

## POLICIES & GUIDELINES

**Policy #: 15-DP-SS-022**

North   
  South   
  North and South

<p><b>Subject:</b></p> <p>Service Switching - Union North (the combined North West and North East Zones) and Union South</p>	<p><b>Effective:</b></p> <p>November 1, 2017</p>
<p><b>Applies to:</b></p> <p>All customers in Union North and Union South, not governed by Gas Distribution Access Rule (GDAR).</p>	
<p><b>Purpose:</b></p> <p>To provide equitable treatment for all customers who switch between services.</p>	
<p><b>Background:</b> <i>(Not to limit the applicability of the policy)</i></p> <p>Distribution customers can choose gas supply and transportation options, including Sales Service, Bundled Transportation (BT) Service, T-Service, Transportation Service (applicable to Rates T1/T2/T3) or Unbundled Service. Whenever a customer moves between these options, the Enbridge Gas asset portfolio may be impacted. Enbridge assets that may be impacted include upstream transportation, gas supply, storage, delivery/redelivery and distribution assets.</p> <p>Service switching requests are evaluated to determine whether the current asset mix is sufficient to serve customers, which could lead to one of the following outcomes:</p> <ul style="list-style-type: none"> <li>Service is provided under the new gas supply or transportation alternative; or</li> <li>Service is provided under the new gas supply or transportation alternative subject to conditions; or</li> <li>Service is provided under the new gas supply or transportation alternative on an interruptible basis; or</li> <li>Enbridge Gas cannot offer the requested service.</li> </ul> <p><u>Levels of Service Bundling</u>                  Sales Service &gt; Bundled-T &gt; T-Service/Transportation Service &gt; Unbundled                  Less bundled</p> <div style="text-align: center; margin: 10px 0;"> </div>	
<p><b>Policy:</b></p> <p>Enbridge Gas facilitates service switching subject to the following:</p> <ul style="list-style-type: none"> <li>Customer must provide notice, as per the contract, to Enbridge Gas to request a service change. Enbridge will evaluate its ability to provide the requested service and if Enbridge is not able to meet the request, the customer may continue under the existing service.</li> <li>Customers must meet Enbridge Gas' credit requirements and, if financial assurance is required by Enbridge Gas, customer must provide such assurance to Enbridge Gas before the service switch is approved and effective.</li> <li>If the customer is an existing Direct Purchase customer, any existing Direct Purchase related contractual obligations to Enbridge Gas must be fulfilled prior to a service switch.</li> </ul>	

## Switching to a less bundled service

### Union North

- A switch to Bundled-T Service is subject to the “Setting new and increasing or decreasing existing, Obligated Daily Contract Quantity (DCQ) – Union North” (#05-DP-DCQN-008) policy.
- A switch to T-service or Unbundled Service will require a review by Enbridge of the assets used to meet the customer’s current firm load. The customer will be required to take an assignment of upstream transportation capacity from Enbridge based on Enbridge’s evaluation, unless Enbridge determines in its sole evaluation that sufficient assets are not available to be assigned. In addition, Enbridge will consider Customer requests to assign a lower level of transportation assets.
  - If transportation capacity is temporarily assigned by Enbridge, the “Turn Back of TransCanada PipeLineLimited (TCPL) capacity by Direct Purchase Customers” (#06-DP-TB-012) policy may apply.
- A switch to Unbundled Service is also subject to the “Cost-Based Storage Space and Deliverability Allocation Methodology – Union North (the combined North West and North East Zones)” (#09-DP-STOR-018) policy.

### Union South

- A switch to a less bundled service is subject to the “Setting new, and increasing or decreasing existing, Obligated Daily Contract Quantity (DCQ) – Union South” (#05-DP-DCQS-009) policy.
- In addition, a switch to Transportation Service or Unbundled Service is also subject to the “Cost-Based Storage Space and Deliverability Allocation Methodology –Union South” (#09-DP-STOR-017) policy.

The customer is accountable to acquire assets to meet any needs in excess of the assets provided by Enbridge.

## Switching to a more bundled service

- A switch to a more bundled service requires Enbridge to evaluate the customer’s needs and determine the mix of assets required to meet those needs. Enbridge Gas may need to acquire additional firm assets to serve the customer.
- Enbridge Gas will evaluate and may, at its sole discretion, take a temporary or permanent assignment of assets held by the Customer.

Enbridge Gas will use reasonable efforts to serve the customer. If appropriate firm assets and supply arrangements can’t be made available on a permanent basis, Enbridge will use reasonable efforts to provide service on an interruptible basis until such time as a permanent arrangement can be made.

## **Procedures**

1. Written notice is required for any service switch.
  - Vendors adding/dropping accounts from contracts must provide notice according to GDAR timelines.
  - Customers not represented by a Vendor must provide written notice to return the end use location(s) to Sales Service 60 days prior to the effective date of the return. If an end use location is returned to Sales Service during the term of the contract, contract parameters will not be changed until contract renewal, unless otherwise agreed to by Enbridge Gas.
  - Where termination of the existing contract is required, the notice requirement is outlined in the termination provision of that contract.
2. Enbridge Gas may perform a credit review to determine if additional financial assurance is required. If required, a customer with a Distribution Contract will provide additional assurance within 14 days of Enbridge Gas’ request prior to returning to Sales Service. For general service end use locations, credit will be administered according to Enbridge Gas’ retail credit policy.

3. Enbridge Gas evaluates the asset mix required to meet the customer's needs and determines the terms and conditions associated with meeting the service switch request.

Where Enbridge Gas has agreed to amend contract parameters, the following procedures also apply:

4. Customer electronically accepts or returns the signed contract amendment to Enbridge Gas to indicate acceptance of the parameters no later than 25 days before the effective date of the contract amendment.
5. Enbridge Gas electronically accepts or signs the contract amendment and provides a copy to the customer.
6. Enbridge Gas prepares and Enbridge Gas/Customer electronically accepts or signs and executes temporary assignment agreements to return upstream capacity to Enbridge Gas to service the returning customer, as necessary, in accordance with their respective schedules.
7. Customer is billed all applicable charges per the Direct Purchase contract and associated rate schedules.