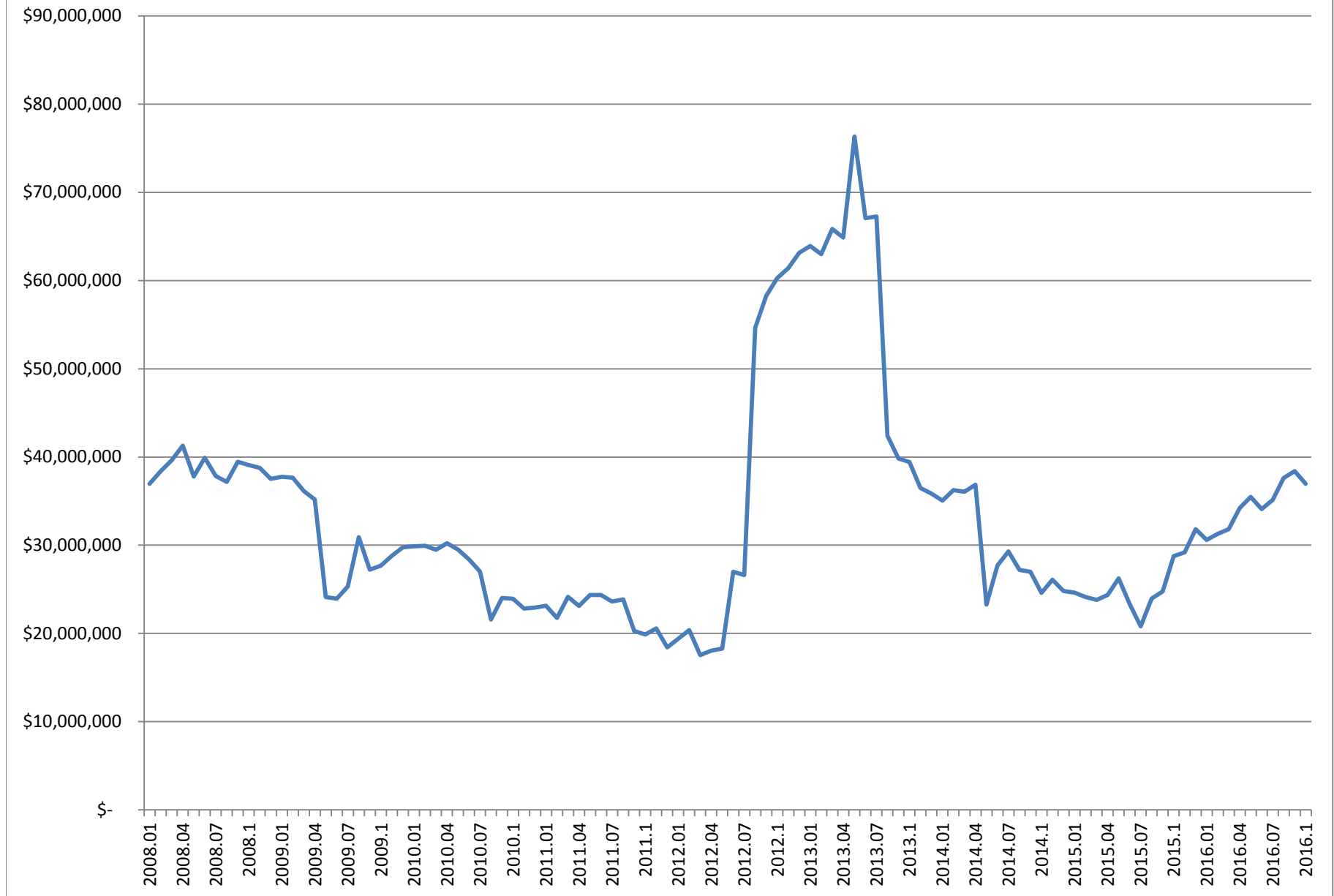
Where a municipality has a Connecting Link and County Road that intersect, the County will pay the proportional share of all maintenance costs at that intersection based on the number of legs that are County Roads. For example 1 leg County 3 legs municipal would equal 25% County cost.

NOT APPLICABLE

2016 BUILDING REPORT						
	VALUE OF CONSTRUCTION		PERMIT FEES COLLECTED		%	PERMITS
	2015	2016	2015	2016	PREVIOUS	ISSUED
~~~~~						
					////	
January	\$1,355,000.00	\$112,500.00	\$13,967.00	\$1,967.00	8%	7
February	\$1,069,000.00	\$1,775,000.00	\$12,381.00	\$23,927.64	166%	9
March	\$2,436,000.00	\$2,953,000.00	\$23,235.95	\$30,677.78	121%	20
April	\$2,188,000.00	\$4,590,000.00	\$31,680.20	\$52,316.00	210%	30
May	\$2,681,000.00	\$3,956,560.00	\$39,250.30	\$47,618.48	148%	30
June	\$3,020,000.00	\$1,631,000.00	\$33,113.00	\$17,584.00	54%	21
July	\$1,416,000.00	\$2,450,300.00	\$24,362.00	\$30,910.49	173%	21
August	\$5,241,000.00	\$7,738,000.00	\$46,974.60	\$68,354.40	148%	42
September	\$2,512,000.00	\$3,291,595.00	\$28,795.00	\$38,713.00	131%	25
October	\$4,836,000.00	\$3,379,500.00	\$47,878.90	\$30,404.74	70%	27
November	\$0.00	\$0.00	\$0.00	\$0.00	0%	
December	\$0.00	\$0.00	\$0.00	\$0.00	0%	
~~~~~						
TOTALS TO DATE		\$31,877,455.00		\$342,473.53		232
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2015 COMPARISON		\$26,754,000.00		\$301,637.95		218
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Total % PREVIOUS		119%		114%		106%

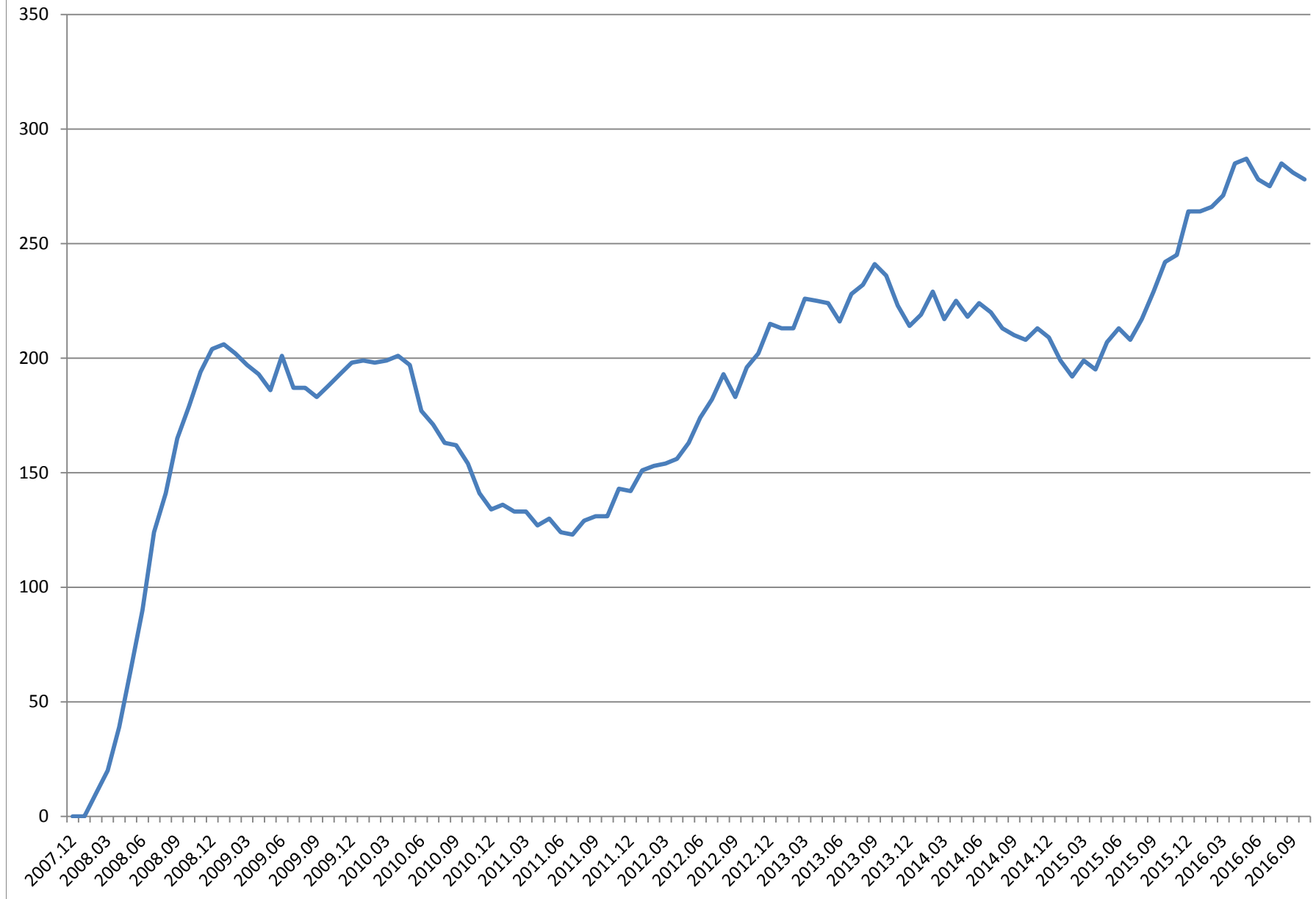
Note: The Graphs Below only Include Septic Permits in 2012 and beyond

Total Value of Permits 12 Month Rolling Total



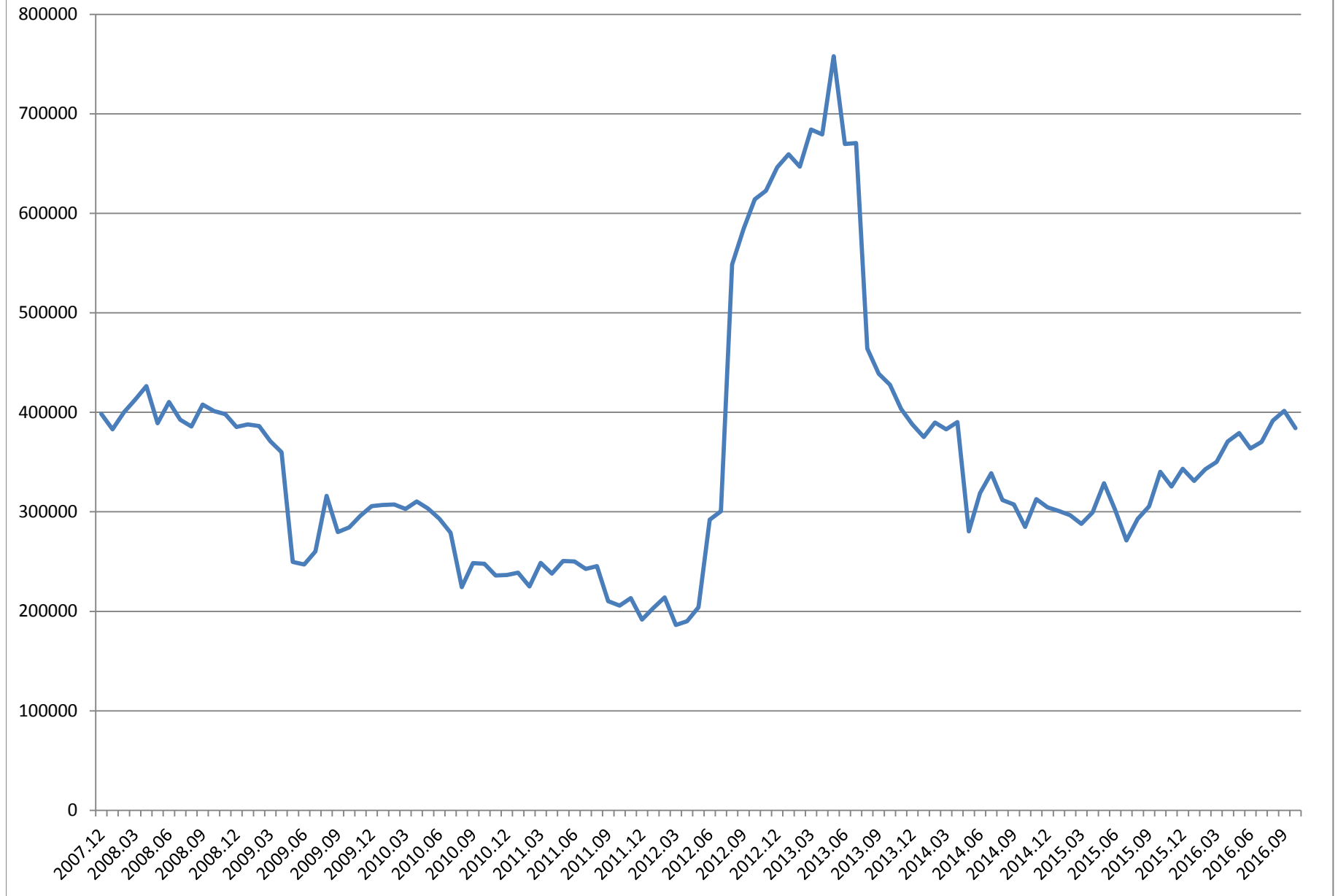
Note: The Graphs Below only Include Septic Permits in 2012 and beyond

of Permits 12 Month Rolling Total



Note: The Graphs Below only Include Septic Permits in 2012 and beyond

Permit Fees Collected 12 Month Rolling Total





COUNTY OF WELLINGTON

PLANNING AND DEVELOPMENT DEPARTMENT
GARY A. COUSINS, M.C.I.P., DIRECTOR
T 519.837.2600
T 1.800.663.0750
F 519.823.1694

ADMINISTRATION CENTRE
74 WOOLWICH STREET
GUELPH ON N1H 3T9

NOTICE OF DECISION On Application for Approval of Draft Plan of Subdivision Under Subsection 51(37) of the Planning Act

RECEIVED

NOV 03 2016

Approval Authority: County of Wellington

Township of Puslinch

File Number: 23T-10004 DRS Developments Ltd.

IN THE MATTER OF AN APPLICATION for Draft Plan of Subdivision being Lots 49 and 50 and Part of Lot 48 South Side of Victoria Street and part of Lots 10 and 11, South Side of Queen Street and Part of Victoria Street and Fisher Street, Calfass' Survey, Registered Plan 135 and Part of the Rear of Northeast Lot 31, Concession 7, Township of Puslinch, in the County of Wellington

TAKE NOTICE that the Corporation of the County of Wellington gave approval for an application for draft plan of subdivision Wellington County File No. 23T-10004 on the 28th day of October, 2016 under Section 51(31) of the Planning Act, R.S.O. 1990, c.P.13, as amended in respect of Lots 49 and 50 and Part of Lot 48 South Side of Victoria Street and part of Lots 10 and 11, South Side of Queen Street and Part of Victoria Street and Fisher Street, Calfass' Survey, Registered Plan 135 and Part of the Rear of Northeast Lot 31, Concession 7, Township of Puslinch, in the County of Wellington subject to conditions of approval.

AND TAKE NOTICE that any person or public body may appeal the decision to approve or refuse the draft plan of subdivision, the lapsing provision (if applicable) or any of the conditions of the approval of the draft plan of subdivision (is applicable) to the Ontario Municipal Board, by filing with the Director of Planning and Development for the County of Wellington, not later than November 17, 2016 at 4:30 p.m. a written notice of appeal setting out the reasons for appeal.

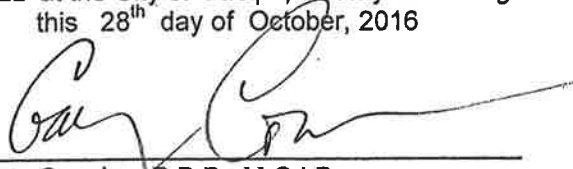
AND THAT the applicant or any public body may, at anytime before the approval of the final plan of subdivision, under Section 51(58) of the Planning act, appeal any of the conditions imposed by the Corporation of the County of Wellington by filing with the Director of Planning and Development a written notice of appeal that must set out the reasons in support of the appeal, accompanied by a certified cheque or money order the applicable fee of \$300.00, made payable to the Minister of Finance of Ontario.

You will be entitled to receive notice of any changes to the conditions of approval of the draft plan of subdivision if you have either made a written request to be notified of the decision to approve or refuse to approve the draft plan of subdivision, or made a written request to be notified of changes to the conditions of approval of the draft plan of subdivision.

NOTE: Only individuals, corporations or public bodies may appeal decision in respect to a proposed plan of subdivision to the Ontario Municipal Board. A notice of appeal may not be filed by an unincorporated association or group. However, a notice of appeal may be filed in the name of an individual who is a member of the association or group.

A copy of the draft plan, decision, including the conditions, is attached. Additional information regarding the proposed plan of subdivision is available to the public for inspection in the Planning and Development Department of the County of Wellington, as well as at the Municipal Offices for the Township of Puslinch during regular business hours.

DATED at the City of Guelph, County of Wellington Administration Centre,
this 28th day of October, 2016


Gary A. Cousins, R.P.P., M.C.I.P.
Director of Planning

CLERK'S DEPARTMENT	
TO	HP
Copy	
Please Handle	
For Your Information	
Council Agenda	Nov 9/16
File	

THE CORPORATION OF THE COUNTY OF WELLINGTON

DECISION OF THE CORPORATION OF THE COUNTY OF WELLINGTON

With respect to an application by DRS Developments Ltd. (File 23T-10004) pursuant to the provisions of Section 51 of the Planning Act, R.S.O. 1990, as amended, for approval of a residential plan of subdivision, being Lots 49 and 50 and Part of Lot 48 South Side of Victoria Street and part of Lots 10 and 11, South Side of Queen Street and Part of Victoria Street and Fisher Street, Calfass' Survey, Registered Plan 135 and Part of the Rear of Northeast Lot 31, Concession 7, Township of Puslinch in the County of Wellington, Draft Approval is granted on **October 28, 2016**, subject to the following conditions of approval:

Conditions of Approval for Draft Plan of Subdivision Application File 23T-10004:

1. THAT this draft approval applies to the draft plan, County of Wellington File No. 23T-10004 Project drawing No. 12-9303-4 last revised on June 13, 2016 by Black Shoemaker Robinson and Donaldson Limited, and showing: 11 single residential lots; Block 12 for stormwater management; Street A; Block 13 - a road widening to the Township for Church Street; Block 14 - a road widening to the Province along Highway 6; Block 15 - a 0.3 metre reserve along Highway 6; and Block 16 - a 0.3 metre reserve along Church Street; for a total land area of 3.34 ha.
2. THAT prior to final approval by the County of Wellington, the County of Wellington is to be advised by the Township of Puslinch that appropriate zoning is in effect for this proposed subdivision.
3. THAT the road allowance included in this Draft Plan shall be shown and dedicated as public highway.
4. THAT the street(s) shall be named to the satisfaction of the Township of Puslinch and where those streets are not extensions of existing streets, that such new street names shall not be duplicates in spelling or phonetic sounding of street names elsewhere in the County of Wellington.
5. THAT such easements as may be required for services, utilities, fire protection facilities, and drainage purposes shall be granted to the appropriate authority.
6. THAT the Owner/Developer agrees in writing to satisfy all the requirements, financial and otherwise, of the Township of Puslinch concerning the provision and construction, where required, of roads, sidewalks, secondary emergency access, stormwater drainage systems, street signs, fencing, landscaping, underground fire reservoir, street lighting and other services for the proper and orderly development of the subject lands, and including perpetual maintenance costs for stormwater drainage and fire protection infrastructure.

7. THAT **Block 12** be conveyed to the Corporation of the Township of Puslinch, with good and marketable title and being free and clear of all encumbrances, for storm water drainage purposes.
8. THAT **Block 13** be conveyed to the Corporation of the Township of Puslinch, with good and marketable title and being free and clear of all encumbrances, for road widening purposes.
9. THAT **Block 16** be conveyed to the Corporation of the Township of Puslinch, with good and marketable title and being free and clear of all encumbrances, to establish a 0.3 metre reserve to control vehicular access onto Church Street.
10. THAT fire protection facilities shall be constructed to the satisfaction of the Township of Puslinch, in accordance with the requirements of the Fire Department.
11. THAT prior to any grading or construction on the site, and prior to registration of the plan, the Owner/Developer or their agents submit the following plans and reports to the satisfaction of the Township of Puslinch in consultation with Conservation Halton:
 - a) A final detailed stormwater management report and plans in accordance with the AMEC Foster Wheeler Environment & Infrastructure Functional Servicing and Stormwater Management Report (dated November 2013), and with the 2003 Ministry of the Environment Report entitled 'Stormwater Management Practices Planning and Design Manual'. This report should include geotechnical information addressing the infiltration potential on the site. In addition, a Storm Servicing Plan and a Landscape Plan should be included.
 - b) An erosion and sedimentation control plan in accordance with Conservation Halton's Guidelines for Sediment and Erosion Control, indicating the means whereby erosion will be minimized and sediment retained on site throughout all phases of grading and construction. The plan shall include a monitoring and maintenance program, and provision for the timely revegetation of the site.
 - c) A final detailed lot grading and drainage plan showing the limits of all grading, including existing and proposed grades, and information such as the tentative house locations, proposed top of foundation wall, minimum basement floor, the highest recorded groundwater elevations for each lot, and tile field locations with their sizes and elevations complete with any other special features necessary to ensure adequacy of the tertiary septic system and drainage for each lot.
 - d) As part of the Landscape Plan, a vegetation management plan detailing the measures to be implemented for the protection of natural heritage areas, in consultation with Conservation Halton. This report should provide details regarding vegetative enhancements of the storm water drainage system (Block 12) and natural area buffers around the adjacent deciduous wetland and the reconfigured farm pond.

12. THAT the Owner/Developer satisfies the requirements of the Township of Puslinch for parkland dedication as provided for under the Planning Act, R.S.O. 1990, as amended.
13. THAT the Owner/Developer enter into a written subdivision agreement with the Township of Puslinch and that the subdivision agreement be registered by the Township of Puslinch against the lands to which it applies; and further, that a copy of the subdivision agreement as registered be forwarded to the County of Wellington.
14. THAT the Subdivision Agreement between the Owner/Developer and the Township of Puslinch contain provisions acceptable to the Township of Puslinch for:
 - a) the completion and maintenance of the works in accordance with the approved plans and reports noted in Condition No. 11 above, throughout all phases of grading and construction;
 - b) the submission of monitoring program(s) to assess the performance and/or impacts of both the sewage treatment units and overall stormwater drainage system. The monitoring program(s) must contain contingency provisions that will be implemented by the Owner in the event that the parameters set by the monitoring program(s) are exceeded.
15. THAT the subdivision agreement between the Owner/Developer and the Township of Puslinch contain wording which is satisfactory to the Township of Puslinch that the Purchase and Sale Agreement contain a clause to advise purchasers that:
 - i) All residential lots will be serviced by private individual potable water and sewage treatment units and to identify the property owners' maintenance obligations of such systems;
 - ii) The Ontario Ministry of Transportation intends to re-align Highway 6 from Freelon to Highway 401 by constructing a new provincial highway immediately west of the subject lands; and
 - iii) There are nearby properties used for farming and/or the keeping of livestock. According to the Ontario Ministry of Agriculture Food and Rural Affairs "Farms can be noisy, dusty and have odours. Just like any other business, farms have a production schedule. During planting and harvesting season, there may be extra lights in a field at night or equipment working on the farm late in the day. Normal farm practices are activities that happen on the farm as part of day-to-day business. Some of these activities create disturbances, such as noise, odour and flies. The activities and disturbances that are considered normal farm practices are allowed to happen on a farm."
16. THAT the subdivision agreement between the Owner/Developer and the Township of Puslinch shall contain wording satisfactory to the Township that the Purchase and Sale Agreement regarding Lots 9, 10, and 11 contain information indicating that portions of these properties are within a regulated area as identified by Conservation Halton and that development within such areas is subject to Ontario Regulation 162/06.

17. THAT the subdivision agreement between the Owner/Developer and the Township of Puslinch shall contain wording satisfactory to the Township, whereby: the Owner/Developer agrees to relocate and reconfigure the existing farm pond on the subject lands onto the adjacent lands to the south (the Additional Lands Owned by the Applicant); that the new farm pond shall be constructed with the objective of maintaining pre-development water levels on the neighbouring farm pond to the south (McKay property); that the design and construction of the reconfigured farm pond shall satisfy the requirements of the Township, including provisions of ecological enhancement and restoration (including a turtle rescue plan, if necessary) and monitoring of surface waters; that adequate financial securities shall be provided to the Township to ensure the proper design, construction, operation and function of the new farm pond; that said securities shall be held, for a time period satisfactory to the Township, to provide for monitoring and confirm functional adequacy of the reconfigured pond; and further, that all costs associated with the review by the municipality of the surface water monitoring and the functional adequacy of the reconfigured pond shall be the responsibility of the Owner/Developer.
18. THAT the subdivision agreement between the Owner/Developer and the Township of Puslinch shall contain provisions to ensure that the lots will be made suitable for sewage treatment units to the standards and policies of the Township of Puslinch and the requirements of the Ontario Building Code.
19. THAT the subdivision agreement between the Owner/Developer and the Township of Puslinch contain wording to the effect that all agreements of purchase and sale shall ensure that all persons who make first purchases of land within the plan of subdivision after final approval of the subdivision plan are informed, when the land is transferred, of all the development charges related to this plan of subdivision.
20. THAT the subdivision agreement between the Owner/Developer and the Township of Puslinch shall contain provisions whereby the Owner/Developer shall make satisfactory arrangements with the appropriate Hydro provider for the provision of permanent electrical services to this plan.
21. THAT the subdivision agreement between the Owner/Developer and the Township of Puslinch shall contain provisions whereby the Owner/Developer shall make satisfactory arrangements with the appropriate telephone/telecommunications provider for the installation and delivery of permanent telephone/telecommunication services to this plan.
22. THAT the subdivision agreement between the Owner/Developer and the Township of Puslinch shall contain provisions whereby the Owner/Developer agrees to provide sidewalks and street lighting in the subdivision to allow children to walk safely to a designated bus pick-up point.
23. THAT the subdivision agreement between the Owner/Developer and the Township of Puslinch shall contain provisions whereby the Owner/Developer agrees to provide fencing with landscaping to be constructed at the rear lot line for Lot 7 (partially) and for Lots 8, 9 and 10 along Queen Street (Highway 6) and that the dwelling units for these lots be built to accommodate central air conditioning.

24. THAT the subdivision agreement between the Owner/Developer and the Township of Puslinch contain provisions whereby the Owner/Developer establishes and maintains, as long as necessary, an alternative construction truck access route to the subject property in order to minimize impacts to the properties along Victoria and Church Streets. The alternative truck access route is to be used for the area grading stage and servicing stage of the development and until Street A has been constructed to a Granular "A" surface.
25. THAT the subdivision agreement between the Owner/Developer and the Township of Puslinch shall contain provisions acceptable to the Township to ensure that all unused wells on the subject land are decommissioned according to the requirements of Ontario Regulation 903.
26. THAT the Owner/Developer undertake a Heritage Impact Assessment (HIA) of the Stewart farm house, by a qualified professional, to provide guidance on how to maintain the heritage building and incorporate it into the plan of subdivision. The HIA is to include:
 - (i) An analysis of the structural integrity of the dwelling to determine the ability of the building to withstand new construction associated with physical and structural renovations and any mitigation measures necessary to provide structural integrity of the building during renovations/reconstruction.
 - (ii) Recommendations to provide for the long term protection of the heritage building including appropriate treatment and/or enhancement of heritage attributes and architectural elements of the house.
 - (iii) An engineering analysis to evaluate how the dwelling can be incorporated into the site design for the subdivision, to include grading and drainage of the lot to finished elevations.
 - (iv) An architectural analysis to determine the most appropriate method of incorporating the historic dwelling on the proposed lot, including the orientation and integration of a new dwelling toward Street A; and recommendations regarding noteworthy external features that should be maintained/incorporated as part of the reconstruction/site redevelopment.
 - (v) A brief report summarizing the findings of the HIA shall be provided to the Township of Puslinch for the review and acceptance prior to final approval of the plan of subdivision.
27. THAT the subdivision agreement between the Owner/Developer and the Township of Puslinch shall contain provisions whereby the Owner/Developer agrees to establish a homeowners' manual, which shall be provided with all Purchase and Sale Agreements. This manual shall provide, among other things, information regarding the homeowners' obligations related to private wells and private sewage treatment system maintenance; the identification of the regulated flood plain within the subdivision and recommended setbacks from ecological features on the property and on adjacent lands; the method of storm water drainage within the development and significance of maintaining existing

grades and drainage flows; and the importance of natural features protection including the use of native species for property landscaping and general environmental stewardship. The homeowners' manual shall also contain information regarding normal farm practices, and the Province's proposed realignment of Highway 6.

28. THAT the subdivision agreement between the Owner/Developer and the Township of Puslinch shall contain provisions whereby the Owner/Developer shall obtain necessary approvals from Conservation Halton prior to any site alteration within the regulated areas associated with the floodplain and adjacent wetlands pursuant to Ontario Regulation 162/06. And further, that the Owner shall consult with the Authority prior to the commencement of any site alteration or construction to ensure that: appropriate sediment and erosion control measures are provided; a digital copy of the subdivision plan with natural hazard delineations and the as-built drawings for the stormwater drainage system within the natural hazard area, are provided in a manner acceptable to the Conservation Authority.
29. THAT the Owner/Developer agrees in writing satisfactory to the **Upper Grand District School Board** to provide the Upper Grand District School Board with a digital file of the plan of subdivision in either ARC/INFO export or DXF format containing the following information: parcel fabric, and street network.
30. THAT prior to final approval by the County of Wellington, the County of Wellington is to be advised in writing by the **Upper Grand District School Board** that the Owner and the School Board have reached an agreement regarding the supply and erection of a sign (at the Owner's expense) affixed to the permanent subdivision sign advertising prospective residents that the students may be directed to schools outside the neighbourhood.
31. THAT prior to final approval by the County of Wellington, the County of Wellington is to be advised in writing by the **Wellington Catholic District School Board** that the Owner/Developer and the School Board have reached an agreement regarding the supply and erection of a sign (at the Owner's expense) affixed to the permanent subdivision sign advertising prospective residents that the students will be directed to schools outside the neighbourhood.
32. THAT prior to any grading of the lands northeast of the existing house on Lot 10, the Owner/Developer shall prepare an Archaeological Assessment by a qualified archaeologist licensed to practice in the Province of Ontario and submit same to the **Ministry of Culture** (Heritage Branch) for approval; and further, that the Owner provide the County and the Township with a copy of the Ministry's letter of acceptance of the assessment.
33. THAT prior to final approval, the Owner/Developer shall convey to the **Ministry of Transportation** Block 14 (being a road widening along Highway 6 commencing at the 6.178 m widening identified on MTO P-Plan 1643-62) at the rear of Lot 7, 8, and 9; AND further convey a 0.3m reserve (Block 15) along the length of Highway 6 (at rear of Lots 7, 8, 9, 10 and Block 12), with good and marketable title and being free and clear of all encumbrances.

34. THAT prior to final approval, the Owner/Developer shall satisfy the requirement of the **Ministry of Transportation** regarding the proposed fencing/landscaping along the rear portions of Lots 7, 8 and 9 and the removal of the existing driveway access to Highway 6 (illustrated on Draft Plan as being between Lots 9 and 10) and restore that portion of frontage to the satisfaction of the Ministry of Transportation.
35. THAT prior to final approval, the Owner/Developer shall provide the **Ministry of Transportation** with a copy of the final storm water management report/plan, and preliminary grading plans, prepared by a professional engineer and submitted in a format acceptable to the Ministry.
36. THAT prior to final approval, the Owner/Developer shall provide the **Ministry of Transportation**, for review and acceptance, a final version of the M-Plan, transfer deed, certification of title for land conveyance of Blocks 14 and 15 described above.
37. THAT the Owner/Developer shall complete to the satisfaction of **Canada Post** the following:
 - a. include on all offers of purchase and sale a statement that advises the prospective purchaser:
 - i) that home/business mail delivery will be from a designated Centralized Mail Box;
 - ii) that the developers/owners be responsible for officially notifying the purchasers of the exact Centralized Mail Box locations prior to the closing of any home sales.
 - b. the Owner/Developer further agrees to:
 - i) work with Canada Post to determine and provide temporary suitable Centralized Mail Box locations which may be utilized by Canada Post until the roadways are in place in the remainder of the subdivision.
 - ii) determine the location of all centralized mail receiving facilities in co-operation with Canada Post and to indicate the location of the centralized mail facilities on the appropriate maps, information boards posted in the subdivision. Maps are also to be prominently displayed in the sales office showing specific Centralized Mail Facility locations.
38. THAT consistent with the County of Wellington's current provisions for processing and approving plans of subdivision, the Owner/Developer submit a written agreement to the County of Wellington whereby the Owner/Developer shall agree to provide to the County Planning Department a digitized copy of this final plan to be registered in a format which satisfies the Autocad requirements of the County at time of submission.
39. THAT the Owner's surveyor provides to the County of Wellington a copy of the deposited Reference Plan submitted to the Land Registry/Titles Office for Wellington (No. 61) for "First Registration Under the Land Titles Act, R.S.O. 1990, c.L.5".

40. THAT, if final approval is not given to this draft plan No. 23T-10004 within five years of draft approval and if no extensions have been granted pursuant to subsection 51(33) of the Planning Act, draft approval shall lapse under subsection 51(32) of the Planning Act, R.S.O. 1990. If an extension is being requested, a written explanation together with a resolution from the Township of Puslinch must be received by the Director of Planning for the County of Wellington prior to the lapsing date of October 29, 2021.
41. THAT the Owner/Developer have prepared by an Ontario Land Surveyor, a final plan in accordance with the Surveys Act, and with the Registry Act or the Land Titles Act, as the case may be and have provided that plan to the Director of Planning and Development for the County of Wellington prior to the lapsing date.
42. THAT the County of Wellington be advised in writing by the Township of Puslinch that conditions 1 to 28 (inclusive) have been satisfied.
43. THAT the County of Wellington be advised in writing by the Upper Grand District School Board that conditions 29 and 30 have been satisfied.
44. THAT the County of Wellington be advised in writing by the Wellington Catholic District School Board that condition 31 has been satisfied.
45. THAT the County of Wellington be advised in writing by the Ministry of Culture (Heritage Branch) that condition 32 has been satisfied.
46. THAT the County of Wellington be advised in writing by the Ministry of Transportation that conditions 33, 34, 35 and 36 have been satisfied.
47. THAT the County of Wellington be advised in writing by the Canada Post Corporation that condition 37 has been satisfied.
48. THAT the Owner/Developer remit to the County of Wellington the applicable final approval fee when the final plan is being presented to the County of Wellington for the County's consideration for final plan approval.

[End of conditions].

NOTES to DRAFT APPROVAL

1. It is the Applicant's responsibility to fulfill the conditions of draft approval and to ensure that the required clearance letters are forwarded by the appropriate agencies to the County of Wellington, quoting the County of Wellington's draft plan file number, sent to the Director of Planning, County of Wellington Planning and Development Department, 74 Woolwich Street, Guelph, ON N1H 3T9.
2. We suggest that you make yourself aware of the following subsections of the Land Titles Act:
 - i) subsection 143(1) requires that all new plans be registered in a Land Titles system if the land is situated in a land titles division; and
 - ii) subsection 143(2) allows certain exceptions.
3. If the agency condition concerns (a) condition(s) in the subdivision agreement, a copy of the agreement should be sent to them. This will expedite clearance of the final plan.
4. Payment of clearance letter fees may be required from the clearing agencies before the clearance letter is issued; please contact the appropriate agency for information in this matter.
5. An electrical distribution line operating at below 50,000 volts might be located within the area affected by this development or abutting this development. Section 186 - Proximity - of the Regulations for Construction Projects in the Occupational Health and Safety Act, requires that no object be brought closer than 3 metres (10 feet) to the energized conductor. It is the proponent's responsibility to be aware, and to make all personnel on site aware, that all equipment and personnel must come no closer than the distance specified in the Act. They should also be aware that the electrical conductors can raise and lower without warning, depending on the electrical demand placed on the line. Warning signs should be posted on the wood poles supporting the conductors stating "DANGER - Overhead Electrical Wires" in all locations where personnel and construction vehicles might come in close proximity to the conductors.
6. Clearances and/or consultation are required from the following agencies:

Township of Puslinch
Upper Grand District School Board
Wellington Catholic District School Board
Ministry of Culture (Heritage Branch)
Ministry of Transportation
Canada Post Corporation
Conservation Halton
7. All measurements in the subdivision final plan must be presented in metric units.
8. The final plan approved by the County of Wellington must be registered within 30 days of final approval or the County of Wellington may withdraw its approval under subsection 51(59) of the Planning Act, R.S.O. 1990 as amended.

9. The Developer is hereby advised that prior to commencing any work within the Plan, the Developer must confirm that sufficient wire-line communication/telecommunication infrastructure is currently available within the proposed development to provide communication/telecommunication service to the proposed development. In the event that such infrastructure is not available, the Developer is hereby advised that the Developer may be required to pay for the connection to and/or extension of the existing communication/telecommunication infrastructure, the Developer shall be required to demonstrate to the municipality that sufficient alternative communication/telecommunication facilities are available within the proposed development to enable, at a minimum, the effective delivery of communication/telecommunication services for emergency management services (i.e., 911 Emergency).



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Planning Committee
From: Jameson Pickard, Planner
Date: Thursday, October 13, 2016
Subject: **2014 Provincial Policy Statement Review- Agriculture and Mineral Aggregate Resource Policies**

1.0 Background:

At its September meeting Planning Committee received a staff report outlining key changes to the 2014 Provincial Policy Statement (PPS). Part of that review included identifying changes in provincial policy regarding Agriculture and Mineral Aggregate Resources.

The purpose of this report is to provide the Committee with an overview of the preliminary changes to the Official Plans agricultural and mineral aggregate resource policies needed to address the new provincial policy requirements related to these sections.

2.0 Proposed Official Plan Changes:

Changes that are proposed in the attached document do not result in a substantial change to existing Official Plan policies relating to Agriculture or Mineral Aggregate Resources. These policies are well developed given the extensive agricultural and mineral aggregate industry in the County.

Agriculture

Suggested changes to the agricultural policies of the Official Plan would clarify the types of uses permitted in the prime agricultural area and expand on existing criteria to ensure that on-farm-diversified uses and agriculture-related uses are appropriate in terms of scale, location and services provided.

Mineral Aggregate Resource

Suggested changes to the mineral aggregate resource policies of the Official Plan would add language which encourages ancillary uses that promote aggregate resource conservation and further, encourage comprehensive rehabilitation when preparing rehabilitation plans.

Definitions

There are a number of new definitions and modifications made to the definition section of the 2014 PPS. A number of changes proposed to the Official Plan are related to these definition changes.

3.0 Discussion:

Additional reports will be coming forward in the following months to address the remaining changes to the Official Plan in order to be consistent with the PPS 2014.

Recommendation:

That County Council adopt the following resolution:

THAT report PD2016-23 be received for information; and

THAT Staff be directed to circulate the proposed changes to the County of Wellington Official Plan to local municipalities for comment.

Respectfully submitted,

A handwritten signature in cursive script that reads "Jameson Pickard".

Jameson Pickard, B.URPL
Planner

**Provincial Policy Statement 2014 Review
(Agricultural and Mineral Aggregate Resource)**

Proposed Official Plan Modifications

October 2016

PART 4

GENERAL COUNTY POLICIES

4.2.6 Home Business

Wellington County supports the trend towards more home based businesses and will facilitate new home business through planning policy.

In the Urban System, home businesses will be small in size and normally restricted to the occupants of the property. These uses will be oriented towards providing services rather than retail functions. Compatibility with surrounding residential development is a primary consideration.

In the Rural System, home businesses similar to those allowed in the Urban System are encouraged. Additionally, the following uses may be considered:

- sales outlets for agricultural products produced on the farm;
- home industries which are small in scale with limited employees, and minimal off site impact;
- bed and breakfast establishments
- farm vacation enterprises.

The opportunity to work from the home will be encouraged.

4.2.6 Home Business

Wellington County supports the trend towards more home based businesses and will facilitate new home business through planning policy.

In the Urban System, home businesses will be small in size and normally restricted to the occupants of the property. These uses will be oriented towards providing services rather than retail functions. Compatibility with surrounding residential development is a primary consideration.

PPS Policy 2.3.3.1

In the Rural System, home businesses similar to those allowed in the Urban System are encouraged. Additionally, a variety of on-farm diversified uses may be considered including:

- sales outlets for agricultural products produced on the farm;
- home industries which are small in scale with limited employees, and minimal off site impact;
- bed and breakfast establishments
- farm vacation enterprises.

The opportunity to work from the home will be encouraged.

PART 6

THE RURAL SYSTEM

6.4 PRIME AGRICULTURAL AREAS

6.4.1 Defined

Class 1, 2 and 3 agricultural soils, associated Class 4 to 7 soils and additional areas where there is a local concentration of farms which exhibit the characteristics of ongoing agriculture, and specialty crop land will be designated as prime agricultural areas. These areas will be protected for agriculture.

6.4.2 Agriculture First

In Prime Agricultural Areas, all types, sizes and intensities of agricultural uses and normal farm practices will be promoted and protected in accordance with provincial standards.

As a general rule, land use activities which support agriculture will be encouraged and land use activities which do not support agriculture will be discouraged.

6.4.3 Permitted Uses

Permitted uses and activities in Prime Agricultural Areas may include:

- a) agricultural uses
- b) secondary uses including home businesses and farm businesses
- c) agriculture-related uses
- d) existing uses
- e) single detached homes
- f) second units subject to Sections 4.4.6
- g) garden suites subject to Section 4.4.7
- h) accessory residence
- i) forestry uses
- j) wayside pits and quarries, portable asphalt plants and portable concrete

6.4 PRIME AGRICULTURAL AREAS

PPS definition for Prime Ag. Area

6.4.1 Defined

Class 1, 2 and 3 agricultural lands, and associated Class 4 through 7 lands and additional areas where there is a local concentration of farms which exhibit the characteristics of ongoing agriculture, and specialty crop land will be designated as prime agricultural areas. These areas will be protected for agriculture.

6.4.2 Agriculture First

In Prime Agricultural Areas, all types, sizes and intensities of agricultural uses and normal farm practices will be promoted and protected in accordance with provincial standards.

As a general rule, land use activities which support agriculture will be encouraged and land use activities which do not support agriculture will be discouraged.

6.4.3 Permitted Uses

Permitted uses and activities in Prime Agricultural Areas may include:

- a) agricultural uses
- b) On-farm diversified uses
- c) agriculture-related uses
- d) existing uses
- e) single detached homes
- f) second units subject to Sections 4.4.6
- g) garden suites subject to Section 4.4.7
- h) accessory residence
- i) forestry uses
- j) wayside pits and quarries, portable asphalt plants and portable concrete

PPS Policy 2.3.3.1

EXISTING

- plants used on public authority contracts
- k) licensed aggregate operations
 - l) community service facilities
 - m) group homes on existing lots of records
 - n) kennels on existing lots of record

All uses permitted by this section must be compatible with and not hinder surrounding agricultural uses.

Agricultural uses and normal farm practices will be protected and promoted.

PROPOSED

- plants used on public authority contracts
- k) licensed aggregate operations
 - l) community service facilities
 - m) group homes on existing lots of records
 - n) kennels on existing lots of record

All uses permitted by this section must be compatible with and not hinder surrounding agricultural uses.

Agricultural uses and normal farm practices will be protected and promoted.

6.4.4 Home Businesses and Farm Businesses

Home businesses are home occupations and home industries that are secondary to the principal use of the property and may be allowed, subject to zoning provisions, as a means of supplementing farm incomes and providing services in agricultural areas and may include:

- small home occupations conducted from the main residence with employment normally limited to the occupants of the property – examples include bed and breakfast, day care, hairdresser, and professional services;
- home industries which are small in scale with a limited number of employees, and minimal off-site impacts – examples include minor equipment repair, woodworking, crafts, and welding;

Farm businesses are small scale businesses that provide value-added products from the farm and may be allowed subject to zoning provisions – examples include:

6.4.4 On-Farm Diversified Uses

On-farm diversified uses are home businesses and farm businesses that are permitted on the farm as a means of supporting the agricultural operation of the property and providing services in the agricultural area. On-farm diversified uses will be secondary to the principal agricultural use of the property, compatible with surrounding agricultural uses, limited in area and be appropriate for rural water and wastewater servicing.

Home businesses are home occupations and home industries that may be allowed, subject to zoning provisions, as a means of supplementing farm incomes and providing services in agricultural areas and may include:

- small home occupations conducted from the main residence with employment normally limited to the occupants of the property – examples include bed and breakfast, day care, hairdresser, and professional services;

EXISTING

- farm vacation enterprises;
- cottage wineries;
- value-added processing or packing;
- sales outlets for agricultural products produced on the farm;
- seed cleaning
- pick-your-own, catch-your-own operations

6.4.5 Agriculture-related Uses

Small scale agriculture-related businesses as required to serve agriculture and directly related to farm operations may be allowed in appropriate locations and subject to zoning provisions, where they are needed in close proximity to farms – examples include:

- livestock assembly;
- grain drying;
- cold storage;
- custom spraying;
- animal husbandry.

PROPOSED

- home industries which are limited in area with a limited number of employees, and minimal off-site impacts – examples include minor equipment repair, woodworking, crafts, and welding;

Farm businesses are businesses that are farm-related and provide value-added products from the farm and/or agri-tourism uses in the rural area. Farm businesses may be allowed subject to zoning provisions – examples include:

- farm vacation enterprises;
- cottage wineries;
- value-added processing or packing;
- sales outlets for agricultural products produced on the farm;
- seed cleaning
- pick-your-own, catch-your-own operations

6.4.5 Agriculture-related Uses

Agriculture-related businesses are farm-related commercial and farm-related industrial uses that are directly related to farm operations in the area, support agriculture and provide direct products and/or services to farm operations as a primary activity. Agriculture-related uses may be allowed in appropriate location and subject to zoning provisions, where they are needed in close proximity to farms – examples include:

- livestock assembly;
- grain drying;
- cold storage;
- custom spraying;
- animal husbandry.

EXISTING

6.6 MINERAL AGGREGATE AREAS

6.6.1 Mineral Aggregate Resource Overlay

Lands within the Mineral Aggregate Resource Overlay are areas of high potential for mineral aggregate extraction and are shown as an overlay on Schedule "C". These lands have been identified based on geological information in the Ministry of Northern Development and Mines Aggregate Resources Inventory Paper report (ARIP No. 162). Lands in the Mineral Aggregate Resource Overlay generally consist of sand and gravel deposits and selected bedrock resources that the province has identified as being of Primary or Secondary Significance. There are also sites in the Mineral Aggregate Resource Overlay where there is an existing or approved mineral aggregate operation that lies outside of the sand and gravel resource areas of Primary or Secondary Significance and selected bedrock resources.

The Mineral Aggregate Resource Overlay only indicates that aggregate deposits are likely to be available. It does not presume that all conditions are appropriate to allow extraction or processing of the resource to proceed. The intention is to make as much aggregate resources available as close to markets as is realistically possible. In order to recognize environmental and land use constraints to the establishment of mineral aggregate operations, the following are not included in the Mineral Aggregate Resource Overlay: urban centres and hamlets plus 300 metres beyond their boundaries; provincially significant wetlands; other wetlands; and significant woodlands.

There are no known mineral deposits or petroleum deposits of significance that warrant inclusion in this Plan. Should any deposits be identified, the County will develop policies to govern their protection and development.

PROPOSED

6.6 MINERAL AGGREGATE AREAS

PPS definition for High Quality

6.6.1 Mineral Aggregate Resource Overlay

Lands within the Mineral Aggregate Resource Overlay are areas of high potential for mineral aggregate extraction and are shown as an overlay on Schedule "C". These lands have been identified based on geological information in the Ministry of Northern Development and Mines Aggregate Resources Inventory Paper report (ARIP No. 162). Lands in the Mineral Aggregate Resource Overlay generally consist of high quality sand and gravel deposits and selected bedrock resources that the province has identified as being of Primary or Secondary Significance. There are also sites in the Mineral Aggregate Resource Overlay where there is an existing or approved mineral aggregate operation that lies outside of the sand and gravel resource areas of Primary or Secondary Significance and selected bedrock resources.

The Mineral Aggregate Resource Overlay only indicates that aggregate deposits are likely to be available. It does not presume that all conditions are appropriate to allow extraction or processing of the resource to proceed. The intention is to make as much aggregate resources available as close to markets as is realistically possible. In order to recognize environmental and land use constraints to the establishment of mineral aggregate operations, the following are not included in the Mineral Aggregate Resource Overlay: urban centres and hamlets plus 300 metres beyond their boundaries; provincially significant wetlands; other wetlands; and significant woodlands.

There are no known mineral deposits or petroleum deposits of significance that warrant inclusion in this Plan. Should any deposits be identified, the County will develop policies to govern their protection and development.

EXISTING

6.6.4 Permitted Uses

In addition to the uses allowed by the underlying designation, the following uses may be allowed in Mineral Aggregate Areas through rezoning:

- a) aggregate extraction;
- b) associated uses such as stripping, berm construction, screen planting, landscaping, drilling, blasting, haulage, crushing, screening, washing, stockpiling, storage, loading, weighing, equipment parking, repair and maintenance, office facilities, importing and blending materials, environmental and safety control features and rehabilitation uses;

- | |
|---|
| c) ancillary uses such as asphalt plants, concrete plants, aggregate transfer stations, stockpiling and blending of aggregates with materials such as salt, sand-salt mixture and recycled road material. |
|---|

6.6.5 New Mineral Aggregate Operations

New or expanded mineral aggregate operations shall only be established through amendment to Mineral Aggregate Area shown on Schedule 'A' of this Plan. New or expanded mineral aggregate operations also require appropriate rezoning and licensing. Rezoning applications to allow mineral aggregate operations are subject to all relevant policies of this Plan. In considering proposals to establish new aggregate operations, the following matters will be considered:

- a) the impact on adjacent land uses and residents and public health and safety;
- b) the impact on the physical (including natural) environment;

PROPOSED

6.6.4 Permitted Uses

In addition to the uses allowed by the underlying designation, the following uses may be allowed in Mineral Aggregate Areas through rezoning:

- a) aggregate extraction;
- b) associated uses such as stripping, berm construction, screen planting, landscaping, drilling, blasting, haulage, crushing, screening, washing, stockpiling, storage, loading, weighing, equipment parking, repair and maintenance, office facilities, importing and blending materials, environmental and safety control features and rehabilitation uses;

PPS Policy 2.5.2.3

- | |
|--|
| c) ancillary uses such as asphalt plants, concrete plants and aggregate transfer stations, stockpiling and blending of aggregates with materials such as salt, sand-salt mixture and recycled road material. Ancillary uses which promote aggregate resource conservation will also be encouraged. |
|--|

6.6.5 New Mineral Aggregate Operations

New or expanded mineral aggregate operations shall only be established through amendment to Mineral Aggregate Area shown on Schedule 'A' of this Plan. New or expanded mineral aggregate operations also require appropriate rezoning and licensing. Rezoning applications to allow mineral aggregate operations are subject to all relevant policies of this Plan. In considering proposals to establish new aggregate operations, the following matters will be considered:

EXISTING

- c) the capabilities for agriculture and other land uses;
- d) the impact on the transportation system;
- e) existing and potential municipal water supply resources are protected in accordance with Sections 4.9.5 and 4.9.5.13 of this Plan and the applicable Source Protection Plan.
- f) the possible effect on the water table or surface drainage patterns;
- g) the manner in which the operation will be carried out;
- h) the nature of rehabilitation work that is proposed; and
- i) the effect on cultural heritage resources and other matters deemed relevant by Council.

It is essential that extraction be carried out with as little social and environmental cost as practical. Provincial standards, guidelines and regulations will be used to assist in minimizing impacts.

PROPOSED

- a) the impact on adjacent land uses and residents and public health and safety;
- b) the impact on the physical (including natural) environment;
- c) the capabilities for agriculture and other land uses;
- d) the impact on the transportation system;
- e) existing and potential municipal water supply resources are protected in accordance with Sections 4.9.5 and 4.9.5.13 of this Plan and the applicable Source Protection Plan.
- f) the possible effect on the water table or surface drainage patterns;
- g) the manner in which the operation will be carried out;
- h) the nature of rehabilitation work that is proposed; and
- i) the effect on cultural heritage resources and other matters deemed relevant by Council.

PPS Policy 2.5.2.2

It is essential that extraction be carried out with as little social, economic and environmental cost as practical. Provincial standards, guidelines and regulations will be used to assist in minimizing impacts.

EXISTING

6.6.8 Rehabilitation

All proposals for new aggregate extraction shall include a plan for eventual rehabilitation. The plan shall:

- a) provide for progressive rehabilitation whenever feasible;
- b) be prepared in detail by a recognized expert;
- c) be compatible with the long term uses permitted by the surrounding official plan designations;
- d) on lands designated Prime Agricultural Areas, provide a detailed agricultural rehabilitation plan which restores substantially the same areas and average soil quality for agriculture as before extraction occurred; and
- e) on lands designated Secondary Agricultural Areas, provide an agricultural rehabilitation plan which, whenever feasible, restores substantially the same areas and average soil quality for agriculture as before extraction occurred.

PROPOSED

6.6.8 Rehabilitation

All proposals for new aggregate extraction shall include a plan for eventual rehabilitation. The plan shall:

PPS Policy 2.5.3.2

- a) provide for progressive and comprehensive rehabilitation to the extent possible;
- b) be prepared in detail by a recognized expert;
- c) be compatible with the long term uses permitted by the surrounding official plan designations;
- d) on lands designated Prime Agricultural Areas, provide a detailed agricultural rehabilitation plan which restores substantially the same areas and average soil quality for agriculture as before extraction occurred; and
- e) on lands designated Secondary Agricultural Areas, provide an agricultural rehabilitation plan which, whenever feasible, restores substantially the same areas and average soil quality for agriculture as before extraction occurred.

EXISTING

PROPOSED

DEFINITIONS

Agricultural uses:

Means the growing of crops, including nursery and horticultural crops; raising of livestock; raising of other animals for food, fur or fibre, including poultry and fish; aquaculture, apiaries, agro-forestry; maple syrup production; and associated on-farm buildings and structures, including accommodation for full-time farm labour when the size and nature of the operation requires additional employment.

Agriculture-related uses:

means those farm-related commercial and farm-related industrial uses that are small scale and directly related to the farm operation and are required in close proximity to the farm operation.

Agricultural Condition:

Means: in regard to prime agricultural land outside of specialty crop areas, a condition in which substantially the same areas and same average soil capability for agriculture are restored.

Agricultural uses:

Means the growing of crops, including nursery, biomass and horticultural crops; raising of livestock; raising of other animals for food, fur or fibre, including poultry and fish; aquaculture, apiaries, agro-forestry; maple syrup production; and associated on-farm buildings and structures, including, but not limited to livestock facilities, manure storages, value-retaining facilities, and accommodation for full-time farm labour when the size and nature of the operation requires additional employment.

Agriculture-related uses:

means those farm-related commercial and farm-related industrial uses that are directly related to the farm operation and are required in close proximity to farm operations, and provide direct products and/or services to farm operations as a primary activity.

Comprehensive rehabilitation:

Means rehabilitation of land from which mineral aggregate resources have been extracted that is coordinated and complementary, to the extent possible, with the rehabilitation of other sites in the area where there is a high concentration of mineral aggregate operations.

EXISTING

Mineral aggregate:

means gravel, sand, clay, earth, shale, stone, limestone, dolostone, sandstone marble, granite, rock or other material prescribed under the Aggregate Resources Act suitable for construction, industrial, manufacturing and maintenance purposes but does not include metallic ores, asbestos, graphite, kyanite, mica, nepheline syenite, salt, talc, wollastonite, mine tailings or other material prescribed under the Mining Act.

Mineral aggregate operation:

means:

- a) lands under license or permit, other than for a wayside pit or quarry, issued in accordance with the Aggregate Resources Act, or successors thereto;
- b) for lands not designated under the Aggregate Resources Act, established pits and quarries that are not in contravention of municipal zoning by-laws and including adjacent land under agreement with or owned by the operator, to permit continuation of the operation; and
- c) associated facilities used in extraction, transport, beneficiation, processing or recycling of mineral aggregate, or the production of secondary related products.

PROPOSED

Mineral aggregate:

means gravel, sand, clay, earth, shale, stone, limestone, dolostone, sandstone marble, granite, rock or other material prescribed under the Aggregate Resources Act suitable for construction, industrial, manufacturing and maintenance purposes but does not include metallic ores, asbestos, graphite, kyanite, mica, nepheline syenite, salt, talc, wollastonite, mine tailings or other material prescribed under the Mining Act.

Mineral aggregate operation:

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- a) lands under license or permit, other than for a wayside pit or quarry, issued in accordance with the Aggregate Resources Act;
- b) for lands not designated under the Aggregate Resources Act, established pits and quarries that are not in contravention of municipal zoning by-laws and including adjacent land under agreement with or owned by the operator, to permit continuation of the operation; and
- c) associated facilities used in extraction, transport, beneficiation, processing or recycling of mineral aggregate, or the production of secondary related products.

Mineral aggregate resource conservation:

Means:

- a) the recovery and recycling of manufactured materials derived from mineral aggregates (e.g. glass, porcelain, brick, concrete, asphalt, slag, etc.), for re-use in construction, manufacturing, industrial or maintenance projects as a substitute for new mineral aggregates; and
- b) the wise use of mineral aggregates including utilization or extraction of on-site mineral aggregate resources prior to development occurring.

EXISTING

Mineral deposits:

means areas of identified minerals that have sufficient quantity and quality based on specific geological evidence to warrant present or future extraction.

Minerals

means metallic and non-metallic minerals as herein defined, but does not include mineral aggregate resources or petroleum resources. Metallic minerals means those minerals from which metals (e.g. copper, nickel, gold) are derived. Non-metallic minerals means those minerals that are of value for intrinsic properties of the minerals themselves and not as a source of metal. They are generally synonymous with industrial minerals (e.g. asbestos, graphite, kyanite, mica, nepheline syenite, salt, talc, and wollastonite).

Minimum distance separation formulae:

means formulae developed by the Province to separate uses so as to reduce incompatibility concerns about odour from livestock facilities.

Petroleum resources:

means oil, gas, and brine resources which have been identified through exploration and verified by preliminary drilling or other forms of investigation. This may include sites of former operations where resources are still present or former sites that may be converted to underground storage for natural gas or other hydrocarbons.

PROPOSED

Mineral deposits:

means areas of identified minerals that have sufficient quantity and quality based on specific geological evidence to warrant present or future extraction.

Minerals

means metallic and non-metallic minerals as herein defined, but does not include mineral aggregate resources or petroleum resources. Metallic minerals means those minerals from which metals (e.g. copper, nickel, gold) are derived. Non-metallic minerals means those minerals that are of value for intrinsic properties of the minerals themselves and not as a source of metal. They are generally synonymous with industrial minerals (e.g. asbestos, graphite, kyanite, mica, nepheline syenite, salt, talc, and wollastonite).

Minimum distance separation formulae:

means formulae and guidelines developed by the Province, as amended from time to time, to separate uses so as to reduce incompatibility concerns about odour from livestock facilities.

On-farm diversified uses:

means uses that are secondary to the principal agricultural use of the property, and are limited in area. On-farm diversified uses include, but are not limited to, home occupations, home industries, agri-tourism uses, and uses that produce value-added agricultural products.

Petroleum resources:

means oil, gas, and salt (extracted by solution mining method) and formation water resources which have been identified through exploration and verified by preliminary drilling or other forms of investigation. This may include sites of former operations where resources are still present or former sites that may be converted to underground storage for natural gas or other hydrocarbons.

EXISTING

Portable asphalt plant:

means a facility:

- a) with equipment designed to heat and dry aggregate and to mix aggregate with bituminous asphalt to produce asphalt paving material, and includes stockpiling and storage of bulk materials used in the process;
- b) which is not of permanent construction, but which is to be dismantled at the completion of the construction project.

Portable Concrete Plant:

means a building or structure:

- a) with equipment designed to mix cementing materials, aggregate, water and admixtures to produce concrete, and includes stockpiling and storage of bulk materials used in the process; and
- b) which is not of a permanent construction, but which is designed to be dismantled at the completion of the construction project.

PROPOSED

Portable asphalt plant:

means a facility:

- a) with equipment designed to heat and dry aggregate and to mix aggregate with bituminous asphalt to produce asphalt paving material, and includes stockpiling and storage of bulk materials used in the process;
- b) which is not of permanent construction, but which is to be dismantled at the completion of the construction project.

Portable Concrete Plant:

means a building or structure:

- a) with equipment designed to mix cementing materials, aggregate, water and admixtures to produce concrete, and includes stockpiling and storage of bulk materials used in the process; and
- b) which is not of a permanent construction, but which is designed to be dismantled at the completion of the construction project.

EXISTING

Prime Agricultural Areas:

means areas where prime agricultural lands predominate. This includes:

- areas of prime agricultural lands and associated Canada Land Inventory Class 4-7 soils;
- and
- additional areas where there is a local concentration of farms which exhibit characteristics of ongoing agriculture.

Prime agricultural areas may be identified by the Ontario Ministry of Agriculture and Food using evaluation procedures established by the Province as amended from time to time, or may also be identified through an alternative agricultural land evaluation system approved by the Province.

Prime agricultural land:

means land that includes specialty crop lands and/or Canada Land Inventory Classes 1, 2, and 3 soils, in this order of priority for protection.

Residence surplus to a farming operation:

means an existing farm residence that is rendered surplus as a result of farm consolidation (the acquisition of additional farm parcels to be operated as one farm operation).

PROPOSED

Prime Agricultural Areas:

means areas where prime agricultural lands predominate. This includes:

- areas of prime agricultural lands and associated Canada Land Inventory Class 4 through 7 lands;
- and
- additional areas where there is a local concentration of farms which exhibit characteristics of ongoing agriculture.

Prime agricultural areas may be identified by the Ontario Ministry of Agriculture and Food using guidelines developed by the Province as amended from time to time. A prime agricultural area may also be identified through an alternative agricultural land evaluation system approved by the Province.

Prime agricultural land:

means specialty crop areas and/or Canada Land Inventory Class 1, 2, and 3 lands, as amended from time to time, in this order of priority for protection.

Residence surplus to a farming operation:

means an existing habitable farm residence that is rendered surplus as a result of farm consolidation (the acquisition of additional farm parcels to be operated as one farm operation).

Rural areas:

Means a system of lands within municipalities that may include rural settlement areas, rural lands, prime agricultural areas, natural heritage features and areas, and resource areas.

Rural lands:

means lands which are located outside of settlement areas and which are outside of prime agricultural areas.

EXISTING

Secondary uses:

means uses secondary to the principal use of the property, including home occupations, home industries, and uses that produce value-added agricultural products from the farm operation on the property.

Significant:

means:

- a) in regard to wetlands and areas of natural and scientific interest, an area identified as provincially significant by the Ministry of Natural Resources using evaluation procedures established by the province, as amended from time to time.
- b) in regard to the habitat of endangered species and threatened species, means the habitat, as approved by the Ontario Ministry of Natural Resources, that is survival necessary for the maintenance, survival, and/or the recovery of naturally occurring or reintroduced populations of endangered species or threatened species, and where those areas of occurrence are occupied or habitually occupied by the species during all or any part(s) of its life cycle.
- c) in regard to woodlands, an area which is: ecologically important in terms of features such as species composition, age of trees and stand history; functionally important due to its contribution to the broader landscape because of its location, size or due to the amount of forest cover in the planning area; or economically important due to site quality, species composition, or past management history.
- d) in regard to other features and areas ecologically important in terms of features, functions, representation or amount, and contributing to the quality and diversity of an identifiable

PROPOSED

Secondary uses:

~~means uses secondary to the principal use of the property, including home occupations, home industries, and uses that produce value-added agricultural products from the farm operation on the property.~~

Significant:

means:

- a) in regard to wetlands and areas of natural and scientific interest, an area identified as provincially significant by the Ministry of Natural Resources using evaluation procedures established by the province, as amended from time to time.
- ~~b) in regard to the habitat of endangered species and threatened species, means the habitat, as approved by the Ontario Ministry of Natural Resources, that is survival necessary for the maintenance, survival, and/or the recovery of naturally occurring or reintroduced populations of endangered species or threatened species, and where those areas of occurrence are occupied or habitually occupied by the species during all or any part(s) of its life cycle.~~
- b) in regard to woodlands, an area which is: ecologically important in terms of features such as species composition, age of trees and stand history; functionally important due to its contribution to the broader landscape because of its location, size or due to the amount of forest cover in the planning area; or economically important due to site quality, species composition, or past management history. These are to be identified using criteria established by the Ontario Ministry of Natural Resources.
- c) in regard to other features and areas ecologically important in terms of

EXISTING

geographic area or natural heritage system.

- e) in regard to mineral potential, means an area identified as provincially significant through comprehensive studies prepared using evaluation procedures established by the Province, as amended from time to time;
- f) in regard to cultural heritage and archaeology, resources that are valued for the important contribution they make to our understanding of the history of a place, an event, or a people
- g) in regard to other matters, important in terms of amount, content, representation or effect.

Criteria for determining significance in sections c) - f) are recommended by the Province, but municipal approaches that achieve or exceed the same objective may also be used. While some significant resources may already be identified and inventoried by official sources, the significance of others can only be determined after evaluation.

Specialty crop land:

means areas where specialty crops such as tender fruits (peaches, cherries, plums), grapes, other fruit crops, vegetable crops, greenhouse crops, and crops from agriculturally developed organic soil lands are predominantly grown, usually resulting from:

- soils that have suitability to produce specialty crops, or lands that are subject to special climatic conditions, or a combination of both; and/or
- a combination of farmers skilled in the production of specialty crops, and of capital investment in related facilities and services to produce, store, or process specialty crops.

PROPOSED

features, functions, representation or amount, and contributing to the quality and diversity of an identifiable geographic area or natural heritage system.

- d) in regard to mineral potential, an area identified as provincially significant evaluation procedures developed established by the Province, as amended from time to time;
- e) in regard to cultural heritage and archaeology, resources that have been determined to have cultural heritage value or interest for the important contribution they make to our understanding of the history of a place, an event, or a people

Criteria for determining significance in sections c) - e) are recommended by the Province, but municipal approaches that achieve or exceed the same objective may also be used. While some significant resources may already be identified and inventoried by official sources, the significance of others can only be determined after evaluation.

Specialty crop land:

means areas where specialty crops are predominantly grown such as tender fruits (peaches, cherries, plums), grapes, other fruit crops, vegetable crops, greenhouse crops, and crops from agriculturally developed organic soil, usually resulting from:

- soils that have suitability to produce specialty crops, or lands that are subject to special climatic conditions, or a combination of both;
- farmers skilled in the production of specialty crops; and
- A long-term investment of capital in areas such as crops, drainage infrastructure and related facilities and services to produce, store, or process specialty crops.

EXISTING

Wayside pits and quarries

Means a temporary pit or quarry opened and used by or for a public authority solely for the purpose of a particular project or contract of road construction and not located on the road right of way.

PROPOSED

Wayside pits and quarries

Means a temporary pit or quarry opened and used by or for a public authority solely for the purpose of a particular project or contract of road construction and not located on the road right of way.

ASTRID J. CLOS

PLANNING CONSULTANTS

November 1, 2016

Project No. 0588

Township of Puslinch
7404 Wellington Road 34
Puslinch, Ontario
N0B 2J0

Letter provided via email only.

Attention: Kelly Patzer, Development Coordinator

**Re: Fox Run Phase 2 – Vacant Land Draft Plan of Condominium 23CD-09003
Request for Extension of Draft Plan Approval**

The owner is working toward the registration of Vacant Land Draft Plan of Condominium 23CD-09003. The owner has advised that obtaining final approval of the condominium will not occur prior to the Draft Plan approval lapsing on December 21, 2016. On that basis, an extension of the Draft Plan approval is being requested for one year.

Condition 28 of the Vacant Land Draft Plan of Condominium approval states,

"THAT, if final approval is not given to this draft plan of condominium No. 23CD-09003 within five (5) years of this draft approval, and if no extensions to draft approval have been granted, draft approval shall lapse. If the Owner wishes to request an extension to draft approval, a written explanation, together with a resolution of support from the Council for the Township of Puslinch must be received by the Director of Planning for the County of Wellington prior to the lapsing date of December 21, 2016."

This letter will confirm that the owner does wish to request an extension of draft plan approval for 1 year to December 21, 2017. One year is being requested to allow additional time should issues arise that will need to be resolved as part of the servicing and registration process. Could you please initiate the process to request a resolution from the Township of Puslinch Council in support of this request. Could you also please advise me if there is any additional information required in support of this request.

Yours truly,



RECEIVED

NOV 03 2016

Township of Puslinch

Astrid Clos, MCIP, RPP

cc: Karen Landry, CAO/Clerk, Township of Puslinch
Sarah Wilhelm, Senior Planner, County of Wellington

(0816.Request for Draft Plan Extension.doc)

423 Woolwich Street, Suite 201, Guelph, Ontario, N1H 3X3
Phone (519) 836-7526 Fax (519) 836-9568 Email astrid.clos@ajcplanning.ca



REPORT PD-2016-029

TO: Mayor and Members of Council

FROM: Kelly Patzer, Development Coordinator

DATE: November 9, 2016

SUBJECT: Holding (h1) Removal – Rezoning Application – Karen Bonneville – Lot 245 (2 Dogwood Road PVT) - File No. D14/BON - Part Lot 21, Concession 8, Plan 61M203, formerly municipally known as 7541 Wellington Road 34, Township of Puslinch.

RECOMMENDATIONS

THAT Report PD-2016-029 regarding the Rezoning Application – Karen Bonneville – Lot 245 (2 Dogwood Road PVT) - File No. D14/BON - Part Lot 21, Concession 8, Plan 61M203, formerly municipally known as 7541 Wellington Road 34, Township of Puslinch be received; and

THAT Council authorize the request to remove the Holding (h1) Provision from Zoning By-law 19/85, as amended, for Lot 245 (2 Dogwood Road PVT), on the lands described as Part Lot 21, Concession 8, Plan 61M203, formerly municipally known as 7541 Wellington Road 34; and

THAT Council enact a by-law to authorize the removal of the Holding (h1) Provision.

DISCUSSION

Background

The Mini Lakes property is subject to Ontario Municipal Board Approved Zoning By-law Amendment - By-law 17/00, to permit year-round residence and a sewage treatment plant.

A holding zone provision (h-1) was placed on the lands to ensure the orderly development of the Mini Lakes sites from a seasonal recreational park to a permanent year-round residential community. Council may remove the 'h-1' symbol by amendment to the by-law, subject to being satisfied the following criteria have been met under Section 4(6a), Holding Zone Provisions (Mini Lakes) of by-law 19/85:

- (i) The sewage treatment and water supply services have been completed to provide for year-round operation of those services; and

- (ii) A development agreement between the owners of the land and the Township addressing occupation of the units, operation and maintenance of the services and financial arrangements has been registered on title of the lands; and
- (iii) Where a site is being converted from seasonal to year-round use, an occupancy permit has been issued by the Chief Building Official permitting the year-round occupation of the dwelling unit on the site.

Comments

The application for amendment to the zoning by-law to lift the holding symbol on Lot 245 (2 Dogwood Road PVT), formerly part of 7541 Wellington Road 34, was circulated to Township staff and agencies for comments. No objections were received. The County of Wellington Planning comment is attached as **Schedule "A"**.

Criteria (i) of the holding provision, requires year round water supply and sewage treatment services. Mini Lakes received Environmental Compliance Approval from the Ministry of Environment and Climate Change (MOE&CC) June 1, 2016 to proceed with the upgrades to the existing sewage plant.

GM Blue Plan staff indicated the sewage plant has sufficient capacity to permit the hold removals. The proposed plant upgrades are not to expand capacity (the revised ECA will slightly reduce the rated capacity) but will make operational changes to help the plant meet their effluent criteria.

The Operations & Maintenance Agreements – Sewage Treatment System & Communal Water System and the Condominium & Subdivision Agreements between Mini Lakes Residents Association and the Corporation of the Township of Puslinch were signed August 13, 2014 and registered on title and fulfil criteria (ii) of the holding zone provision.

An Occupancy Permit was granted to the residence located at Lot 245 (2 Dogwood Road PVT) November 27, 2015, fulfilling criteria (iii) of the holding provision.

Notice

Notice regarding the Holding Removal has been given to the owner of the land and the condominium corporation in accordance with the Planning Act.

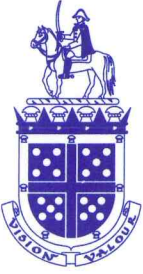
Financial Implications

None

Applicable Legislation and Requirements

Planning Act.

Schedule "A"



PLANNING AND DEVELOPMENT DEPARTMENT
GARY A. COUSINS, M.C.I.P., DIRECTOR
T 519.837.2600
T 1.800.663.0750
F 519.823.1694

COUNTY OF WELLINGTON

ADMINISTRATION CENTRE
74 WOOLWICH STREET
GUELPH ON N1H 3T9

October 31, 2016

Kelly Patzer, Development Coordinator
Township of Puslinch
R. R. 3 (Aberfoyle)
Guelph, Ontario N1H 6H9

Dear Ms. Patzer:

**Re: Proposed Removal of Holding Symbol
Lot 245, 61M-203 (2 Dogwood Road PVT in Mini Lakes Community)
Karen Bonneville**

Thank you for circulating the notice regarding Council's intent to remove the holding symbol with respect to the above-noted property. It is our understanding that the owner has requested the removal of the Holding ('h-1') Zone from the property located at 2 Dogwood Road (Lot 245) within the Mini Lakes community.

In order to remove the holding provision from the subject land, Section 4(6)(a) of the Zoning By-law 19/85 (as approved by the Ontario Municipal Board) states that:

"Council may remove the 'h-1' symbol by amendment to this By-law, subject to the requirements of Section 36 of The Planning Act, when satisfied that:

- (i) the sewage treatment and water supply services have been completed to provide for year-round operation of those services; and
- (ii) a development agreement between the owners of the land and the Township addressing occupation of the units, operation and maintenance of the services and financial arrangements has been registered on title of the lands; and
- (iii) Where a site is being converted from seasonal to year-round use, an occupancy permit has been issued by the Chief Building Official permitting the year-round occupation of the dwelling unit on the site."

This office has no objection to the removal of the holding symbol for the subject site, provided Council is satisfied that the above requirements have been met. If an amending by-law is approved, we would appreciate a copy for our files.

Yours truly,

Sarah Wilhelm, B.E.S., MCIP, RPP
Senior Planner



REPORT REC-2016-010

TO: Mayor and Members of Council

FROM: Karen Landry, CAO/Clerk on behalf of the ORC Pad Committee

MEETING DATE: November 9, 2016

SUBJECT: ORC Pad Committee Recommendations
Our File: R06REC

RECOMMENDATIONS

That Report REC-2016-010 ORC Pad Committee Recommendations be received; and

That Council directs staff to:

- seek business sponsorship for the Christmas Holiday Public Skate
- work with the website service provider to create a banner on the website that links and creates awareness of the ORC scheduling calendar

That the 2017 User Fee By-law establish a non-prime rate for ice of \$55.00/hour exclusive of taxes; and

That the following schedule of hours of operation for the Ice Pad be implemented as a pilot for the 2016 to 2018 ice seasons:

Monday to Friday 10:00 am to 10:00 pm
Saturday and Sunday 10:00 am to 7:00 pm*

*subject to league bookings

That staff develop a free skate and shinny schedule, upon league scheduling being confirmed no later than November 14, 2016; and

That the Township facilitate the rental of seasonal league bookings only during this pilot program; and

That the Family Day Weekend continue to be made available for the purpose of a Community Event rental; and

That upon completion of the 2017/2018 season, that staff report back to Council on the results of the pilot program; and

That the timing of the replacement of the ice resurfacer be deferred to 2019, to coincide with the report on the results of the pilot program being considered by Council in Spring 2018; and

That the proposed 2017 Budget for Account 01-0015-2600 be reduced by \$11,000.00; and

That the proposed 2017 Budget for Account Numbers 01-0080-4001, 01-0080-4101, and 01-0080-4103 be reduced by \$1,160, \$105, and \$35 respectively.

DISCUSSION

Background

Council at its meeting held on January 6, 2016 passed Resolution 2016-009 which states:

“WHEREAS the Optimist Recreation Centre hereinafter referred to as the ORC was constructed in 2010/2011; and

WHEREAS the revenue and expenses for the ORC rink over the past few years have been:

		2013	2014	2015 (to Nov 30)
Revenues				
01-0015-2600	Ice Rental - Prime	\$97,956	\$37,848	\$34,088
01-0015-2700	Ice Rental - Non-Prime		\$2,002	\$1,613
01-0015-2800	Arena Summer Rentals		\$21,855	\$17,306
01-0015-2900	Gymnasium Rental		\$12,020	\$12,546
	Other Revenues		\$1,894	\$1,997
Total Revenues		\$97,956	\$75,969	\$67,551
Total Expenses		\$162,452	\$181,576	\$133,336
Net Expenditures		\$64,496	\$105,607	\$65,785

WHEREAS the capacity to install and retain ice is impacted by weather conditions; and

WHEREAS it is prudent for a municipality to review established service levels and explore new opportunities to optimize the functionality of its facilities;

NOW THEREFORE BE IT RESOLVED that an ad-hoc Committee of Council hereinafter referred to as ORCP (ORC Pad) Committee be established for the purpose of:

1. Analyzing and evaluating the past and present data related to revenue, expenses and user fees for the ice pad;
2. Current service level delivery for the ice pad both on and off season, and methods of the delivery of those services;
3. Explore new opportunities for optimizing the use of the ice pad including options to extend the ice season and the feasibility of other pad sporting activities; and

That the ORCP bring forward its recommendations for comment to the Recreation and Parks Committee prior to submitting its report and recommendations to Council for consideration; and

That the ORCP be composed of the following members:

- 2 Members of Council (with 1 member being appointed as Chair)
- 1 Member of the Recreation and Parks Committee
- Director of Public Works and Parks
- CAO/Clerk and/or Director of Finance

The Committee held meetings on the following dates:

March 2, 2016
April 13, 2016

March 16, 2016
August 30, 2016

March 30, 2016
October 27, 2016

The minutes have been attached as Schedule A.

The Recreation Committee reviewed this Report at its meeting held November 1, 2016 and support the recommendations.

Purpose

The purpose of this report is to provide Council with a summary of the recommendations by the ORC Pad Committee and to seek Council direction on the recommendations.

Screening and Curtains

Upon review of the research and documentation submitted to the Committee by the Optimist, the Committee does not recommend the Township proceed with the installation of curtains at the ORC at an estimated cost of \$70,000 (does not electrical and building structural work).

The Committee expressed the following concerns regarding the option of installation of curtains to alleviate ice quality challenges:

- Costs and unknown on-going costs
- Aesthetics
- Unknown maintenance obligations
- Unknown impact on improving the situation

Promotion and Marketing

The Committee recommends that staff resources be dedicated to:

- seek business sponsorship for the Christmas Holiday Public Skate
- work with the website service provider to create a banner on the website that links and creates awareness of the scheduling calendar

Currently, the Township utilizes the message board sign in the following capacity:

- Promoting booking of our facilities
- Library activities
- Community activities, such as Santa Claus Parade, Optimist Club activities, Canada Day celebrations
- YMCA Camps
- Township announcements
- Specific rental requests

User Fees

The Committee upon review of the prime and non-prime rate for ice recommends a reduction in the non-prime rate from \$78.00/hour to \$55.00/hour exclusive of taxes.

Free Skate – Schedule

Taking into consideration the input received at the April 13, 2016 Committee meeting from staff and volunteers it is recommended that the free skate hours be increased for the 2016 to 2018 seasons.

Staff upon confirming the league scheduling requirements will develop an expanded free skate schedule that will remain in effect for the 2016 to 2018 seasons.

Shinny – Schedule

Taking into consideration the input received at the April 13, 2016 Committee meeting from staff and volunteers, it is recommended that the shinny hours be increased for the 2016 to 2018 seasons.

Staff upon confirming the league scheduling requirements will develop an expanded shinny schedule that will remain in effect for the 2016 to 2018 seasons.

Seasonal League Bookings

That the Township facilitate the rental of seasonal league bookings (annual weekly rentals – minimum 8 weeks) only during this pilot program.

Recreation Coordinator Position

The Committee considered the recommendation to add a full-time Recreation Coordinator to the organization to promote and implement programming for the Township.

The Committee supports as outlined in the Recreation and Parks Master Plan that the Township not take on a direct programming role. An excerpt from the Recreation and Parks Master Plan regarding programming is attached as Schedule B.

Ice Resurfacers

The Committee supports the replacement of the existing ice resurfer with a smaller electric model and recommends seeking community funding opportunities.

The Committee recommends that the timing of the replacement of the ice resurfer at a cost of \$87,000 be deferred to 2019, to coincide with the report on the results of the pilot program being considered by Council in Spring 2018. The pilot program does not require the Township to meet the same service level for ice quality due to different requirements and demands associated with the proposed pilot program.

FINANCIAL IMPLICATIONS

Revenue

It is anticipated this proposed pilot program will result in a loss of revenue of approximately \$11,000.00 annually as outlined below:

Revenue – Ice Pad – 12 week season (2015/2016)	\$36,400
League Rental Income – 13.5 hours X \$155.00 X 12 weeks	\$25,110
Potential Lost Revenue Account No. 01-0015-2600	\$11,290

Expenses

Hours for the ORC

The current hours of operation (April to November) are:

Monday to Thursday	9:00 am to 10:00 pm
Friday	9:00 am to 5:00 pm
Saturday	8:00 am to 5:00 pm
Sunday	9:00 am to 6:00 pm

The current hours of operation for the ice season (December to March) are:

Monday to Sunday	9:00 am to 10:00 pm
------------------	---------------------

It is recommended that the following schedule of hours of operation for the ice season be implemented as a pilot for the 2016 to 2018 ice seasons:

Monday to Friday	10:00 am to 10:00 pm
Saturday and Sunday	10:00 am to 7:00 pm*

***subject to league bookings**

It is anticipated that the proposed changes in the hours of operation during the ice season will result in expense savings of approximately \$1,300 as outlined below:

PT Wages - 01-0080-4001 - 12 week season * 8 hours/ week * wage/hr	\$1,160
PT Wage Related Expenses – 01-0080-4001 - (9.18% CPP, EI, EHT)	\$105
PT WSIB – 01-0080-4103 – (3.02%)	\$35
Total Expense Savings	\$1,300

Customer Service Representative

Outlined below are the current primary job responsibilities for the Customer Service Representative:

- Build and maintain master schedules for the Township's indoor and outdoor recreation facilities, including special events (ORC – Gym and Pad, PCC – Alf Hales, Archie MacRobbie, Kitchen, Ball Diamonds)
- Prepare and review annual/seasonal rental agreements; ensuring accuracy of dates, times, locations and client information.
- Create and maintain a complete inventory listing of all Township wide rental facilities and their amenities; ensuring records are accurate and up to date.
- Coordinate facility bookings including maintenance of files, correspondence, receive payments and issue receipts, monthly reporting, daily cash balance reports, facility usage reports, account receivables tracking, daily reconciliation for deposits and issuing of permits.
- Respond to general inquiries at the Township's counter and over the phone. e.g. accept applications and process payments including tax payments.
- Coordinate and administer the special events approval process and issue permits.
- Coordinate special events on behalf of the Township e.g. Staff Appreciation Night, Staff BBQ, Awards, etc
- Conduct research on Parks and Recreation related policies and procedures
- Provide administrative and legislative support to the various committees of Council including assembly and disbursement of agendas, draft motions and minutes within required timeframes, schedule and coordinate delegations and preparation and scheduling of meeting rooms. (Recreation)
- Update and maintain Township's digital signage board and applicable content on the website.
- Provide administrative support to the administration department.

The implementation of the above program will result in a decrease in the number of bookings for the ice pad.

In December 2015, the Township automated the administration of facility bookings into Keystone's Facility Scheduler Module. This module facilitates the processing and reconciliation of payments for facility bookings. The implementation and use of this module was a recommendation in the Township's 2015 Audit Management Letter. Keystone also provides the Township with the ability to produce statistics regarding the utilization of the PCC and ORC including the gym and rink. Please note, at this time, when producing these reports, statistics include open gym and free skate times. The

statistics below have been adjusted to exclude open gym, free skate times and use by Whistlestop, Playgroup and YMCA.

Below is a summary of the number of bookings for each facility for the period of December 2015 to October 19, 2016:

ORC – Gym	338	34 percent
ORC - Pad	124	12 percent
ORC – Ice	186	18 percent
PCC - AH, AM and Kitchen	358	36 percent
TOTAL	1006	100 percent

Further, a manual calculation was completed to determine the ratio of Ice Rentals (one-time rentals* versus league rentals). Of the approximate 186 seasonal ice rentals, 69% are one-time rentals.

***One-time rentals can include a rental by an individual multiple times but excludes league rentals**

Based on the above, there would be an approximate 69% reduction in the number of ice rentals, but an overall reduction in bookings of 12%. With rentals being comprised of approximately 70% of the job responsibilities, this equates to a reduction of 4.2 hours/week.

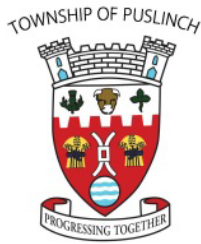
While there is a reduction of approximately 4.2 hours/week in staff resourcing needs for processing bookings for one-time ice rentals, it is recommended that this additional capacity be considered during the review of the administrative needs for the corporation.

APPLICABLE LEGISLATION AND REQUIREMENTS

None.

ATTACHMENTS

Schedule A	March 2, 2016
	March 16, 2016
	March 30, 2016
	April 13, 2016
	August 30, 2016
	October 27, 2016
Schedule B	Excerpt from Recreation and Parks Master Plan



MINUTES

MEMBERS PRESENT

Councillor Roth, Chair
Councillor Stokley
Kevin Johnson

TOWNSHIP STAFF

Don Creed, Director of Public Works and Parks
Karen Landry, CAO/Clerk

1. CALL TO ORDER

Karen Landry, CAO/Clerk called the meeting to order at 10:30 a.m.

2. DISCLOSURE OF PECUNIARY INTEREST

None.

3. REGULAR BUSINESS

1. Appointment of Chair

Councillor Roth was appointed as Chair and assumed the role of Chair.

2. Future Meeting Dates

The Committee set the following meeting dates and times:

March 16, 2016 at 1:00 p.m.

March 30, 2016 at 1:00 p.m.

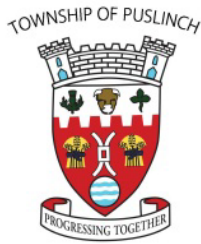
April 13, 2016 at 1:00 p.m.

April 27, 2016 at 1:00 p.m.

3. Determination of Agenda Items

The Committee requested that the following background information be provided for their review at the next meeting:

- Booking Data and Scheduling
- When ice is installed and removed
 - Temperature ranges



- Volume of bookings by Groups and Organizations versus Individuals
- Staff coverage
 - Volunteers versus staff
 - Summer and winter
- What is Prime Time and Non-Prime Time
- User Fees
 - Prime versus Non-Prime
- What time is provided for Shinny and Sticks and Pucks
 - Participation rates
- Staff feedback on nature of complaints received
- Statistics of combined Gym and Ice Rental

The Committee noted the following as future agenda items:

- Natural Rink versus Refrigeration
- Options to improve ice quality and extend the season
- Condensation issues during off ice season
- Other uses for the pad surface
- Equipment needs
- Promotion of the ORC
 - Sports Organizations
- Programming
- Staff resourcing and budget implications

4. ADJOURNMENT

The meeting adjourned at 11:21 a.m.

5. NEXT MEETING

Wednesday, March 16, 2016 at 1:00 p.m. in the Council Chambers.



MINUTES

MEMBERS PRESENT

Councillor Roth, Chair
Councillor Stokley
Kevin Johnson

TOWNSHIP STAFF

Don Creed, Director of Public Works and Parks
Karen Landry, CAO/Clerk

1. CALL TO ORDER

Councillor Roth called the meeting to order at 1:00 p.m.

2. DISCLOSURE OF PECUNIARY INTEREST

None.

3. APPROVAL OF MINUTES

Moved by: Councillor Stokley Seconded by: Kevin Johnson

That the ORCP Ad-hoc Committee minutes dated March 2, 2016 are hereby adopted.

CARRIED

4. REGULAR BUSINESS

1. Background Information

Members of the committee reviewed the background information provided with the agenda package and discussed the following:

- League Play usage is predominantly 18 years or older
- Game On is a primary user of the pad in the winter and summer
- When contemplating multiple booking discounts consideration needs to be given to the impacts on other facilities
- Donation Box
- Hourly expenses for prime-time versus non-prime time



2. Determination of Agenda Items

The Committee requested that the following background information be provided for their review at the next meeting:

- Booking Data and Scheduling for ice pad from the spring to fall
- Cost estimates for screening/curtains of pad to protect it from the weather elements
- Sticks and Pucks – proposed revised schedule for review
- User Fees
 - Non-Prime Time Ice Pad and Summer Pad Fees in other municipalities
- Cause for decrease in revenue for summer rentals between 2014 and 2015
- What account is the revenue for the YMCA Camp and the Farmers' Market allocated to the and respective amount

The Committee requested staff to Invite staff that are involved with the operations of the ORC and the volunteers to a meeting to provide input

Committee members will seek out contact information for seniors sports organizations that may be interested in utilizing the ice pad during non-prime time hours or during the off ice season.

The items noted below are matters to be considered at a future meeting:

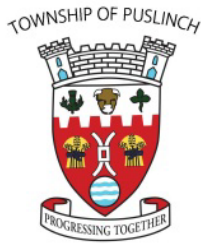
- Promotion of the ORC (Ice and Pad)
 - Sports Organizations
 - Direct marketing to organized leagues for seniors including hockey during non-prime times and future potential for early morning rentals
 - Minor hockey practice market
- Public Open House ?

5. **ADJOURNMENT**

The meeting adjourned at 2:25 p.m.

6. **NEXT MEETING**

Wednesday, March 30, 2016 at 1:00 p.m. in the Council Chambers.



MINUTES

MEMBERS PRESENT

Councillor Roth, Chair
Councillor Stokley
Kevin Johnson

TOWNSHIP STAFF

Don Creed, Director of Public Works and Parks
Karen Landry, CAO/Clerk

1. CALL TO ORDER

Councillor Roth called the meeting to order at 1:00 p.m.

2. DISCLOSURE OF PECUNIARY INTEREST

None.

3. APPROVAL OF MINUTES

Moved by: Councillor Stokley Seconded by: Kevin Johnson

That the ORCP Ad-hoc Committee minutes dated March 16, 2016 are hereby adopted.

CARRIED

4. REGULAR BUSINESS

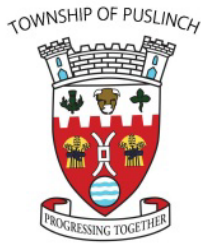
1. Booking Data and Schedule for Pad – Off-Ice Season

Members of the committee reviewed the booking data and schedule for the pad.

Staff were requested to obtain information:

- on the size of the arena in Minto;
- the nature of Minto's summer bookings;
- procedures followed by Minto for operating \$5 per person shinny
- Guelph's non-prime single skater rate

Staff were requested to use the banner on the Township's website to create greater awareness regarding the calendar.



2. Proposed Revised Schedule – Sticks and Pucks

The Committee reviewed the proposed revised schedule for sticks and pucks and were supportive of the proposed change.

3. User Fees – Information from other municipalities (non-prime time and summer)

The Committee reviewed the user fees of other municipalities. The Committee requested additional information as noted under Item 1 above.

The Committee noted that it is considering a non-prime rate for ice of \$55/hour inclusive of taxes. The Committee will revisit this rate after obtaining additional feedback.

4. Revenue – 2014 to 2015 change

The Committee reviewed the revenue information provided.

5. Revenue – Account Allocation YMCA and Farmers' Market

The Committee reviewed the revenue information provided.

6. Cost Estimates for Screening/Curtain

Don Creed informed the Committee that he is waiting to obtain cost estimates from Sun North.

7. Staff Input

The Committee reviewed the information provided.

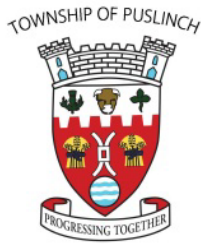
8. Public Open House

After discussion on how to best obtain public input regarding the ORC, Kevin Johnson will prepare a notice for review by the Committee at its next meeting.

9. Next Steps/Future Agenda Items

a. Promotion/Marketing Recommendations

This matter will be discussed further at a future meeting. It was noted that consideration should be given to business sponsorship during Christmas and utilization of the message board sign.



ORCP Ad-hoc Committee Meeting
Wednesday, March 30, 2016
1:00 p.m.
Council Chambers, Aberfoyle

b. Volunteer/Staff Input

It was noted that staff and volunteers will be invited to provide feedback to the Committee at its meeting to be held on April 13, 2016.

c. Final Recommendation Report

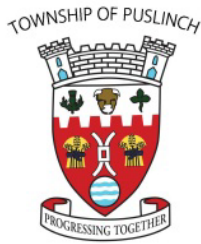
This matter will be discussed at a future meeting.

5. ADJOURNMENT

The meeting adjourned at 2:06 p.m.

6. NEXT MEETING

Wednesday, April 13, 2016 at 1:00 p.m. in the Council Chambers.



MINUTES

MEMBERS PRESENT

Councillor Roth, Chair
Councillor Stokley
Kevin Johnson

TOWNSHIP STAFF

Don Creed, Director of Public Works and Parks
Richard Hoover, Facility Operator
Marissa Herner, Legislative Assistant
Karen Landry, CAO/Clerk

1. CALL TO ORDER

Councillor Roth called the meeting to order at 1:00 p.m.

2. DISCLOSURE OF PECUNIARY INTEREST

None.

3. APPROVAL OF MINUTES

Moved by: Councillor Stokley Seconded by: Kevin Johnson

That the ORCP Ad-hoc Committee minutes dated March 30, 2016 are hereby adopted.

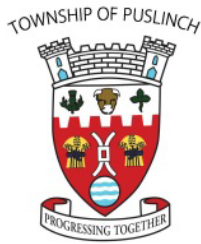
CARRIED

4. REGULAR BUSINESS

1. Volunteer/Staff Input

The Committee received input from the following individuals:

- Richard Hoover, Facility Operator
- Marissa Herner, Legislative Assistant
- Harry Janssen, Optimist
- Elgin Featherston, Optimist
- Ken Williams, Optimist
- June Williams



The following is a summary of the input received:

- Facility needs to be promoted more
- It is difficult to read the electronic sign as the message changes too quickly
- Get back to how the facility operated in the beginning
- Other facilities don't have dead time
- Open up more for Shinny – reference was made to the scheduling at the Buckhorn Sports Pad
- Supervision of Shinny can be challenging for some individuals
- Have schedule visible at the facility
- Scheduling of Shinny should be after 5:00 p.m. to provide sufficient time for students to go home after school and get back to the facility
- Need to go back to Shinny after 6:00 p.m. and beyond
- There needs to be Shinny for Puslinch children under 16
- The focus should not be on rentals
- Need to rent to hockey associations
- Optimist volunteers would prefer to be busier during the time they are volunteering
- Great facility
- Outdoor uniqueness
- Use of Sticks and Pucks and Shinny time is predominantly by individuals who reside outside Puslinch
- Important to be able to deliver what is promoted as inclement weather impacts the quality and availability of the pad in all seasons
- Utilization of the gym is good
- The gym and rink are often rented together for birthday parties
- Need to have structured time for free time skates, shinny and sticks and pucks
- Whatever structured times are put in place they need to remain consistent for the season in order to evaluate utilization – During the week in the evening 2 days Shinny and 3 days free skate
- Offer additional Shinny time in the morning and on weekends

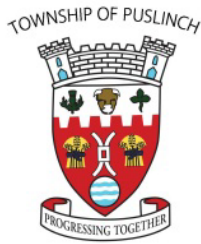
2. Review of Notice Seeking Public Input

The Committee reviewed the notice and Kevin Johnson will work with Marissa Herner to finalize the notice and to post it to the Township's website

3. User Fees Additional Information

Marissa Herner, provided additional information regarding the user fees for Minto and Guelph. Marissa Herner advised that she is waiting to receive additional information from staff at Guelph and Minto and will provide an update at the next meeting.

It was noted that Minto has:



- Two arena pads
- The rinks are enclosed and appear to be standard regulation size
- Summer bookings consist primarily of ball hockey and lacrosse. The website indicates the arena pad surface can be rented for events such as concerts, dances and galas
- Guelph's non-prime time single skater rate is typically utilized where a coach is offering additional time for one-on-one training. The rate is \$30.00 per person per hour to a maximum of 4 people. Bookings are made within a 24 hour period.

4. Cost Estimates for Screening/Curtain

The Committee reviewed the information submitted by Don Creed from Sun-North Systems.

It was determined that members of the committee, staff and members of the optimist will visit sites in southern Ontario where curtains have been installed to discuss with those respective operators the benefits/drawbacks experienced. Further details will also be obtained from optimist members on other vendors who supply this product. The findings will be reported back to the Committee at its next meeting.

It was noted that should the Township proceed to install curtains around the ice pad that a public open house should be held to inform the residents of the project.

5. Next Steps and Future Agenda Items

a. Promotion/Marketing Recommendations

This matter will be discussed further at a future meeting.

b. Final Recommendation Report

This matter will be discussed at a future meeting.

c. Future Meetings

It was determined to provide sufficient time to gather information for the next meeting that the April 27th meeting be rescheduled to May 11, 2016 at 1:00 p.m.

Councillor Stokley requested that discussion regarding a Coordinator Position be added as a future agenda item as previously noted.



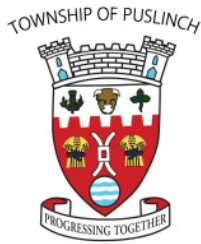
ORCP Ad-hoc Committee Meeting
Wednesday, April 13, 2016
1:00 p.m.
Council Chambers, Aberfoyle

5. ADJOURNMENT

The meeting adjourned at 3:09 p.m.

6. NEXT MEETING

Wednesday, May 11, 2016 at 1:00 p.m. in the Council Chambers.



MINUTES

MEMBERS PRESENT

Councillor Roth, Chair
Kevin Johnson

TOWNSHIP STAFF

Don Creed, Director of Public Works and Parks
Karen Landry, CAO/Clerk

1. CALL TO ORDER

Councillor Roth called the meeting to order at 9:00 a.m.

2. DISCLOSURE OF PECUNIARY INTEREST

None.

3. APPROVAL OF MINUTES

Moved by: Councillor Roth

Seconded by: Kevin Johnson

That the ORCP Ad-hoc Committee minutes dated April 13, 2016 are hereby adopted.

CARRIED

4. REGULAR BUSINESS

1. Screening and Curtains – Correspondence from Ken Williams and Elgin Featherston

The Committee reviewed the correspondence from Ken Williams and Elgin Featherston and determined that the proposed use of curtains are not the recommended course of action at this time for the following reasons:

- Costs and unknown on-going costs
- Aesthetics
- Unknown maintenance obligations
- Unknown impact on improving the situation

2. Public Input



The Committee through the online survey received the following input to increase utilization of the ORC pad:

- Arts festival – no charge to the public but charge a fee to each artist/stall
- Music nights – local bands could be featured. The Township could sell tickets to the events
- Community garage sale – people pay a fee to have a table
- Fundraiser tournaments – local sports organizations could run a tournament to raise funds for the facilities and perhaps in partnership with the Township

3. Promotion/Marketing

The Committee requested staff to include in the final recommendation report that staff:

- seek business sponsorship for the free skate opportunities provided during Christmas
- optimization of the message board sign
- work with the website service provider to create a banner on the website that links and creates awareness of the scheduling calendar

4. User Fees

The Committee requested staff to include in the final recommendation report that a non-prime rate for ice of \$55.00/hour inclusive of taxes be implemented.

5. Schedule – Free Skate

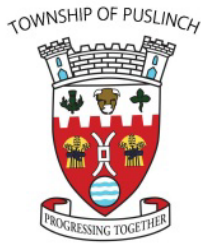
The Committee requested staff to include subject to a further report by staff to the Committee the following free skate schedule:

Senior	Monday to Friday	10:00 am to 11:00 am
Adult	Monday to Friday	12:00 pm to 1:00 pm
Kids/Family	Monday to Friday	3:00 pm to 5:00 pm
Free Skate	Saturday and Sunday	2:00 pm to 4:00 pm
Holiday Public Skate	December 26	Noon to 4:00 pm
	January 1	Noon to 4:00 pm

6. Schedule – Shinny

The Committee requested staff to include subject to a further report by staff to the Committee the following shinny schedule:

Ages 13 to 17	Sunday	5:00 pm to 6:00 pm
Ages 8 to 12	Tuesday	5:00 pm to 6:00 pm



Ages 5 to 7
Adult

Monday
Monday to Friday

5:00 pm to 6:00 pm
11:00 am to noon

7. Coordinator Position

The Committee did not support consideration of an additional recreation coordinator position to promote and implement programming for the Township. The Committee noted the Parks and Recreation Master Plan did not recommend that the Township get involved in programming.

8. Ice Resurfacer

The Committee subject to a further report from staff supported the replacement of the existing ice resurfacer with a smaller electric model and recommended seeking community funding opportunities.

9. Final Recommendation Report

The Committee requested staff to prepare:

- a final recommendation report for the Committee's consideration; and
- a report that proposes the Township:
 - continues to rent the facility during the summer
 - establishes a free skate and shinny schedule that accommodates the seasonal league bookings only
 - outlines any associated cost savings and revenue impacts if the Township were to implement these service changes

10. Future Meetings

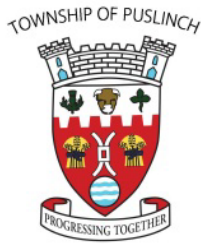
The next meeting will be scheduled at the call of the Chair upon completion of the requested reports. Staff will endeavour to have the reports completed for the committee's consideration by the end of September.

5. ADJOURNMENT

The meeting adjourned at 10:41 a.m.

6. NEXT MEETING

Call of the Chair



MINUTES

MEMBERS PRESENT

Councillor Roth, Chair
Kevin Johnson

TOWNSHIP STAFF

Don Creed, Director of Public Works and Parks
Mary Hasan, Director of Finance
Karen Landry, CAO/Clerk

1. CALL TO ORDER

Councillor Roth called the meeting to order at 4:00 p.m.

2. DISCLOSURE OF PECUNIARY INTEREST

None.

3. APPROVAL OF MINUTES

Moved by: Kevin Johnson

Seconded by: Councillor Roth

That the ORCP Ad-hoc Committee minutes dated August 30, 2016 are hereby adopted.

CARRIED

4. REGULAR BUSINESS

1. Draft Report REC-2016-010 – ORC Pad Committee Recommendations

The Committee reviewed the draft report, made revisions and finalized the contents of the report for presentation to the Recreation Committee and Council.

2. Presentation to Recreation Committee and Council

The Committee requested staff to convene a Special Recreation Committee for the purpose of providing them with the report. This will facilitate presentation of the report to Council at its meeting scheduled for November 9, 2016.



ORCP Ad-hoc Committee Meeting
Thursday, October 27, 2016
4:00 p.m.
Council Chambers, Aberfoyle

5. ADJOURNMENT

The meeting adjourned at 4:47 p.m.

6. NEXT MEETING

Not Applicable

- Ongoing staff training and development to provide exceptional customer service, compliance with legislative requirements, etc.; and
- Engaging the community in meaningful dialogue through planning, decision-making, and service delivery processes.

Recommendation

1. Continue to serve as a provider of space for parks and recreation opportunities within Puslinch by offering the community access to core indoor and outdoor facilities (through free use, rental, or other agreement).

6.2 Programming

The Township does not currently have a direct role in programming. Other service providers such as YMCA-YWCA of Guelph and community groups offer these opportunities, while the Township is primarily responsible for facility provision, rentals, and maintenance. This model is typical of most small rural communities, but increasing pressure to maximize facility utilization and improve the financial bottom line provides an opportunity to rationalize the Township's role in program delivery.

Several program providers serving people of all age groups currently exist in the Township and surrounding municipalities. A summary of local organizations and the programs they provide has been compiled and is provided in Section 5.4 and Appendix E of this Master Plan. This inventory represents a good starting point in maintaining an inventory of recreational opportunities available in the Township. It is recommended that the Township continue to improve this inventory in order to maintain an updated portfolio of recreation activities in the area. In addition, through activating the proposed community development role, the Township should have regular contact with various community partners (e.g., YMCA, Wellington-Dufferin-Guelph Public Health / in motion, Wellington County Library, Guelph/Wellington Volunteer Centre, Wellington County Social Services, Guelph Wellington Seniors Association, school boards, etc.) – either collectively (e.g., through committees, working groups, etc.) or individually – to identify potential opportunities for community-led programming and facility rentals, with an emphasis on low cost options for older adults/seniors and children/youth.

In terms of programming, types of offerings vary widely from community to community across the province. The following are the most common categories:

- Special events – typically free and open to all that wish to attend – are the most basic form of programming that is commonly offered amongst the municipal sector. The Township of Puslinch does not directly plan any special events, but does host several that are organized by local groups, such as the Aberfoyle Fall Fair, Winter Classic, and Canada Day.
- Drop-in programming – open times during which free or low cost structured or unstructured activity takes place, often with little instruction and/or direct supervision – is becoming increasingly common as it is responsive to busy schedules and is often accepting of a wide range of skill levels. The Township of

Puslinch offers drop-in times for sports such as “sticks and pucks” and basketball at the ORC.

- Registered programs – those requiring advance sign-up and often led by a paid instructor (paid for partially or fully through a registration fee) – represent the most sophisticated form of programming. Registered programs may be one-time or a series of sessions and typically require a minimum participant threshold in order to run. The Township of Puslinch does not offer any registered programs, although some are managed by community groups that rent municipal facilities. Examples of registered programs offered in other municipalities include swimming and skating lessons, arts and dance classes, summer camps, and a wide range of special interest courses such as computers, photography, cooking, specific sports, and much more.

Depending on the type of programming offered, the development of a municipal program function would come with it the need for additional staff resources, something in short supply in the Township. For example, registered programs for youth and/or older adults would require instructional and clerical support and would likely require ongoing municipal subsidies in order to encourage usage and maintain affordability to the user.

Costs aside, the abundance of quality program opportunities in adjacent urban municipalities (particularly registered programs), combined with options offered by local volunteer organizations (e.g., sports groups, service clubs, etc.) and service providers, suggest that Township residents have reasonable access to a wide variety of program opportunities.

Given this and the level of risk associated with registered programming, we cannot recommend that the Township take on a direct programming role at this time. Instead, where resources and availability allows, additional efforts may be taken to offer a growing complement of drop-in programs or times (particularly at the ORC gymnasium, which has a dedicated staff presence), as well as non-registered special or one-time events. As outlined in the previous section, the Township should also play a stronger role in encouraging and promoting the programs of those community service providers that utilize municipal facilities.

In examining activity demands, it is important to note that the Township's population base is growing (slowly), but also aging. The older adult and senior age groups will become more important markets over time due to the aging baby boomer demographic. Trends suggest that there are a growing number of older adults participating in active recreational activities (e.g., zumba, pole walking, dance, etc.), thereby creating new demands for expanded and emerging activities.

In playing a supporting role in program delivery, the Township must work to facilitate and promote the provision of third-party active living, sport, and community activities in its facilities and parks. One opportunity to do so is through participation in “Guelph in motion”, a regional collaborative developed out of a partnership between Wellington County, Dufferin County, and the City of Guelph that aims to address physical inactivity

THE CORPORATION OF THE TOWNSHIP OF PUSLINCH

BY-LAW NUMBER 077-2016

**A BY-LAW TO AMEND BY-LAW NUMBER 19/85, AS AMENDED
BEING THE ZONING BY-LAW OF THE OF THE TOWNSHIP OF PUSLINCH**

(To remove the Holding Symbol for Lot 245 of the Mini Lakes Residents Association Condominium pursuant to Section 34 and Section 36 of *The Planning Act*, R.S.O., 1990, as amended).

WHEREAS the County of Wellington Official Plan contains policies relating to the use of Holding Zone provisions pursuant to Section 36 of *The Planning Act*, R.S.O., 1990 as amended;

AND WHEREAS the lands affected by this By-law are presently subject to Holding Zone provisions, namely ('h-1') pursuant to the Township of Puslinch Zoning By-law Number 19/85 as amended;

AND WHEREAS the subject holding provision precludes the use of the affected land for year-round residential occupancy until such a time as the Holding Zone symbol has been removed;

AND WHEREAS the requirements for the removal of the Holding Zone from part of the subject property have been addressed to Council's satisfaction.

**NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
ENACTS AS FOLLOWS:**

- 1) THAT By-law 19/85 is amended by removing the Holding Zone symbol ('h-1') from a specific part of the land described as Lot 245, Plan 61M203, Part of Lot 21, Concession 8, known as 2 Dogwood Road PVT within the Mini Lakes Residents Association Condominium, shown on Schedule "A" which forms part of this By-law.
- 2) That all other applicable provisions of Zoning By-law 19/85, as amended, shall continue to apply to the lands affected by this By-law.
- 3) That this By-law shall come into effect on the date of final enactment by Council pursuant to the requirements of The Planning Act, R.S.O., 1990 as amended.

**READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS 9th DAY OF November,
2016**

Dennis Lever, Mayor

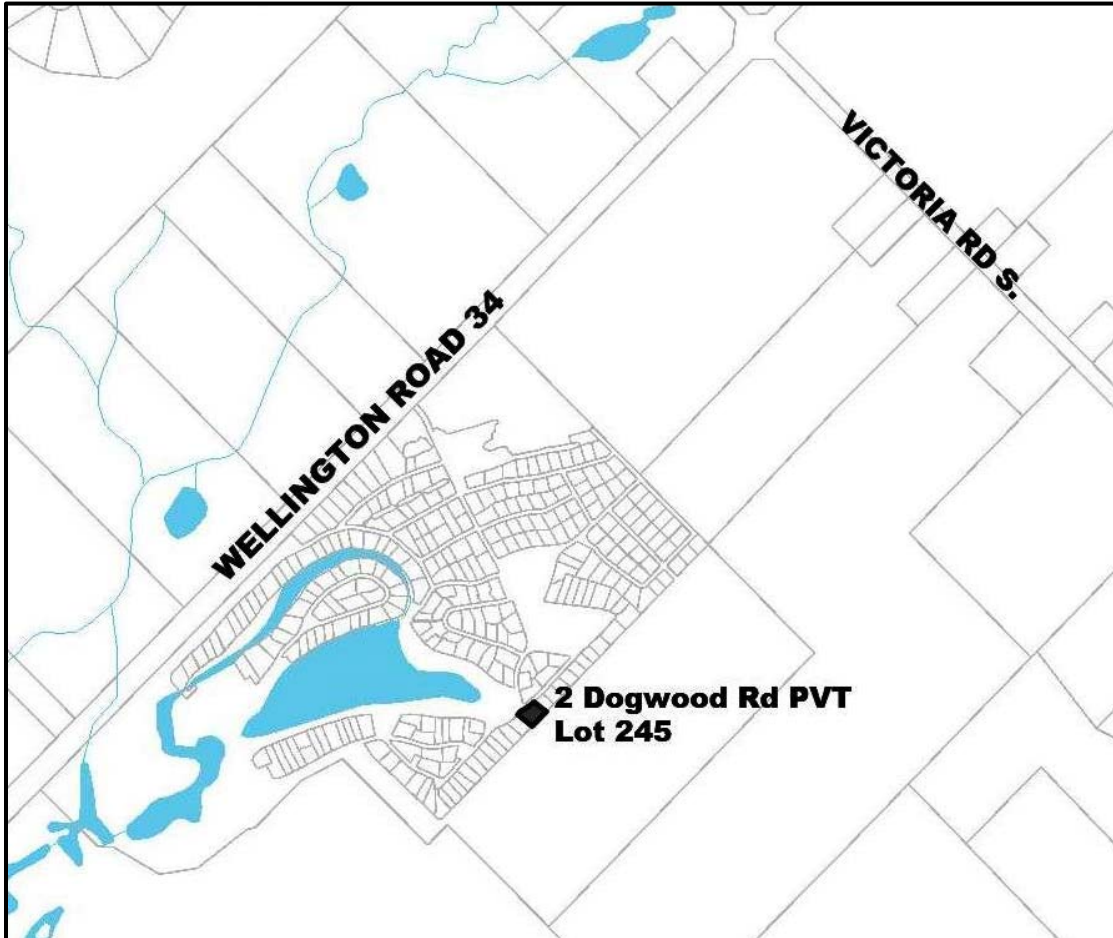
Karen Landry, C.A.O./CLERK

THE CORPORATION OF THE TOWNSHIP OF PUSLINCH

By-Law No. 077-2016

SCHEDULE "A"

The Holding Zone symbol (**h-1**) shall be removed from Lot 245 - 2 Dogwood Road PVT.



This is schedule "A" to By-law No. 077-2016

Passed this 9th day of November, 2016.

Dennis Lever, Mayor

Karen Landry, C.A.O/Clerk

THE CORPORATION OF THE TOWNSHIP OF PUSLINCH

BY-LAW NUMBER 078/16

Being a by-law to authorize the entering into an Agreement with The Corporation of the County of Wellington regarding the road maintenance agreement.

WHEREAS the *Municipal Act*, S.O. 2001, c.25 authorizes a municipality to enter into Agreements;

AND WHEREAS the Council for the Corporation of the Township of Puslinch deems it appropriate to enter into a Road Maintenance Agreement with The Corporation of the County of Wellington;

NOW THEREFORE the Corporation of the Township of Puslinch hereby enacts as follows:

1. That the Corporation of the Township of Puslinch enter into a Road Maintenance Agreement with The Corporation of the County of Wellington.
2. THAT the Mayor and Clerk are hereby authorized to execute the Agreement.

READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS 9th DAY OF November 2016

Dennis Lever, Mayor

Karen Landry, CAO/Clerk

THE CORPORATION OF THE TOWNSHIP OF PUSLINCH

BY-LAW NUMBER 079/16

Being a by-law to delegate authority to the Chief Building Official and the CAO/Clerk to execute Agreements for the collection of securities for the purpose of an owner to be able to maintain accessory structures on a property in order to demolish a dwelling and construct a new dwelling.

WHEREAS the *Municipal Act*, S.O. 2001, c.25 authorizes a municipality to delegate its powers and duties;

AND WHEREAS Council deems it expedient to delegate authority to the Chief Building Official and the CAO/Clerk to execute Agreements for the collection of securities for the purpose of an owner to be able to maintain accessory structures on a property in order to demolish a dwelling and construct a new dwelling;

NOW THEREFORE the Corporation of the Township of Puslinch hereby enacts as follows:

1. That the standard form of Agreements attached as Schedule "A" is hereby approved.
2. That the Chief Building Official or the CAO/Clerk are hereby authorized to execute the standard form of Agreement attached as Schedules "A" on behalf of the Township.

READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS 9th DAY OF NOVEMBER, 2016.

Dennis Lever, Mayor

Karen Landry, CAO/Clerk

AGREEMENT

BETWEEN:

OWNERS

HEREINAFTER REFERRED
TO AS "**OWNER**"

AND

**THE CORPORATION OF THE
TOWNSHIP OF PUSLINCH**

HEREINAFTER REFERRED
TO AS THE "TOWNSHIP"

WHEREAS **OWNER** has received minor variance approval from the Township Zoning By-law to allow accessory structures to remain on the property while demolishing a dwelling and constructing a new dwelling, and;

WHEREAS said variance D13/XXX has been granted subject to **OWNER** agreeing with the Township to the following:

1. That **OWNER** shall file with the Township a security deposit in the amount of \$20,000 in a form satisfactory to the Township prior to the issuance of the demolition permit for the existing dwelling.
2. That said security deposit shall be held by the Township to ensure the proposed new dwelling is constructed and issued an Occupancy Permit, for the property located at **LEGAL DESCRIPTION, MUNICIPAL ADDRESS**, Township of Puslinch.
3. That in the event the building permit for the new dwelling is not received on or before **6 MONTHS after Minor Variance No Appeal date**, the security deposit shall be forfeited to the Township and the Township shall be at liberty to apply for

a Court Order for the removal of the **ACCESSORY STUCTURES**, and the costs shall be payable by **OWNER**.

4. In the event that the occupancy permit for the new dwelling has been issued by the Township or the accessory structures are removed from the property, the Township will return the security deposit in its entirety to **OWNER** within ten (10) business days.

Dated this _____ day of _____, 20**XX**

WITNESS

OWNER

ROBERT KELLY, Chief Building Official
The Corporation of the
Township of Puslinch

THE CORPORATION OF THE TOWNSHIP OF PUSLINCH

BY-LAW NUMBER 080/16

Being a by-law to confirm the proceedings of the Council of the Corporation of the Township of Puslinch at its meeting held on November 9, 2016.

WHEREAS by Section 5 of the *Municipal Act, 2001, S.O. 2001, c.25* the powers of a municipal corporation are to be exercised by its Council;

AND WHEREAS by Section 5, Subsection (3) of the *Municipal Act*, a municipal power including a municipality's capacity, rights, powers and privileges under section 8, shall be exercised by by-law unless the municipality is specifically authorized to do otherwise;

AND WHEREAS it is deemed expedient that the proceedings of the Council of the Corporation of the Township of Puslinch at its meeting held November 9, 2016 be confirmed and adopted by By-law;

NOW THEREFORE the Council of the Corporation of the Township of Puslinch hereby enacts as follows:

- 1) The action of the Council of the Corporation of the Township of Puslinch, in respect of each recommendation contained in the reports of the Committees and each motion and resolution passed and other action taken by the Council at said meeting are hereby adopted and confirmed.
- 2) The Head of Council and proper official of the Corporation are hereby authorized and directed to do all things necessary to give effect to the said action of the Council.
- 3) The Head of Council and the Clerk are hereby authorized and directed to execute all documents required by statute to be executed by them, as may be necessary in that behalf and the Clerk authorized and directed to affix the seal of the said Corporation to all such documents.

READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS 9th DAY OF November, 2016.

Dennis Lever, Mayor

Karen Landry, C.A.O./Clerk