RATE DESIGN OVERVIEW

AMY MIKHAILA, MANAGER RATE DESIGN
JACKIE COLLIER, SPECIALIST RATE DESIGN

1. The purpose of this evidence is to provide an overview of the rate design evidence and to request OEB approval of the recovery of the 2024 adjusted revenue requirement from proposed rates. Please see Exhibit 7, Tab 0 for a preface of the cost allocation and rate design evidence, which describes the interdependent nature and approach used to develop the evidence at Exhibit 7 and Exhibit 8, Tab 1 and Tab 2.

2. This evidence provides an overview of the rate design evidence, a summary of the recovery of the 2024 revenue requirement, and the fixed and variable cost recovery. The other evidence provided at Exhibit 8, Tab 1 includes a summary of the rate design proposals, revenue to cost ratios and customer-related costs. The evidence provided at Exhibit 8, Tab 2 provides a detailed explanation and support for the rate harmonization plan, including the implementation plan, the proposed rate design, the bill impacts, mitigation plan, the rate handbook and supporting working papers for the current rate classes and harmonized rate classes.

3. The rate design evidence at Exhibit 8 is organized as follows:

Exhibit 8, Tab 1, Schedule 1	Rate Design Overview
Exhibit 8, Tab 1, Schedule 2	Rate Design Proposals
Exhibit 8, Tab 1, Schedule 3	Revenue-to-Cost Ratios
Exhibit 8, Tab 1, Schedule 4	Customer-Related Costs
Exhibit 8, Tab 2, Schedule 1	Rate Harmonization Plan
Exhibit 8, Tab 2, Schedule 2	Gas Supply Commodity and Transportation Charges
Exhibit 8, Tab 2, Schedule 3	General Service Rate Design
Exhibit 8, Tab 2, Schedule 4	In-franchise Contract Rate Design

Exhibit 8, Tab 2, Schedule 5	Ex-franchise Rate Design
Exhibit 8, Tab 2, Schedule 6	Bill Impacts and Mitigation Plan
Exhibit 8, Tab 2, Schedule 7	Rate Handbook
Exhibit 8, Tab 2, Schedule 8	Working Papers – Current Rate Classes
Exhibit 8, Tab 2, Schedule 9	Working Papers – Harmonized Rate Classes

4. The rate design process balances multiple objectives, including cost factors, such as the allocated cost of service and non-cost factors, such rate stability and predictability for customers. The following (in no particular order) have been taken into consideration:
    - The revenue deficiency for Enbridge Gas as a whole – Proposed rates are designed to ensure recovery of the adjusted revenue requirement though rate changes proposed in this Application;
    - The allocated cost of service – The allocation of the adjusted revenue requirement to rate classes from the Cost Allocation Study was used as the basis for the rate design process;
    - The level of current rates and the magnitude of the proposed change – Proposed changes to unit rates were not viewed independently but in light of overall changes to customer total bill impacts, to support rate stability and predictability for customers;
    - The potential impact on customers – Careful consideration was given to the impact of cost and rate design changes on all customers through a thorough review of each customer's total bill impact of the proposed changes; and
    - The level of contribution to fixed cost recovery – Enbridge Gas designed rates based on a straight fixed variable rate design where customer and demand-related costs are recovered in monthly fixed charges and demand rates and commodity costs are recovered in commodity rates, where possible.

5. This evidence is organized as follows:

    1. Recovery of the 2024 Revenue Deficiency
    2. Fixed Cost Recovery

1. Recovery of the 2024 Revenue Deficiency

6. Enbridge Gas has designed rates to recover the adjusted revenue deficiency of $292.2 million as provided at Exhibit 7, Tab 1, Schedule 1. Table 1 provides a summary of the proposed changes to revenue to recover the revenue deficiency. The proposed recovery of the revenue deficiency for the total in-franchise and ex-franchise rate classes is in the same proportions for the current rate classes and proposed harmonized rate classes. /u

Table 1
Recovery of Revenue Deficiency

Line No.	Particulars ($ millions)	Revenue 2023 Rates (1)	Revenue 2024 Proposed Rates (2)	Recovery of Revenue Deficiency	
		(a)	(b)	(c) = (b - a)	
1	In-franchise Rate Classes	5,853.9	6,138.3	284.4	/u
2	Ex-franchise Rate Classes	165.6	172.8	7.2	/u
3	Non-Utility Cross Charge	1.2	1.7	0.5	
4	Total Revenue	6,020.7	6,312.9	292.2	/u

Notes:
(1) Exhibit 8, Tab 2, Schedule 8, Attachment 1, column (a).
(2) Exhibit 8, Tab 2, Schedule 8, Attachment 1, column (h).

7. As summarized in Table 1, Enbridge Gas proposes to:

    a) Increase in-franchise delivery and gas supply commodity and transportation rates to recover a deficiency of $284.4 million; /u

b) Increase ex-franchise transportation rates to recover a deficiency of $7.2 million; and /u

c) Increase the non-utility cross charge to recover a deficiency of $0.5 million.

8. The recovery of the adjusted revenue deficiency by rate class for 2024 compared to the current approved revenue is provided at Exhibit 8, Tab 2, Schedule 8, Attachment 1. The recovery of the adjusted revenue deficiency for the proposed harmonized rate classes is provided at Exhibit 8, Tab 2, Schedule 9, Attachment 1.

2. Fixed Cost Recovery

9. As provided in Section 1, Enbridge Gas's proposed revenue for 2024 is $6,312.9 million to recover the total revenue deficiency. Of the total 2024 revenue, $3,234.3 million is attributable to the recovery of gas costs and $3,078.6 million is attributable to the recovery of delivery costs. /u /u

2.1. Gas Cost Revenue

10. Enbridge Gas is not proposing any significant changes to the fixed recovery of gas costs. Of the $3,234.3 million gas cost revenue, $2,728.0 million, or 84%, relates to variable recovery of the gas commodity purchased on behalf of sales service customers through the gas supply commodity charge. The remaining 16% relates to the recovery of other gas supply costs, such as upstream transportation costs, market-based storage costs, compressor fuel and UFG. These costs are primarily recovered through variable charges.

2.2. Delivery Revenue

11. Enbridge Gas is proposing changes to the fixed recovery of delivery costs for the rate design of current rate classes and of harmonized rate classes. Please see

Attachment 1 for the fixed delivery revenue recovery by rate class for the current classes and Attachment 2 for the fixed delivery revenue recovery by rate class for the proposed harmonized rate classes.

12. Of the $3,078.6 million delivery revenue, the proportion of fixed revenue recovery is summarized in Table 2, which compares revenue at 2023 Rates and 2024 current rate classes and the proposed harmonized rate classes. /u

Table 2
Summary of Fixed Cost Recovery – Delivery Revenue

Line No.	Particulars ($ millions)	2023 Rates (1)	2024 Proposed Revenue Current Rate Classes (2)	2024 Proposed Revenue Harmonized Rate Classes (3)(4)	/u
		(a)	(b)	(c)	
	In-franchise				
1	Monthly Customer Charges	1,178.9	1,213.7	1,344.4	/u
2	Demand Charges	215.6	248.6	1,556.6	/u
3	Volumetric Charges	1,269.4	1,473.4	5.1	/u
4	Total In-franchise	2,663.9	2,935.8	2,906.0	/u
	Ex-franchise				
5	Monthly Customer Charges	3.8	4.1	4.1	
6	Demand Charges	138.9	136.5	137.4	/u
7	Volumetric Charges	0.4	0.5	0.5	
8	Total Ex-franchise	143.1	141.1	142.0	/u
9	Non-Utility Cross Charge	1.2	1.7	1.7	
10	Total Delivery Revenue	2,808.2	3,078.6	3,049.8	/u
	Fixed Cost Recovery (5)				/u
11	In-franchise	52%	50%	100%	
12	Ex-franchise	100%	100%	100%	
13	Total Fixed Cost Recovery	55%	52%	100%	/u

Notes:
(1) Attachment 1, column (e).
(2) Attachment 1, column (j).
(3) Attachment 2, column (e).
(4) The harmonized rate classes are based on evidence filed on November 30, 2022. /u
(5) Fixed cost recovery calculated as revenue from monthly customer charges and demand charges divided by total revenue. /u

Current Rate Classes – In-franchise

13. In 2024 for the current in-franchise rate classes, 50% of the total delivery revenue is proposed to be recovered through fixed charges and 50% through variable charges. The relationship of fixed cost recovery of 50% in 2024 proposed rates is

consistent with the fixed cost recovery of 52% in 2023 Rates, as shown in Table 2, line 11.

14. Enbridge Gas is not proposing changes to the fixed cost recovery of delivery revenue for the general service customers for 2024. Any changes to the fixed cost recovery are the result of the proportion of revenue recovered from the proposed monthly customer charge. Evidence on the setting of the monthly customer charge for general service rate classes is provided at Exhibit 8, Tab 1, Schedule 4.

15. Enbridge Gas is proposing changes to the fixed cost recovery for contract rate classes for 2024. Within these rate classes, Enbridge Gas has designed rates for 2024 based on a straight fixed variable rate design where possible. A straight fixed variable rate design recovers customer and demand related costs in monthly customer charges or demand charges. This rate design ensures the fixed nature of the Utility's costs are recovered in fixed charges. Enbridge Gas considers all delivery costs as fixed costs except for the gas supply optimization credit margin and the gas supply administration charge, which is a component of the gas supply commodity charge. This approach also ensures that the rate design for the contract rate classes is consistent regardless of past practice for each rate zone.

16. As provided in Attachment 1, the proposed change to the fixed cost recovery for contract service rate classes in 2024 results in a larger change for Rate 110, Rate 115, Rate 145, Rate 170 and Rate 200 in the EGD rate zone relative to the Union rate zones, as the current rate design for these classes recovered a higher portion of fixed costs in variable delivery charges. As a result, the proposed rate design for 2024 results in a comparable recovery of fixed and variable delivery costs across similar contract service rate classes in the rate design proposed for 2024 Rates.

17. Enbridge Gas has not implemented the straight fixed variable rate design for the current contract rate classes in the following cases:
    - Current contract rate classes that do not have demand charges in the current rate structure will continue to have fixed costs recovered through variable charges. This proposal applies to Rate 135 in the EGD rate zone and the interruptible rate classes (Rate 25, M4, M5, M7, T1, T2) in the Union rate zones. Enbridge Gas is proposing no changes to the rate structure for these rate classes in 2024 as they are proposed to be replaced with the harmonized rate classes in 2026. Any changes in rate structure would require additional customer communication and changes to business systems; and
    - The fixed variable rate design of Rate M4 firm service in the Union South rate zone has also been maintained, where 40% of the fixed costs are recovered in volumetric charges consistent with the 40% load factor commitment of the rate class.[1]

Harmonized Rate Classes – In-franchise

18. For the harmonized in-franchise rate classes, approximately 100% of the total delivery revenue is proposed to be recovered through fixed charges. This represents an increase from the 50% recovery through fixed charges of the current rate classes. The amount of fixed cost recovery has increased for the harmonized rate classes primarily as a result of Enbridge Gas's proposal to implement straight fixed variable with demand rate design for general service rate classes. The proposed general service rate design is provided at Exhibit 8, Tab 2, Schedule 3. In addition, under the harmonized rate design methodology for contract rate classes,

[1] Rate M4 delivery volumes below 40% are subject to minimum annual volume charges, which reduces the fixed costs recovery risk for this rate class.

the straight fixed variable rate design has also been implemented for all proposed rate classes, as provided at Exhibit 8, Tab 2, Schedule 4.

Ex-franchise

19. There is no proposed change to the fixed and variable recovery rate design for the ex-franchise rate classes. Consistent with the current approved methodology for these rate classes, Enbridge Gas has continued to recover approximately 100% of ex-franchise revenue in fixed charges. Any changes to the fixed cost recovery are the result of changes to the proportion of revenue recovered from the proposed monthly customer charges compared to volumetric charges for certain rate classes.

Fixed Variable Recovery of Delivery Revenue
Current Rate Classes

Line No.	Particulars ($000s)	Current Delivery Revenue Customer Charges	Current Delivery Revenue Demand Charges	Current Delivery Revenue Volumetric Charges	Current Delivery Revenue Total (1)	2024 Proposed Delivery Revenue Customer Charges	2024 Proposed Delivery Revenue Demand Charges	2024 Proposed Delivery Revenue Volumetric Charges	2024 Proposed Delivery Revenue Total (2)	Fixed Recovery % Delivery Revenue (3) (4) Current Revenue	Fixed Recovery % Delivery Revenue (3) (4) Proposed Revenue	Fixed Recovery % Delivery Revenue (3) (4) Change	
		(a)	(b)	(c)	(d) = (a+b+c)	(e)	(f)	(g)	(h) = (i+j+k)	(i)	(j)	(k) = (i-j)	
	EGD Rate Zone												
1	Rate 1	566,708	-	466,397	1,033,105	595,749	-	573,364	1,169,113	55%	51%	(4%)	/u
2	Rate 6	158,827	-	288,941	447,767	165,929	-	303,933	469,862	35%	35%	(0%)	/u
3	Rate 100	22	1,784	254	2,060	84	1,953	7	2,043	88%	100%	12%	/u
4	Rate 110	3,208	19,212	14,323	36,742	2,496	35,966	(405)	38,057	61%	101%	40%	/u
5	Rate 115	180	3,928	2,842	6,950	132	5,379	(147)	5,363	59%	103%	44%	/u
6	Rate 125	26	12,460	-	12,486	144	11,356	-	11,500	100%	100%	0%	/u
7	Rate 135	62	-	1,399	1,461	246	-	1,321	1,567	4%	16%	11%	/u
8	Rate 145	26	556	1,026	1,608	26	703	(5)	724	36%	101%	65%	/u
9	Rate 170	81	1,390	1,749	3,220	81	1,164	(114)	1,131	46%	110%	64%	/u
10	Rate 200	-	2,443	2,744	5,187	-	4,482	98	4,580	47%	98%	51%	/u
11	Rate 300	-	-	-	-	-	-	-	-	0%	0%	0%	
12	Total EGD Rate Zone	729,139	41,772	779,675	1,550,586	764,887	61,002	878,051	1,703,940	50%	48%	(1%)	/u
	Union North Rate Zone												
13	Rate 01	101,802	-	124,483	226,285	101,891	-	101,899	203,790	45%	50%	5%	/u
14	Rate 10	2,025	-	28,576	30,601	2,116	-	24,077	26,192	7%	8%	1%	/u
15	Rate 20	938	23,941	5,952	30,831	756	28,658	(45)	29,369	81%	100%	19%	/u
16	Rate 25	360	-	4,505	4,865	318	-	2,517	2,836	7%	11%	4%	/u
17	Rate 100	269	8,387	3,148	11,804	216	5,433	-	5,649	73%	100%	27%	/u
18	Total Union North Rate Zone	105,394	32,329	166,663	304,386	105,297	34,092	128,448	267,837	45%	52%	7%	/u
	Union South Rate Zone												
19	Rate M1	331,708	-	216,358	548,066	331,997	-	357,854	689,850	61%	48%	(12%)	/u
20	Rate M2	7,415	-	84,753	92,168	7,746	-	100,549	108,295	8%	7%	(1%)	/u
21	Rate M4	27	22,797	12,100	34,924	18	20,694	6,140	26,852	65%	77%	12%	/u
22	Rate M5	345	178	2,151	2,674	228	172	1,257	1,658	20%	24%	5%	/u
23	Rate M7	-	24,457	3,574	28,031	-	28,154	468	28,622	87%	98%	11%	/u
24	Rate M9	-	1,645	130	1,774	-	1,806	(26)	1,780	93%	101%	9%	/u
25	Rate T1	1,216	11,758	1,338	14,311	1,692	10,338	121	12,151	91%	99%	8%	/u
26	Rate T2	3,409	73,376	2,408	79,193	1,503	83,664	584	85,751	97%	99%	2%	/u
27	Rate T3	272	7,260	272	7,804	371	8,658	-	9,029	97%	100%	3%	/u
28	Total Union South Rate Zone	344,392	141,470	323,083	808,945	343,555	153,487	466,946	963,988	60%	52%	(9%)	/u
29	Total In-franchise	1,178,925	215,571	1,269,421	2,663,917	1,213,739	248,581	1,473,445	2,935,765	52%	50%	(3%)	/u

Fixed Variable Recovery of Delivery Revenue (Continued)
Current Rate Classes

Line No.	Particulars ($000s)	Current Delivery Revenue				2024 Proposed Delivery Revenue				Fixed Recovery % Delivery Revenue (3) (4)			
		Customer Charges	Demand Charges	Volumetric Charges	Total (1)	Customer Charges	Demand Charges	Volumetric Charges	Total (2)	Current Revenue	Proposed Revenue	Change	
		(a)	(b)	(c)	(d) = (a+b+c)	(e)	(f)	(g)	(h) = (i+j+k)	(i)	(j)	(k) = (i-j)	
	Ex-franchise												
30	Rate 331	-	169	-	169	-	169	-	169	100%	100%	0%	
31	Rate 332	-	19,179	-	19,179	-	21,757	-	21,757	100%	100%	0%	/u
32	Rate 401	3,561	-	-	3,561	3,561	-	-	3,561	100%	100%	0%	
33	Rate M12/C1 Dawn-Parkway	-	104,651	-	104,651	-	100,731	-	100,731	100%	100%	0%	/u
34	Rate C1	-	14,191	-	14,191	-	13,218	-	13,218	100%	100%	0%	/u
35	Rate M13/GPA	199	-	182	381	483	-	286	769	52%	63%	11%	/u
36	Rate M16	40	191	198	428	40	161	226	427	54%	47%	(7%)	/u
37	Rate M17	26	503	-	529	25	488	-	514	100%	100%	0%	/u
38	Total Ex-franchise	3,825	138,884	380	143,089	4,109	136,524	512	141,146	100%	100%	(0%)	/u
39	Non-Utility Cross Charge	465	520	212	1,197	431	891	396	1,719	82%	77%	(5%)	/u
40	Total	1,183,216	354,975	1,270,013	2,808,203	1,218,280	385,997	1,474,353	3,078,629	55%	52%	(3%)	/u

Notes:
(1) Exhibit 8, Tab 2, Schedule 8, Attachment 1, p.2, column (a).
(2) Ibid, column (h).
(3) Fixed recovery calculated as customer charge revenue plus demand charge revenue divided by total delivery revenue.
(4) Fixed cost recovery may be over 100% of the total delivery revenue due to the gas supply optimization credits included in volumetric charge revenue, which are categorized as a delivery cost. The total recovery of both delivery and gas costs equals 100% for all rate classes.

Fixed Variable Recovery of Delivery Revenue
Harmonized Rate Classes

Line No.	Particulars ($ millions)	2024 Proposed Delivery Revenue Customer Charges	Demand Charges	Volumetric Charges	Total (1)	Fixed Recovery % Delivery Revenue (2) (3) Proposed Revenue
		(a)	(b)	(c)	(a+b+c)	(e)
	In-franchise					
1	Rate E01	1,302,883	748,170	5,589	2,056,643	100%
2	Rate E02	29,697	552,006	921	582,625	100%
3	Rate E10	4,590	113,371	(1,367)	116,594	101%
4	Rate E20	2,880	65,353	5	68,239	100%
5	Rate E22	882	9,272	-	10,154	100%
6	Rate E24	2,525	45,523	-	48,049	100%
7	Rate E30	312	4,722	(158)	4,876	103%
8	Rate E34	246	1,331	(11)	1,567	101%
9	Rate E38	-	2,022	-	2,022	100%
10	Rate E62	30	6,192	72	6,294	99%
11	Rate E64	383	8,597	-	8,980	100%
12	Total In-franchise	1,344,429	1,556,561	5,052	2,906,042	100%
	Ex-franchise					
13	Rate E60	25	260	-	285	100%
14	Rate E70	-	136,987	-	136,987	100%
15	Rate E72	40	160	230	430	47%
16	Rate E80	483	-	290	773	63%
17	Rate E82	3,561	-	-	3,561	100%
18	Total Ex-franchise	4,109	137,407	520	142,036	100%
19	Non-Utility Cross Charge	429	892	397	1,718	77%
20	Total	1,348,968	1,694,860	5,969	3,049,797	100%

Notes:

(1) Exhibit 8, Tab 2, Schedule 9, Attachment 1, p.2, column (h).

(2) Fixed recovery calculated as customer charge plus demand charge divided by total delivery revenue.

(3) Fixed cost recovery may be over 100% of the total delivery revenue due to the gas supply optimization credits included in volumetric charge revenue, which are categorized as a delivery cost. The total recovery of both delivery and gas costs equals 100% for all rate classes.

RATE DESIGN PROPOSALS

AMY MIKHAILA, MANAGER RATE DESIGN
JACKIE COLLIER, SPECIALIST RATE DESIGN

1. The purpose of this evidence is to request OEB approval of rate design proposals, including proposed changes to rate riders and rate classes proposed for elimination. This evidence also provides a list of all rate design proposals in Exhibit 8, Tab 2.

2. This evidence is organized as follows:
    1. Changes to Rate Riders
    2. Rate Classes Proposed for Elimination
    3. List of Rate Design Proposals

1. Changes to Rate Riders

3. Enbridge Gas is proposing to introduce two new rate riders as part of this Application. A description of each of the rate riders is described in this section of evidence.

4. Enbridge Gas is also proposing to remove Rider O – Average Interruptible Rate and Price Adjustment Rider upon implementation of the rate harmonization plan as it will no longer be applicable. Rider O is used for adjustments to negotiated interruptible rates for the Union rate zones, which will no longer be required under the proposed harmonized rate design.

1.1. Energy Transition Technology Fund

5. Enbridge Gas is proposing a new energy transition technology fund (ETTF) effective January 1, 2024, to be used to advance and accelerate research, development and commercialization of low-carbon technologies. A description of the ETTF proposal is provided at Exhibit 1, Tab 10, Schedule 7.

6. The ETTF has not been included in the Company's 2024 revenue requirement and as such, the allocation and recovery of the ETTF is not factored into the cost allocation study or base rate design. Enbridge Gas is proposing Rider N – Energy Transition Technology Rider be used to recover the cost of the ETTF as described in this section of the evidence.

7. Enbridge Gas proposes to recover the ETTF equally throughout the IR term at an average annual amount of $5 million. Enbridge Gas has allocated the $5 million annual amount to rate classes based on the number of customers. This allocation methodology is being proposed so that each customer contributes equally to the development of low-carbon energy solutions.

8. Enbridge Gas proposes to recover the ETTF from customers as a fixed monthly amount through a rate rider to the monthly customer charge. The fixed monthly amount has been derived by dividing the rate class allocation by the number of customers and then divided by 12 months of the year. The ETTF unit rates will recover $5 million annually on a forecast basis.

9. The ETTF allocation and derivation of unit rates is provided at Attachment 1. The allocation of the ETTF is based on the total number of in-franchise distribution

customers. The ETTF unit rate is $0.11 per month or approximately $1.32 per customer annually.

10. The ETTF rate rider for each rate class has been included as Rider N – Energy Transition Technology Rider in the combined and harmonized rate handbook provided at Exhibit 8, Tab 2, Schedule 7, Attachments 1 and 2, respectively. Enbridge Gas proposes to update the ETTF rate rider each year to reflect the forecast number of customers as part of the annual rate application during the IR term.

11. For rate classes that do not have a monthly customer charge, Enbridge Gas proposes to charge the ETTF rider as a one-time adjustment annually at the equivalent of $0.11 per month. This treatment is consistent with the approach for collection of the charge for Bill 32 and Ontario Regulation 24/19 for rate classes without a monthly customer charge.

1.2. Low-Carbon Voluntary Program

12. Enbridge Gas is proposing a new Low-Carbon Voluntary Program (LCVP) effective January 1, 2025, for large volume sales service customers, to be offered on a long-term basis.

13. The LCVP has not been included in the Company's 2024 revenue requirement, as the LCVP is effective January 1, 2025. Please see Exhibit 4, Tab 2, Schedule 7 for a description of the LCVP proposal and associated bill impacts.

14. Large volume sales service customers will have the ability to voluntarily assume an elected portion of the pass-through commodity costs associated with low-carbon

energy as part of the proposed LCVP. Enbridge Gas will charge customers who elect for the LCVP through Rider L – Low-Carbon Voluntary Program.

15. With the introduction of the LCVP, Enbridge Gas will discontinue the existing Voluntary RNG Program, subject to OEB approval in this Application. At that time, the existing Rider L for the Voluntary RNG Program will be updated to reflect the proposed Rider L for the LCVP.

16. The proposed Rider L for the LCVP is provided at Exhibit 8, Tab 2, Schedule 7, Attachment 2 as part of the harmonized rate handbook.

2. Rate Classes Proposed for Elimination

17. Enbridge Gas proposes to eliminate a number of existing rate classes and one service effective January 1, 2024, primarily due to limited or no use of the rate class. The rate classes and service proposed for elimination are shown in Table 1.

Table 1
Rate Classes and Service Proposed for Elimination in 2024

Line No.	Rate Zone	Rate Class/Service (a)
1	EGD	Rate 9
2	EGD	Rate 325
3	EGD	Rate 330
4	Union North	Rate 30
5	Union North	Natural Gas Liquefaction Gas Supply Service
6	Union South	Rate M10
7	Union South	Rate U2
8	Union South	Rate R1

2.1. Rate 9

18. Rate 9 is a container service available in the EGD rate zone for customers needing to use the Company's natural gas distribution system to fill pressurized containers to be resold by the customer. There are two customers who take service under Rate 9. Enbridge Gas proposes to provide the customers with the service option as part of a general service rate class Rate 6 effective January 1, 2024. As a result of differences in unit rates between Rate 9 and Rate 6, the two customers will see a decrease to their total bill. Total revenue from Rate 9 customers was $0.007 million in 2021. The decrease in revenue from these customers will not materially impact other customers.

2.2. Rate 325

19. Rate 325 is a transmission, compression and storage service provided by the EGD rate zone to the Union rate zone for the Black Creek and Dow Moore storage pools. Under the current rate setting mechanism during the deferred rebasing term, invoicing between the EGD and Union rate zones has been maintained using Rate 325 charges. For 2024, invoicing between rate zones will end as a result of the cost allocation process for the Test Year. As such, there is no need to maintain Rate 325 as there will be no customers charged under the service.

2.3. Rate 330

20. Rate 330 is a storage service available in the EGD rate zone. There is no record of customers having taken service under Rate 330. As such, there is no customer impact with the elimination of the service.

2.4. Rate 30

21. Rate 30 is an intermittent gas supply service and short-term balancing service available to direct purchase (DP) customers in the Union North rate zone. The Company will continue to offer similar services to DP customers as a balancing transaction service as part of Rider A in the rate handbook. As such, continuation of a rate schedule for the Rate 30 gas supply service is no longer required.

2.5. Natural Gas Liquefaction Gas Supply Service

22. The natural gas liquefaction gas supply service was approved with Union's Hagar Liquefaction Service Rate[1] Application to provide LNG customers with the option to contract with the Company for the supply and transportation to the delivery area of the natural gas commodity. The commodity supply and transportation service was provided as a Rate 25 interruptible sales service option at a negotiated rate up to a posted maximum price. Enbridge Gas is proposing to eliminate the natural gas liquefaction gas supply service from the rate schedules for 2024, consistent with the elimination of Union's negotiated Rate 25 gas supply charge for unbundled customers from the services offered, as provided at Exhibit 8, Tab 4, Schedule 5. There are no customers currently taking the service and the Company is not forecasting any customers to take the service. As such, the elimination of the natural gas liquefaction gas supply service will result in no customer impacts.

2.6. Rate M10

23. Rate M10 is a non-contract distribution service available to wholesale customers in the Union South rate zone. As a non-contract distribution service, the service characteristics and cost to serve customers in Rate M10 are very similar to the cost to serve in-franchise customers through general service. There are three customers

[1] EB-2014-0012.

who take service under Rate M10. Effective January 1, 2024, Enbridge Gas is proposing to provide service to the customers under Union South general service rate classes Rate M1 or Rate M2 as appropriate. As a result of differences in unit rates between Rate M10 and Rate M1/M2, the three customers will see a modest decrease to their total bill. Total revenue from Rate M10 customers was $0.070 million in 2021. The decrease in revenue from these customers will not materially impact other customers.

2.7. Rate U2

24. Rate U2 is a general service unbundled storage service available in the Union South rate zone that has been available for over 20 years. Rate U2 was first introduced in Union's Unbundling proceeding[2] and is the last remaining unbundled storage service introduced as part of that proceeding. The equivalent service for the Union North rate zone offered under Rate S1 was eliminated as part of Union's 2017 Rates proceeding[3]. Only one customer has contracted for the service under Rate U2 since it was introduced. The customer terminated its Rate U2 contract in 2017, and as such, there are no customers currently taking the service and the Company is not forecasting any customers to take the service. As such, the elimination of the Rate U2 rate schedule will result in no customer impacts.

2.8. Rate R1

25. Rate R1 is a bundled DP contract rate schedule available in the Union South that contains services specific to bundled DP customers. The services provided on the Rate R1 rate schedule have been incorporated into the balancing transaction services as part of Rider A in the rate handbook. As such, continuation of the Rate

[2] RP-1999-0017.
[3] EB-2016-0245.

R1 rate schedule for these services is no longer required. There are no customer impacts of the elimination of the Rate R1 rate schedule as the services are still available to customers.

3. List of Rate Design Proposals

26. As part of this Application, Enbridge Gas is requesting approval of proposed rates set for the current rate classes and harmonized rate classes using the adjusted 2024 Test Year revenue requirement. Subject to OEB approval, rates effective January 1, 2024, will be the proposed rates for the current rate classes. The proposed rates for the harmonized rate classes will be implemented on April 1, 2025, for the general service rate classes and April 1, 2026, for contract rate classes per the rate implementation plan.[4] As such, certain rate design proposals are proposed for implementation in 2024 while others are not proposed for implementation until the harmonized services or rate classes are in place post 2024.

27. Please see Attachment 2 for the rate design proposals effective January 1, 2024, and Attachment 3 for the rate design proposals effective post 2024.

[4] Rates implemented post 2024 for the harmonized rate classes will be those approved for the 2024 Test Year in this Application plus annual IRM adjustments to the date of implementation.

Derivation of Energy Transition Technology Fund Rider Unit Rates

Line No.	Particulars	2024 ETTF Allocation ($000s) (1)	2024 Forecast Number of Customers	2024 Monthly Charge per Customer ($/month)
		(a)	(b)	(c) = (a / b / 12 * 1000)
	EGD Rate Zone			
1	Rate 1	2,757	2,158,512	0.11
2	Rate 6	221	172,843	0.11
3	Rate 100	0	14	0.11
4	Rate 110	1	416	0.11
5	Rate 115	0	22	0.11
6	Rate 125	0	4	0.11
7	Rate 135	0	41	0.11
8	Rate 145	0	5	0.11
9	Rate 170	0	11	0.11
10	Rate 200 (2)	0	0	0.00
11	Rate 300 (3)	0	0	0.11
12	Total EGD Rate Zone	2,978	2,331,868	
	Union North Rate Zone			
13	Rate 01	472	369,169	0.11
14	Rate 10	3	2,204	0.11
15	Rate 20	0	62	0.11
16	Rate 25	0	4	0.11
17	Rate 100	0	12	0.11
18	Total Union North Rate Zone	474	371,451	
	Union South Rate Zone			
19	Rate M1	1,536	1,202,887	0.11
20	Rate M2	10	8,069	0.11
21	Rate M4	0	225	0.11
22	Rate M5	0	37	0.11
23	Rate M7	0	61	0.11
24	Rate M9 (2)	0	0	0.00
25	Rate T1	0	46	0.11
26	Rate T2	0	41	0.11
27	Rate T3 (2)	0	0	0.00
28	Total Union South Rate Zone	1,547	1,211,366	
29	Total	5,000	3,914,685	0.11

Notes:
(1) ETTF balance of $5 million allocated to rate classes based on number of customers from column
(2) Wholesale rate classes are excluded from the allocation of the ETTF.
(3) The ETTF rate rider is applicable to rate classes with no forecast of customers.

2024 Rate Design Proposals

Line No.	Rate Design Proposal	Evidence Reference
	General	
1	Enbridge Gas is proposing recovery of the adjusted revenue deficiency of $263.4 million (Exhibit 7, Tab 1, Schedule 1, Attachment 1) through rates as proposed in Exhibit 8.	Exhibit 8, Tab 1, Schedule 1
2	Enbridge Gas is proposing to eliminate a number of existing rate classes primarily due to limited or no use of the rate class. Specific proposals include: • Elimination of Rate 325 and Rate 330 in the EGD rate zone, Rate 30 in the Union North rate zone and Rate U2 in the Union South rate zone; • Elimination of Rate 9 with proposal to provide customers with a general service option as part of Rate 6; and • Elimination of Rate M10 with proposal to provide customers with a general service option as part of Rate M1 or Rate M2.	Exhibit 8, Tab 1, Schedule 2
3	Enbridge Gas is proposing to introduce a new rate rider effective January 1, 2024: • Rider N - Energy Transition Technology Fund Rider – Enbridge Gas proposes to recover the Energy Transition Technology Fund from customers as a fixed monthly amount through a rate rider to the monthly customer charge.	Exhibit 8, Tab 1, Schedule 2
4	Enbridge Gas is proposing to harmonize the EGD and Union rate zones into one rate zone. The Application has been prepared based on one rate zone for purposes of cost allocation and rate design.	Exhibit 8, Tab 2, Schedule 1

5	Enbridge Gas is proposing a change to the rate design for the gas supply commodity charge and gas supply transportation charges for the current rate classes. Specific rate design proposals include:
	• A common gas supply commodity charge for all sales service customers based on the common reference price proposal;
	• A common unit rate for sales service use of Rate C1 Ojibway/St. Clair to Dawn included in the gas supply commodity charge;
	• Two gas supply transportation charges:
	  • A gas supply transportation charge applicable to sales service and bundled direct purchase customers with an obligated point of receipt at Dawn, Parkway, or Enbridge CDA;
	  • A gas supply Western transportation charge applicable to bundled direct purchase customers with an obligated point of receipt at Empress. Enbridge Gas proposes to update the price difference between the two gas supply transportation charges each year with the January QRAM; and
	• To charge the gas supply transportation charge to EGD rate zone Ontario T-Service customers which is partly offset by the Parkway Delivery Commitment Incentive these customers will receive (Exhibit 4, Tab 7, Schedule 1).
		Exhibit 8, Tab 2, Schedule 2

2024 Rate Design Proposals (Continued)

Line No.	Rate Design Proposal	Evidence Reference
	In-franchise Rate Design	
6	Enbridge Gas is proposing to limit the applicability of Rate 200 to existing distributors similar to the applicability limit on Rate M9 and Rate T3.	Exhibit 8, Tab 2, Schedule 4
7	Enbridge Gas is proposing a straight fixed variable rate design for current contract service rate classes where possible. The proposed rate design recovers fixed costs (customer and demand-related) through fixed charges (monthly customer charge and demand charges), with few exceptions. Specific rate design proposals include: • Setting the monthly customer charge levels at amounts designed to mitigate bill impacts; • Elimination of the monthly transportation account charge for Rate 20, Rate 25 and Rate 100 in the Union North rate zone; • A rate design methodology for Rate 300 based on Rate 125 due to there being no Rate 300 customers forecast in 2024; • Storage rates based on the average storage rates for Rate 315 and Rate 316 in the EGD rate zone, Rate 20 and Rate 100 bundled storage in the Union North rate zone, and Rate T1, Rate T2, Rate T3 in the Union South rate zone; and • The ability to charge negotiated interruptible rates that are below the posted rate in an effort to incent adoption of interruptible services to support integrated resource planning (IRP).	Exhibit 8, Tab 2, Schedule 4
	Ex-franchise Rate Design	
8	Enbridge Gas is proposing a change to the rate design for Rate M12/C1 transportation demand charges on the Dawn Parkway System to recover Dawn Station, Kirkwall Station and Parkway Station demand costs based on the use of the assets required to provide each service option.	Exhibit 8, Tab 2, Schedule 5
9	Enbridge Gas is proposing a change to the rate design for Rate C1 firm transportation from St. Clair, Bluewater, and Ojibway to Dawn to recognize the gas on these paths flows counter to the direction of flow on a peak day and the system does not require additional facilities to provide the service.	Exhibit 8, Tab 2, Schedule 5
10	Enbridge Gas is proposing to introduce two monthly fixed charges for Rate M13 producers to recognize differences in costs for stations that have a remote terminal unit.	Exhibit 8, Tab 2, Schedule 5

2024 Rate Design Proposals (Continued)

Line No.	Rate Design Proposal	Evidence Reference
11	Enbridge Gas is proposing to charge producers under a Gas Purchase Agreement one of the Rate M13 monthly fixed charges based on the nature of the producer's station.	Exhibit 8, Tab 2, Schedule 5
12	Enbridge Gas is proposing the introduction of a renewable natural gas (RNG) sampling charge for RNG producers to recognize the incremental cost of RNG sampling.	Exhibit 8, Tab 2, Schedule 5
13	Enbridge Gas is proposing a change to the derivation of the Rate M13 and Rate M16 transmission commodity charge to be set at 50% of the commoditized Rate M12 Dawn to Parkway demand rate excluding Parkway Station.	Exhibit 8, Tab 2, Schedule 5
14	Enbridge Gas is proposing a non-utility cross charge associated with the Dow Moore and Black Creek storage pools for costs that were previously invoiced by EGD to Union and allocated to the unregulated operations.	Exhibit 8, Tab 2, Schedule 5
15	Enbridge Gas is proposing to maintain the non-utility cross charge associated with the Hagar Liquefaction Service of $1.59/GJ for 2024 and the IR term.	Exhibit 8, Tab 2, Schedule 5
	Mitigation, Rate Handbook and Other	
16	Enbridge Gas is proposing a rate mitigation plan to manage and smooth bill impacts to customers. The rate mitigation proposals include: • Phase in of the capital structure of equity thickness; • Disposition of deferral and variance account balances; and • Rate design adjustments.	Exhibit 8, Tab 2, Schedule 6
17	Enbridge Gas is proposing one combined rate handbook that incorporates the rates classes of the EGD and Union rate zones. A standard presentation between EGD and Union rate schedules has been proposed.	Exhibit 8, Tab 2, Schedule 7

2024 Rate Design Proposals (Continued)

Line No.	Rate Design Proposal	Evidence Reference
18	Enbridge Gas is proposing to harmonize, eliminate, and establish new miscellaneous service charges to reflect the operations and services of the amalgamated utility. Enbridge Gas is also proposing to harmonize the direct purchase charges, including the direct purchase administration charge (DPAC) and the distributor consolidated billing (DCB)	Exhibit 8, Tab 3, Schedule 1 and 2
19	Enbridge Gas is proposing to harmonize other bundled transactional balancing charges and eliminate the Union supplied fuel (USF) option available to certain in-franchise and ex-franchise transportation customers. Enbridge Gas also proposes to eliminate the formula for the yearly commodity revenue requirement (YCRR) for Rate M12, applicable to the USF option. Enbridge Gas also proposes to eliminate the charges for the name change service to align with similar services in	Exhibit 8, Tab 4, Schedule 3 to 6

Post 2024 Rate Design Proposals

Line No.	Rate Design Proposal	Evidence Reference
	General	
1	Enbridge Gas is proposing to establish harmonized rate classes to support the rate harmonization plan.	Exhibit 8, Tab 2, Schedule 1
2	Enbridge Gas is proposing to phase in the rate harmonization plan, which includes the implementation of harmonized general service rate classes on April 1, 2025 and the implementation of contract rate classes on April 1, 2026.	Exhibit 8, Tab 2, Schedule 1
3	Enbridge Gas is proposing to introduce service areas as geographic regions within the Enbridge Gas franchise area where the availability of services may be limited and/or where additional charges for service may apply.	Exhibit 8, Tab 2, Schedule 1
4	Enbridge Gas is proposing to introduce a new rate rider effective January 1, 2025: • Rider L - Low-Carbon Voluntary Program Rider – Enbridge Gas proposes to charge customers who elect the Low-Carbon Voluntary Program through a new rate rider and discontinue the existing Rider L for the voluntary Renewable Natural Gas program, effective January 1, 2025.	Exhibit 8, Tab 1, Schedule 2
	General Service Rate Design	
5	Enbridge Gas is proposing two harmonized general service rate classes. One for small general service customers with peak demand <= 150 m^3/d (Rate E01) and another for general service customer with peak demand > 150 m^3/d (Rate E02).	Exhibit 8, Tab 2, Schedule 3
6	Enbridge Gas is proposing straight fixed variable with demand rate design for general service rate classes. The proposed rate design recovers fixed costs through fixed charges and introduces recovery of demand-related costs through a demand charge.	Exhibit 8, Tab 2, Schedule 3
7	Enbridge Gas is proposing a monthly customer charge for the general service rate class (Rate E02) that is equal to the monthly customer charge for the small general service rate class (Rate E01).	Exhibit 8, Tab 2, Schedule 3

Post 2024 Rate Design Proposals (Continued)

Line No.	Rate Design Proposal	Evidence Reference
	In-franchise Rate Design	
8	Enbridge Gas is proposing harmonized in-franchise contract service rate classes effective April 1, 2026.	Exhibit 8, Tab 2, Schedule 4
9	Enbridge Gas is proposing a straight fixed variable rate design for harmonized in-franchise contract rate classes. The proposed rate design recovers fixed costs (customer and demand-related) through fixed charges (monthly customer charge and demand charges), effective April 1, 2026. Specific April 1, 2026 proposals include: • The monthly customer charge will be applied to a customer only once. The monthly customer charge will apply to a customer's firm service or interruptible or seasonal service if a customer does not have a firm service; • Demand block tiers for certain rate classes; • Interruptible contract demand charges for rate classes with an interruptible service and eliminating the negotiated interruptible rate design of certain current rate classes; • The pre-authorized interruptible charge be based on the authorized interruptible overrun charge; • Commissioning/decommissioning charges be based on the authorized overrun charges; • The Rate E30 firm demand charge will be based on the Rate E02 demand charge; • A Rate E34 unauthorized overrun charge during the winter months that is equal to the commoditized demand charge for 121 days of winter at 120%; and • An unauthorized overrun (first occurrence) charge that is equal to the authorized overrun charge for all rate classes.	Exhibit 8, Tab 2, Schedule 4
	Ex-franchise Rate Design	
10	Enbridge Gas is proposing harmonized ex-franchise contract service rate classes effective April 1, 2026. The harmonized Rate E70 combines Rate 331, Rate 332, Rate M12, Rate C1 and Rate M17 Dawn Parkway System transportation into one rate class.	Exhibit 8, Tab 2, Schedule 5
11	Enbridge Gas is proposing to harmonize producer injection services under harmonized Rate E80, effective April 1, 2026. Enbridge Gas is also proposing to continue to offer RNG injections services for existing Rate 401 customers under Rate E82.	Exhibit 8, Tab 2, Schedule 5

Post 2024 Rate Design Proposals (Continued)

Line No.	Rate Design Proposal	Evidence Reference
12	Enbridge Gas is proposing to separate the Rate M17 demand charges into two charges for the harmonization proposal effective April 1, 2026. One demand charge for the Dawn Parkway System transportation under Rate E70 and the other to transport gas from the Dawn Parkway System to the customer's delivery area under Rate E60.	Exhibit 8, Tab 2, Schedule 5
	Mitigation, Rate Handbook and Other	
13	Enbridge Gas is proposing a rate mitigation plan to manage bill impacts through rate design adjustments.	Exhibit 8, Tab 2, Schedule 6
13	Enbridge Gas is proposing a harmonized rate handbook for the rate schedules of the harmonized rate classes.	Exhibit 8, Tab 2, Schedule 7
14	Enbridge Gas is proposing to harmonize other balancing charges and non-compliance charges, effective April 1, 2026. • Bundled compliance charges; • Semi-unbundled compliance charges; and • Unbundled UBS charges and compliance charges.	Exhibit 8, Tab 4, Schedule 3 to 5
15	Enbridge Gas is proposing a Rate Harmonization Variance Account to record variances in revenue resulting from customers electing a service option different than the one assumed in the harmonized customer forecast.	Exhibit 9, Tab 1, Schedule 3

REVENUE-TO-COST RATIOS

AMY MIKHAILA, MANAGER RATE DESIGN
JACKIE COLLIER, SPECIALIST RATE DESIGN

1. The purpose of this evidence is to provide an overview of the revenue-to-cost ratios for the 2024 Test Year. Enbridge Gas has provided the revenue-to-cost ratios based on the current rate classes and the proposed harmonized rate classes.

2. The recovery of the adjusted 2024 revenue requirement by current and harmonized rate class is provided at Exhibit 8, Tab 2, Schedules 8 and 9, respectively. The proposed revenues are compared to the allocated costs per rate class, generating a revenue-to-cost ratio for each rate class. A comparison of the revenue-to-cost ratios to the most recent revenue-to-cost ratios is discussed below.

3. The revenue-to-cost ratios were reviewed by the OEB in 2018 for the EGD rate zone[1] and in 2013 for the Union rate zones[2]. Enbridge Gas has restated the revenue-to-cost ratios from 2013 for the Union rate zones to combine rate components for comparability with EGD's revenue-to-cost ratios that are calculated for the total rate class and for comparability to the 2024 revenue-to-cost ratios.[3]

4. A revenue-to-cost ratio of 1.0 (or unity) recognizes the proposed revenue is equal to the allocated costs to the rate class. Revenue-to-cost ratios are an outcome, not an input, of the cost allocation process and rate design considerations.

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[1] EB-2017-0086.
[2] EB-2011-0210.
[3] Union's 2013 revenue-to-cost ratios were separated into delivery and Union North transportation and storage components and excluded gas commodity.

5. The rate design process ensures the 2024 revenue recovers the total revenue requirement, such that the revenue-to-cost ratio for the 2024 Test Year is 1.0. A summary of the in-franchise and ex-franchise total revenue-to-cost ratios is provided in Table 1.

Table 1
Summary of 2024 Revenue-to-Cost Ratios

Line No.	Particulars ($ millions)	Proposed Revenue	Revenue Requirement	Over/(Under) Contribution	Revenue-to-Cost Ratio	
		(a)	(b)	(c) = (a - b)	(d) = (a / b)	
1	In-franchise	6,138.3	6,158.1	(19.8)	0.997	/u
2	Ex-franchise	172.8	154.8	18.1	1.117	/u
3	Non-Utility Cross Charge	1.7	-	1.7	-	
4	Total	6,312.9	6,312.9	-	1.000	/u

6. The total in-franchise revenue-to-cost ratio of 0.997 is less than one due to the contribution certain ex-franchise service charges provide toward recovery of fixed costs without an associated allocation of costs from the Cost Allocation Study. The net revenue for these services flows as a benefit to in-franchise rate classes through storage and transportation margin (S&T margin). Accordingly, the revenue-to-cost ratio is greater than one for ex-franchise rate classes of 1.117. In total, in-franchise customer revenue is less than the allocated costs by $19.8 million as a result of the S&T margin of $18.1 million as well as the non-utility cross charge of $1.7 million. /u /u

1. Current Rate Classes

7. A summary of the revenue-to-cost ratio results for each of the current rate class is provided at Attachment 1.

1.1. In-franchise Rate Classes

8. For many in-franchise rate classes, the 2024 revenue-to-cost ratio has improved since the last revenue-to-cost ratio reviewed by the OEB. Enbridge Gas considers an improvement in revenue-to-cost ratios when the ratio is closer to 1.0 than the previous revenue-to-cost ratio. There are seven in-franchise rate classes where the revenue-to-cost ratios have not improved and an explanation for the reason has been included in Table 2.

Table 2
Exceptions to Revenue-to-Cost Ratio Improvements

Line No.	Particulars	Revenue-to-Cost Ratio (1) 2024	2013/ 2018	Difference	Explanation (2)
		(a)	(b)	(c) = (a - b)	(d)
	EGD Rate Zone				
1	Rate 100 (3)	1.074	-	1.074	The 2024 ratio reflects rate mitigation of $0.4 million provided as a benefit to other rate classes. While the 2024 ratio is greater than 1.0, the revenue from the rate class is slightly declining in 2024.
2	Rate 135	0.775	0.899	(0.124)	The 2024 ratio reflects rate mitigation of ($0.9) million provided to Rate 135.
3	Rate 200	0.997	1.001	(0.005)	The 2024 ratio reflects an allocation of S&T margin where 2018 ratio was > 1.0 without S&T margin.
	Union North Rate Zone				
4	Rate 20	1.594	0.868	0.730	The 2024 ratio reflects rate mitigation of $14.8 million provided as a benefit to other rate classes. While the 2024 ratio is greater than 1.0, the revenue from the rate class is declining in 2024. /u
	Union South Rate Zone				
5	Rate M1	0.998	0.999	(0.001)	The 2024 ratio reflects the rate class allocation of S&T margin only.
6	Rate T1	0.990	1.000	(0.010)	The 2024 ratio reflects the rate class allocation of S&T margin only. In 2013, the S&T margin was reallocated away from the rate class for a ratio of 1.0.
7	Rate T2	0.983	1.000	(0.017)	The 2024 ratio reflects the rate class allocation of S&T margin only. In 2013, the S&T margin was reallocated away from the rate class for a ratio of 1.0.

Notes:
(1) Attachment 1, columns (d) and (e).
(2) Rate mitigation and S&T margin by rate class provided at Exhibit 8, Tab 2, Schedule 8, Attachment 1. Some rate classes with rate mitigation have an improvement in revenue-to-cost ratios, and as such, are not included in this table.
(3) There were no customers included in the forecast for Rate 100 in the EGD rate zone for 2018.

9. There are two in-franchise rate classes where the revenue-to-cost ratios exceed 1.0: Rate 100 in the EGD rate zone and Rate 20 in the Union North rate zone. Both rate classes are included in Table 2. It was necessary for Enbridge Gas to exceed a revenue-to-cost ratio for these rate classes in order to mitigate rate increases in other rate classes as part of the rate mitigation plan provided at Exhibit 8, Tab 2, Schedule 6. Although the revenue-to-cost ratio exceeds 1.0, Enbridge Gas notes that the 2024 revenue for each class is less than the revenue at current rates. In other words, despite a revenue-to-cost ratio greater than 1.0, the rate class is experiencing an average rate decrease.

10. In the OEB Decision in Union's 2013 Cost of Service proceeding,[4] the OEB noted that no in-franchise rate class should have a revenue-to-cost ratio greater than 1.0 but indicated there may be circumstances supported by compelling rationale where a revenue-to-cost ratio may be greater than 1.0.[5] In these two cases compelling rationale exists for revenue-to-cost ratios above 1.0 in order for Enbridge Gas to mitigate rate increases in other rate classes while still ensuring the total revenue of rate classes where the revenue-to-cost ratio is greater than 1.0 is declining.

11. The detailed derivation of revenue-to-cost ratios for the current rate classes is provided at Exhibit 8, Tab 2, Schedule 8, Attachment 1.

1.2. Ex-franchise Rate Classes

12. Revenue-to-cost ratios for certain ex-franchise rate classes exceed 1.0 as there are minimal, or no costs allocated through the Cost Allocation Study. Through the rate design process, a reasonable rate for the service is derived to provide a

[4] EB-2011-0210.
[5] EB-2011-0210, OEB Decision and Order, October 24, 2012, p.85.

contribution towards the recovery of fixed costs. The net revenue for these rate classes flows as a benefit to in-franchise rate classes through S&T margin. The S&T margin is to the benefit of in-franchise rate classes because it partly offsets the allocated costs to in-franchise rate classes through the cost allocation process. An attempt to allocate the costs to the ex-franchise rate classes would complicate the Cost Allocation Study by requiring multiple direct assignments.

2. Harmonized Rate Classes

13. A summary of the revenue-to-cost ratio results for each harmonized rate class is provided at Attachment 2.

14. A comparison of revenue-to-cost ratios to the last reviewed revenue-to-cost ratios is not available for the harmonized rate classes, as the harmonized rate classes are not comparable to the current rate classes.

15. There are two in-franchise harmonized rate classes, Rate E30 and Rate E38, where the revenue-to-cost ratio exceeds 1.0.
    - For Rate E30, the revenue-to-cost ratio of 1.072 equates to $0.9 million resulting from a rate design adjustment between Rate E30 (interruptible service) and Rate E34 (seasonal service) to ensure the rates for each service are relatively comparable to each other as customers have a choice between the two services; and
    - For Rate E38, the revenue-to-cost ratio of 1.043 equates to $0.2 million resulting from the Rate E38 rate design based on average utility storage costs rather than the directly allocated costs from the Cost Allocation Study. The average utility storage costs are provided at Exhibit 8, Tab 2, Schedule

8, Attachment 5. Enbridge Gas has credited the $0.2 million to Rate E22 and Rate E24 customers since these classes use the Rate E38 service.

16. Similar to the current rate classes, there are ex-franchise rate classes where the revenue-to-cost ratio exceeds 1.0 as a result of the rate design process and the S&T margin benefit that is provided to in-franchise rate classes as discussed above.

17. The detailed derivation of revenue-to-cost ratios for the harmonized rate classes is provided at Exhibit 8, Tab 2, Schedule 9, Attachment 1.

Revenue-to-Cost Ratios
Current Rate Classes

Line No.	Particulars ($000s)	2024 Revenue (1)	2024 Revenue Requirement (2)	2024 Over/(Under) Contribution	Revenue-to-Cost Ratio 2024	Revenue-to-Cost Ratio 2013/ 2018 (3)	Revenue-to-Cost Ratio Difference	
		(a)	(b)	(c)	(d) = (a / b)	(e)	(f) = (d - e)	
	EGD Rate Zone							
1	Rate 1	2,317,789	2,323,157	(5,368)	0.998	1.006	(0.008)	/u
2	Rate 6	1,206,531	1,211,322	(4,791)	0.996	0.995	0.001	/u
3	Rate 100	5,595	5,212	383	1.074	0.000	1.074	/u
4	Rate 110	76,642	77,191	(550)	0.993	0.990	0.003	/u
5	Rate 115	10,457	10,573	(116)	0.989	0.977	0.012	/u
6	Rate 125	12,286	12,286	-	1.000	0.958	0.042	/u
7	Rate 135	3,103	4,005	(902)	0.775	0.899	(0.124)	/u
8	Rate 145	1,031	1,031	-	1.000	0.618	0.382	/u
9	Rate 170	6,085	6,085	-	1.000	0.809	0.191	/u
10	Rate 200	37,257	37,385	(127)	0.997	1.001	(0.005)	/u
11	Rate 300	-	-	-	0.000	0.561	0.000	/u
12	Total EGD Rate Zone	3,676,776	3,688,246	(11,471)	0.997	1.000	(0.003)	/u
	Union North Rate Zone							
13	Rate 01	421,400	422,388	(988)	0.998	0.988	0.009	/u
14	Rate 10	68,362	68,653	(292)	0.996	0.982	0.014	/u
15	Rate 20	38,653	24,255	14,398	1.594	0.868	0.726	/u
16	Rate 25	4,216	4,216	-	1.000	0.933	0.067	/u
17	Rate 100	6,965	6,965	-	1.000	0.999	0.001	/u
18	Total Union North Rate Zone	539,595	526,477	13,118	1.025	0.979	0.046	/u
	Union South Rate Zone							
19	Rate M1	1,405,466	1,408,628	(3,162)	0.998	0.999	(0.001)	/u
20	Rate M2	280,787	281,959	(1,172)	0.996	0.988	0.008	/u
21	Rate M4	50,611	58,028	(7,417)	0.872	0.819	0.053	/u
22	Rate M5	2,849	2,853	(4)	0.999	0.849	0.149	/u
23	Rate M7	52,629	60,245	(7,617)	0.874	0.793	0.080	/u
24	Rate M9	6,573	6,623	(50)	0.992	0.946	0.047	/u
25	Rate T1	13,433	13,568	(135)	0.990	1.000	(0.010)	/u
26	Rate T2	99,296	101,005	(1,708)	0.983	1.000	(0.017)	/u
27	Rate T3	10,331	10,500	(169)	0.984	0.943	0.040	/u
28	Total Union South Rate Zone	1,921,974	1,943,408	(21,434)	0.989	0.991	(0.002)	/u
29	Total In-franchise	6,138,345	6,158,131	(19,786)	0.997	Note (4)		/u
	Ex-franchise (5)							
30	Rate 331	169	6	163	30.187	1.000	29.187	
31	Rate 332	21,757	21,757	0	1.000	1.002	(0.002)	/u
32	Rate 401	3,561	-	3,561	0.000	0.000	0.000	
33	Rate M12/C1 Dawn to Parkway	127,302	127,291	11	1.000	1.000	0.000	/u
34	Rate C1	17,701	4,582	13,119	3.863	3.087	0.776	/u
35	Rate M13	892	125	767	7.121	1.952	5.169	/u
36	Rate M16	877	455	422	1.928	1.634	0.294	/u
37	Rate M17	584	558	25	1.045	0.000	Note (6)	/u
38	Total Ex-franchise	172,842	154,774	18,068	1.117	Note (4)		/u
39	Non-Utility Cross Charge	1,719	-	1,719	0.000	0.000	0.000	/u
40	Total	6,312,905	6,312,905	-	1.000	1.000	0.000	/u

Notes:

(1) Exhibit 8, Tab 2, Schedule 8, Attachment 1, p.1, column (h).

(2) Ibid, column (e).

(3) The last review of the revenue-to-cost ratio was 2018 for the EGD rate zone and 2013 for the Union rate zones.

(4) Total in-franchise and ex-franchise revenue-to-cost ratios are not available due to combining EGD and Union rate classes.

(5) Revenue-to-cost ratios for certain ex-franchise rate classes exceed 1.0 as there are minimal, or no costs allocated through the Cost Allocation Study. For 2024, Enbridge Gas has simplified its Cost Allocation Study which resulted in fewer costs allocated to ex-franchise rate classes than past cost allocation methodologies and a larger revenue-to-cost ratio. Rates for these rate classes are not based on an allocation of costs but rather, through the rate design process, a reasonable rate for the service is derived to provide a contribution towards the recovery of fixed costs.

(6) Rate M17 was approved by the OEB during Union's 2014 to 2018 IRM term and as such, there is no comparable revenue-to-cost ratio.

Revenue-to-Cost Ratios
Harmonized Rate Classes

Line No.	Particulars ($000s)	2024 Revenue (1)	Revenue Requirement (2)	Over/(Under) Contribution	Revenue-to-Cost Ratio
		(a)	(b)	(c)	(d) = (a / b)
	In-franchise				
1	Rate E01	4,090,640	4,100,074	(9,434)	0.998
2	Rate E02	1,581,859	1,588,197	(6,338)	0.996
3	Rate E10	216,279	218,064	(1,786)	0.992
4	Rate E20	79,115	80,312	(1,197)	0.985
5	Rate E22	11,454	11,550	(96)	0.992
6	Rate E24	53,357	54,147	(790)	0.985
7	Rate E30	13,314	12,414	900	1.072
8	Rate E34	3,580	4,482	(902)	0.799
9	Rate E38	4,978	4,774	204	1.043
10	Rate E62	43,764	43,942	(178)	0.996
11	Rate E64	10,282	10,451	(169)	0.984
12	Total In-franchise	6,108,622	6,128,408	(19,786)	0.997
	Ex-franchise (3)				
13	Rate E60	296	271	25	1.094
14	Rate E70	168,100	154,814	13,286	1.086
15	Rate E72	880	455	425	1.935
16	Rate E80	896	125	771	7.151
17	Rate E82	3,561	0	3,561	0.000
18	Total Ex-franchise	173,733	155,665	18,068	1.116
19	Non-Utility Cross Charge	1,718	0	1,718	0.000
20	Total	6,284,073	6,284,073	0	1.000

Notes:

(1) Exhibit 8, Tab 2, Schedule 9, Attachment 1, p.1, column (h).

(2) Ibid, p.1, column (e).

(3) Revenue-to-cost ratios for certain ex-franchise rate classes exceed 1.0 as there are minimal, or no costs allocated through the Cost Allocation Study. Rates for these rate classes are not based on an allocation of costs but rather, through the rate design process, a reasonable rate for the service is derived to provide a contribution towards the recovery of fixed costs.

CUSTOMER-RELATED COSTS

AMY MIKHAILA, MANAGER RATE DESIGN
ANTON KACICNIK, MANAGER REGULATORY APPLICATIONS
JACKIE COLLIER, SPECIALIST RATE DESIGN

1. The purpose of this evidence is to provide an overview of the monthly customer charge and the recovery of customer-related costs for each rate class. In accordance with the Filing Requirements[1], the Company has provided a comparison of the allocated customer-related costs per customer per month by rate class to the level of the proposed fixed monthly customer charges based on the current rate classes and the harmonized rate classes provided at Attachment 1 and Attachment 2, respectively.

2. Cost recovery is based on the nature of costs, as defined by the Cost Allocation Study. The categories include demand, customer and commodity costs.
   a) Demand-related costs vary with the usage of the system on design day. These costs relate to investment in assets for the transmission, storage and distribution systems;
   b) Customer-related costs relate to the cost of the customer taking service and do not vary with either the usage of the system on design day or the level of gas consumed. These costs reflect the cost of providing service connection to the gas distribution system and the cost of customer care activities, including investments in assets such as services, meters and stations and utility activities such as metering, billing, payment, collection, and customer service; and

[1] Per OEB Filing Requirements for Natural Gas Rate Applications, February 16, 2017, pp.34-35.

c) Commodity costs vary with the volume of gas consumed and include costs such as gas supply commodity, unaccounted for gas, compressor fuel.

3. In a straight fixed variable rate design such as that proposed by Enbridge Gas in this Application, the demand, customer and commodity costs are generally recovered in monthly demand charges, customer charges and commodity charges, respectively. This evidence provides the proposed level of the fixed monthly customer charge for each rate class. To the extent that the customer-related costs are not recovered in the fixed monthly customer charge, the Company has proposed to recover the costs in the fixed demand charges for the rate class. If the rate class does not have fixed demand charges, the customer-related costs have been recovered in the delivery commodity charges. This ensures that the allocation of customer-related costs to each rate class are recovered from only customers within that rate class.

4. Total customer-related costs identified through the cost allocation study process is $1.4 billion. Customer-related costs are part of the Distribution function in the Cost Allocation Study in the following classification categories[2]: /u
   - Distribution mains;
   - Distribution services;
   - Distribution meters;
   - Distribution stations; and
   - Customer specific allocation.

5. The monthly customer charge derived through the rate design process is charged to customers on a monthly basis and each customer in the rate class is charged the

[2] Exhibit 7, Tab 2, Schedule 1, Attachment 7.

same monthly customer charge regardless of demand of the customer or the volume of gas consumed during the month.

6. In previous cost of service applications, EGD and Union had different approaches regarding the setting of the monthly customer charge. EGD typically kept the monthly customer charge constant and did not adjust the monthly customer charge to align with customer-related costs. Union used the customer-related costs as a guide to set the monthly customer charge. During the deferred rebasing term, the monthly customer charge has increased by the price cap index for both the EGD and Union rate zones.

7. Most ex-franchise rate classes are not charged a monthly customer charge.[3] The costs of serving ex-franchise shippers as customers are included in the demand unit rates.

1. Current Rate Classes

8. A comparison of the level of proposed fixed monthly customer charges to the allocated customer-related costs per customer per month for each current rate class is provided at Attachment 1.

9. Enbridge Gas set the monthly customer charge for the current rate classes considering the monthly customer charge of the current rate class and the monthly customer charge of the harmonized rate class each rate class will transition to. The 2024 monthly customer charges for the current rate classes are set considering the continuity with the harmonized rate classes. A description of the approach used to

[3] Ex-franchise rate classes Rate M13 and Rate M16 have a monthly fixed charge per customer station as part of the rate design.

set the 2024 monthly customer charge for the current rate classes for general service and contract rate classes is provided below.

10. A comparison of the monthly customer charge for each current rate class for 2023 and proposed for 2024 at the current rate class and harmonized rate class is provided at Attachment 3 to illustrate the continuity in the monthly customer charge customers will experience over the implementation period until harmonization. Attachment 3 illustrates the continuity in the monthly customer charge from two perspectives: page 1 provides the perspective from the current rate class to the harmonized rate class and page 2 provides the perspective from the harmonized rate class and each current rate class that will transition to it.

1.1. General Service Rate Classes

11. Enbridge Gas is proposing to set the 2024 general service monthly customer charges at a similar level to the current charges for the current rate classes, including a total increase of 3.6% over the prior year consistent with the increase in the charge for 2023[4], rounded up to the nearest whole dollar.

12. Enbridge Gas has set a common monthly customer charge for the small general service rate classes (Rate 1, Rate 01, and Rate M1) at $23.00 for 2024. The proposed monthly customer charge is slightly higher than the current monthly customer charge of $21.88 for a Rate 1 customer and $22.98 for a Rate 01 and Rate M1 customer.

13. Similarly, Enbridge Gas has maintained a common monthly customer charge for the other general service rate classes (Rate 6, Rate 10 and Rate M2) set at $80.00

[4] EB-2022-0133.

for 2024. The proposed monthly customer charge is slightly higher than the current monthly customer charge of $76.58 for these rate classes.

14. For all general service rate classes, the monthly customer charge is set at a level that is below the allocation of customer-related costs per customer with the exception of Rate 6 in the EGD rate zone. In EGD's last cost of service, the proposed level of monthly customer charge for Rate 6 was also higher than the allocation of customer-related costs. Costs not recovered in the monthly customer charge are recovered through the general service volumetric rates.

1.2. Contract Rate Classes

15. Enbridge Gas is proposing to set the 2024 contract monthly customer charges to align with either the current 2023 monthly customer charge or the monthly customer charge for the proposed harmonized rate class the customer will transition to. This approach reduces volatility in the monthly customer charge over the transition period prior to implementation of the proposed harmonized rate classes.

16. To the extent that customer-related costs are not recovered in the monthly customer charge revenue, the costs are recovered through other rate components, such as demand or volumetric rates, depending on the rate structure of each rate class.

2. Proposed Harmonized Rate Classes

17. Enbridge Gas is proposing a monthly customer charge for the harmonized rate classes as provided in Table 1. The proposed monthly customer charge for the harmonized rate classes will be implemented on April 1, 2025 for the general service rate classes and April 1, 2026 for contract rate classes per the rate implementation plan. The proposed rates provided in Table 1 for the harmonized

rate classes will be updated in accordance with the approved incentive rate-setting mechanism (IRM) adjustments beginning in 2025.

Table 1
Proposed Monthly Customer Charge for
Harmonized In-franchise Rate Classes

Line No.	Rate Class	Proposed Monthly Customer Charge ($/month) (1)
		(a)
1	Rate E01	28.37
2	Rate E02	28.37
3	Rate E10	500.00
4	Rate E20	3,000.00
5	Rate E22	1,500.00
6	Rate E24	15,031.46
7	Rate E30	500.00
8	Rate E34	500.00
9	Rate E38	-
10	Rate E62	500.00
11	Rate E64	31,938.65

Note:
(1) Attachment 2.

18. A comparison of the allocated customer-related costs per customer per month to the level of proposed fixed monthly customer charges for each harmonized rate class is provided at Attachment 2. The proposed harmonized rate classes are provided at Exhibit 8, Tab 2, Schedule 1.

19. The monthly customer charges for the harmonized rate classes are set at a level that balances the allocation of customer-related costs per customer and customer

bill impacts. The monthly customer charge level for each harmonized rate class is a component of the rate mitigation plan provided at Exhibit 8, Tab 2, Schedule 6.

2.1. General Service Rate Classes

20. Enbridge Gas is proposing to set a common monthly customer charge for Rate E01 and Rate E02 at $28.37/month.

21. The Company retained Christensen Associated Energy Consulting, LLC (Christensen) to review the general service rate classification and rate design alternatives to support rate harmonization. As part of this work, Christensen determined an appropriate level of monthly customer charges for Rate E01 and Rate E02 customers.

22. The monthly customer charge for Rate E01 is based on the allocated customer-related costs per customer per month.

23. Given the diversity of customer size within the Rate E02, Christensen considered an appropriate level of monthly customer charge for Rate E02, with a recommendation to set a common monthly customer charge for all customers in Rate E01 and Rate E02 and recover the residual Rate E02 customer-related costs through the demand charge for Rate E02 customers. This proposal recognizes variation in customer-related costs within Rate E02 and provides a stronger linkage between cost to serve and revenue recovery from each Rate E02 customer. An additional benefit of this proposal is improved continuity between Rate E01 and Rate E02 bills at the applicability threshold. The monthly customer charge proposal for Rate E02 customers is provided at Exhibit 8, Tab 2, Schedule 3, Attachment 7, page 9.

2.2. Contract Rate Classes

24. The proposed harmonized rate classes offer customers some choice of contracting for service under more than one rate class. For example, a customer can contract for firm service under one rate class and interruptible service under a separate rate class as a companion service. Enbridge Gas is proposing that customers with service under more than one rate class be charged the monthly customer charge only once[5]. The cost allocation of customer-related costs recognizes the cost of providing service to each customer, regardless of the number of services contracted for, as provided at Exhibit 7, Tab 1, Schedule 2. To align the cost allocation with the rate design, the Company is proposing that the monthly customer charge be charged once for firm, interruptible and/or seasonal service, as provided at Exhibit 8, Tab 2, Schedule 4.

25. Enbridge Gas proposes a common monthly customer charge of $500 for bundled service under Rate E10, Rate E30 and Rate E34. These rate classes are applicable to a similar set of customers. The difference between the rate classes is the service option provided by the Utility, which does not impact the costs of a customer taking service. A consistent approach to the monthly customer charge across these three rate classes eliminates variability of the monthly customer charge a customer would experience if they were to change service between these rate classes.

26. The proposed common monthly customer charge of $500 for the bundled service rate classes is less than the customer-related costs per customer in order to mitigate bill impacts that would otherwise result within each rate class. In general, a lower monthly customer charge offset by increases in other rate components,

[5] The monthly customer charge will be billed under the firm service if a customer contracts for more than one service.

results in a more uniform distribution of bill impacts within a rate class. Evidence on the monthly customer charge and its role in the rate mitigation plan is provided at Exhibit 8, Tab 2, Schedule 6.

27. Enbridge Gas has also set the monthly customer charge for wholesale bundled service under Rate E62 at $500 consistent with the monthly customer charge for other bundled service.

28. Enbridge Gas proposes a monthly customer charge of $1,500 for Rate E22 to balance bill impacts and continuity with current rate classes. The existing Rate 20 and Rate 100 customer charges paid by Rate E22 customers is higher than the proposed charge for the three bundled harmonized rate classes.

29. The proposed monthly customer charge for Rate E20 of $3,000 is also less than the allocated customer-related costs per customer but is consistent with the monthly customer charge of Rate T1 which is the smallest rate class that will transition to Rate E20.

30. The customer charge for Rate E24 and Rate E64 is based on allocated customer-related costs per customer.

Customer-Related Costs
Current Rate Classes

Line No.	Particulars ($/customer/mo)	Customer-Related Costs (1) ($000s)	Number of Customers (2) (count)	Cost/ Customer/ Month	2024 Proposed Monthly Customer Charge (3)	Difference (4)	
		(a)	(b)	(c) = (a/b/12)*1000	(d)	(e) = (d - c)	
	EGD Rate Zone						
1	Rate 1	723,322	2,158,512	27.93	23.00	(4.93)	/u
2	Rate 6	108,222	172,843	52.18	80.00	27.82	/u
3	Rate 100	343	14	2,040.18	500.00	(1,540.18)	/u
4	Rate 110	9,096	416	1,822.17	500.00	(1,322.17)	/u
5	Rate 115	710	22	2,690.73	500.00	(2,190.73)	/u
6	Rate 125	603	4	12,561.99	3,000.00	(9,561.99)	/u
7	Rate 135	1,158	41	2,352.66	500.00	(1,852.66)	/u
8	Rate 145	250	5	4,165.15	134.93	(4,030.23)	/u
9	Rate 170	346	11	2,624.72	305.55	(2,319.17)	/u
10	Rate 200	16	1	1,316.71	-	(1,316.71)	/u
11	Rate 300	-	-	-	1,500.00	1,500.00	/u
12	Total EGD Rate Zone	844,066	2,331,869				/u
	Union North Rate Zone						
13	Rate 01	128,244	369,169	28.95	23.00	(5.95)	/u
14	Rate 10	4,475	2,204	169.20	80.00	(89.20)	/u
15	Rate 20	1,982	62	2,664.61	1,000.00	(1,664.61)	/u
16	Rate 25	84	4	1,751.31	368.56	(1,382.75)	/u
17	Rate 100	638	12	4,431.29	1,500.00	(2,931.29)	/u
18	Total Union North Rate Zone	135,423	371,451				/u
	Union South Rate Zone						
19	Rate M1	422,847	1,202,887	29.29	23.00	(6.29)	/u
20	Rate M2	21,209	8,069	219.04	80.00	(139.04)	/u
21	Rate M4 (F)	5,287	225	1,957.97	-	(1,957.97)	/u
22	Rate M4 (I)	-	-	2,238.83	500.00	(1,738.83)	/u
23	Rate M5 (F)	188	7	2,238.83	-	(2,238.83)	/u
24	Rate M5 (I)	806	30	2,238.83	500.00	(1,738.83)	/u
25	Rate M7 (F)	3,347	57	4,893.16	-	(4,893.16)	/u
26	Rate M7 (I)	235	4	4,893.16	-	(4,893.16)	/u
27	Rate M9	160	4	3,325.88	-	(3,325.88)	/u
28	Rate T1	1,633	46	2,958.60	3,000.00	41.40	/u
29	Rate T2	5,272	41	10,715.59	3,000.00	(7,715.59)	/u
30	Rate T3	371	1	30,900.76	30,900.76	-	/u
31	Total Union South Rate Zone	461,353	1,211,371				/u
32	Total In-franchise	1,440,842	3,914,691				/u

Notes:

(1) Sum of distribution customer functional classification categories provided at Exhibit 7, Tab 2, Schedule 1, Attachment 8: distribution customer - mains, distribution cusotmer - services, distribution customer - meters, distribution customer - services, and distribution customer - specific allocation.

(2) Exhibit 7, Tab 2, Schedule 1, Attachment 12, pp.14-16, TOTAL_CUSTOMERS allocation factor.

(3) Exhibit 8, Tab 2, Schedule 8, Attachment 2, column (h).

(4) To the extent that the customer-related costs are not recovered in the fixed monthly customer charge, Enbridge Gas has proposed to recover the costs in the fixed demand charges of each rate class where possible.

Customer-Related Costs
Harmonized Rate Classes

Line No.	Particulars ($/customer/mo)	Customer-Related Costs (1) ($000s)	Number of Customers (2) (count)	Cost/ Customer/ Month	2024 Proposed Monthly Customer Charge (3)	Difference (4)
		(a)	(b)	(c) = (a/b/12)*1000	(d)	(e) = (c - d)
	In-franchise					
1	Rate E01	1,302,883	3,826,465	28.37	28.37	-
2	Rate E02	119,717	87,219	114.38	28.37	(86.01)
3	Rate E10	19,212	765	2,092.83	500.00	(1,592.83)
4	Rate E20	5,709	80	5,946.69	3,000.00	(2,946.69)
5	Rate E22	1,524	49	2,591.38	1,500.00	(1,091.38)
6	Rate E24	2,525	14	15,031.46	15,031.46	-
7	Rate E30	1,654	52	2,651.36	500.00	(2,151.36)
8	Rate E34	1,139	41	2,315.40	500.00	(1,815.40)
9	Rate E38	-	-	-	-	-
10	Rate E62	175	5	2,918.72	500.00	(2,418.72)
11	Rate E64	383	1	31,938.65	31,938.65	-
12	Total In-franchise	1,454,923	3,914,691			

Notes:

(1) Sum of distribution customer functional classification categories provided at Exhibit 7, Tab 3, Schedule 1, Attachment 8: distribution customer - mains, distribution cusotmer - services, distribution customer - meters, distribution customer - services, and distribution customer - specific allocation.

(2) Exhibit 7, Tab 3, Schedule 1, Attachment 12, pp.13-14, TOTAL_CUSTOMERS allocation factor.

(3) Exhibit 8, Tab 2, Schedule 9, Attachment 2, column (h).

(4) To the extent that the customer-related costs are not recovered in the fixed monthly customer charge, Enbridge Gas has proposed to recover the costs in the fixed demand charges of each rate class.

Monthly Customer Charge Comparison - Harmonized from Current Class
($/customer/mo)

Line No.	Current Rate Classes	Harmonized Rate Classes	2023 Current Rate Classes (1) (a)	2024 Current Rate Classes (2) (b)	2024 Harmonized Rate Classes (3) (c)	
	EGD Rate Zone					
1	Rate 1	Rate E01	21.88	23.00	28.37	
2	Rate 6 - ≤ 150 m³/d	Rate E01	76.58	80.00	28.37	
3	Rate 6 - >150 m³/d	Rate E02	76.58	80.00	28.37	
4	Rate 100	Rate E10	133.47	500.00	500.00	
5	Rate 110	Rate E10	642.55	500.00	500.00	
6	Rate 115	Rate E10	681.11	500.00	500.00	
7	Rate 125	Rate E24	546.97	3,000.00	15,031.46	
8	Rate 135	Rate E34	125.89	500.00	500.00	
9	Rate 145	Rate E30	134.93	134.93	500.00	
10	Rate 170	Rate E30	305.55	305.55	500.00	
11	Rate 200	Rate E62	-	-	500.00	
12	Rate 300	Rate E22	546.97	1,500.00	1,500.00	
13	Rate 315	Rate E38	164.09	-	-	
14	Rate 316	Rate E38	164.09	-	-	
	Union North Rate Zone					
15	Rate 01 - Small	Rate E01	22.98	23.00	28.37	
16	Rate 01 - Large	Rate E02	22.98	23.00	28.37	
17	Rate 10	Rate E02	76.58	80.00	28.37	
18	Rate 20 - Bundled	Rate E10	1,090.76	1,000.00	500.00	
19	Rate 20 - Unbundled	Rate E22	1,090.76	1,000.00	1,500.00	
20	Rate 20 - Extra-Large Unbundled	Rate E24	1,090.76	1,000.00	15,031.46	
21	Rate 25 - Bundled	Rate E30	368.56	368.56	500.00	
22	Rate 25 - Unbundled	Rate E22	368.56	368.56	1,500.00	
23	Rate 100	Rate E22	1,620.86	1,500.00	1,500.00	
	Union South Rate Zone					
24	Rate M1 - Small	Rate E01	22.98	23.00	28.37	
25	Rate M1 - Large	Rate E02	22.98	23.00	28.37	
26	Rate M2	Rate E02	76.58	80.00	28.37	
27	Rate M4 (F)	Rate E10	-	-	500.00	
28	Rate M4 (I)	Rate E30	755.88	500.00	500.00	
29	Rate M5 (F)	Rate E10	-	-	500.00	
30	Rate M5 (I)	Rate E30	755.88	500.00	500.00	
31	Rate M7 (F)	Rate E10	-	-	500.00	
32	Rate M7 (I) - Interruptible	Rate E30	-	-	500.00	
33	Rate M7 (I) - Seasonal	Rate E34	-	-	500.00	
34	Rate M9	Rate E62	-	-	500.00	
35	Rate T1	Rate E20	2,155.61	3,000.00	3,000.00	
36	Rate T2 - Semi-Unbundled	Rate E20	6,803.81	3,000.00	3,000.00	
37	Rate T2 - Unbundled	Rate E24	6,803.81	3,000.00	15,031.46	
38	Rate T3	Rate E64	22,703.73	30,900.76	31,938.65	/u

Notes:
(1) EB-2022-0133, Enbridge Gas's 2023 Rates Application. Excludes the $1/month for Bill 32 and Ontario Regulation 24/19.
(2) Attachment 1, column (d).
(3) Attachment 2, column (d). The harmonized rate classes are based on evidence filed on November 30, 2022. /u

Summary of Fixed Cost Recovery - Delivery Revenue
($/customer/mo)

Line No.	Harmonized Rate Classes	Current Rate Classes	Current Rate Zone	2023 Current Rate Classes (1) (a)	2024 Current Rate Classes (2) (b)	2024 Harmonized Rate Classes (3) (c)	
1	Rate E01	Rate 1	EGD	21.88	23.00	28.37	
2	Rate E01	Rate 6 - ≤ 150 m³/d	EGD	76.58	80.00	28.37	
3	Rate E01	Rate 01 - Small	Union North	22.98	23.00	28.37	
4	Rate E01	Rate M1 - Small	Union South	22.98	23.00	28.37	
5	Rate E02	Rate 6 - >150 m³/d	EGD	76.58	80.00	28.37	
6	Rate E02	Rate 01 - Large	Union North	22.98	23.00	28.37	
7	Rate E02	Rate 10	Union North	76.58	80.00	28.37	
8	Rate E02	Rate M1 - Large	Union South	22.98	23.00	28.37	
9	Rate E02	Rate M2	Union South	76.58	80.00	28.37	
10	Rate E10	Rate 100	EGD	133.47	500.00	500.00	
11	Rate E10	Rate 110	EGD	642.55	500.00	500.00	
12	Rate E10	Rate 115	EGD	681.11	500.00	500.00	
13	Rate E10	Rate 20 - Bundled	Union North	1,090.76	1,000.00	500.00	
14	Rate E10	Rate M4 (F)	Union South	0.00	0.00	500.00	
15	Rate E10	Rate M5 (F)	Union South	0.00	0.00	500.00	
16	Rate E10	Rate M7 (F)	Union South	0.00	0.00	500.00	
17	Rate E20	Rate T1	Union South	2,155.61	3,000.00	3,000.00	
18	Rate E20	Rate T2 - Semi-Unbundled	Union South	6,803.81	3,000.00	3,000.00	
19	Rate E22	Rate 20 - Unbundled	Union North	1,090.76	1,000.00	1,500.00	
20	Rate E22	Rate 25 - Unbundled	Union North	368.56	368.56	1,500.00	
21	Rate E22	Rate 100	Union North	1,620.86	1,500.00	1,500.00	
22	Rate E22	Rate 300	EGD	546.97	1,500.00	1,500.00	
23	Rate E24	Rate 125	EGD	546.97	3,000.00	15,031.46	
24	Rate E24	Rate 20 - Extra-Large Unbundled	Union North	1,090.76	1,000.00	15,031.46	
25	Rate E24	Rate T2 - Unbundled	Union South	6,803.81	3,000.00	15,031.46	
26	Rate E30	Rate 145	EGD	134.93	134.93	500.00	
27	Rate E30	Rate 170	EGD	305.55	305.55	500.00	
28	Rate E30	Rate 25 - Bundled	Union North	368.56	368.56	500.00	
29	Rate E30	Rate M4 (I)	Union South	755.88	500.00	500.00	
30	Rate E30	Rate M5 (I)	Union South	755.88	500.00	500.00	
31	Rate E30	Rate M7 (I) - Interruptible	Union South	0.00	0.00	500.00	
32	Rate E34	Rate 135	EGD	125.89	500.00	500.00	
33	Rate E34	Rate M7 (I) - Seasonal	Union South	0.00	0.00	500.00	
34	Rate E38	Rate 315	EGD	164.09	0.00	0.00	
35	Rate E38	Rate 316	EGD	164.09	0.00	0.00	
36	Rate E62	Rate 200	EGD	0.00	0.00	500.00	
37	Rate E62	Rate M9	Union South	0.00	0.00	500.00	
38	Rate E64	Rate T3	Union South	22,703.73	30,900.76	31,938.65	/u

Notes:
(1) EB-2022-0133. Excludes the $1/month for Bill 32 and Ontario Regulation 24/19.
(2) Attachment 1, column (d).
(3) Attachment 2, column (d). The harmonized rate classes are based on evidence filed on November 30, 2022. /u

RATE HARMONIZATION PLAN

AMY MIKHAILA, MANAGER RATE DESIGN
JACKIE COLLIER, SPECIALIST RATE DESIGN

1. The purpose of this evidence is to request OEB approval of the rate harmonization plan, including rate zone and rate class harmonization and the rate harmonization implementation plan. In the MAADs Decision, the OEB required Enbridge Gas to file a proposal for rate harmonization in its next rebasing application.[1] The OEB noted that it is not a requirement to harmonize rates but a requirement to file a proposal about harmonization.[2] As described in this evidence, Enbridge Gas is proposing to harmonize rates across its three rate zones (EGD, Union North and Union South) into one rate zone and establish new harmonized rate classes. The implementation plan provided in Section 3 of this evidence provides the timing of the rate harmonization plan.

2. According to the OEB's Filing Requirements for Natural Gas Rate Applications,[3] utilities which have merged or amalgamated must file a rate harmonization plan subject to established cost allocation and rate design principles for the natural gas sector. The plan must include a detailed explanation and justification for the implementation plan, and an impact analysis.[4] The evidence in Exhibit 8, Tab 2 supports this OEB filing requirement with detailed explanations and support for the harmonization plan.

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[1] EB-2017-0306/EB-2017-0307, OEB Decision and Order, August 30, 2018, p.43.
[2] Ibid.
[3] Filing Requirements for Natural Gas Rate Applications, February 16, 2017, p.36.
[4] Ibid.

3. Enbridge Gas began work assessing a proposal for rate harmonization early in the deferred rebasing term. The first step in the process was to review and assess the different services across the three rate zones for harmonization. Service harmonization proposals are provided at Exhibit 8, Tab 4. The second step was to review and assess the rate zones and rate classes, as described in this evidence.

4. Following the review of the service and rate harmonization proposals, Enbridge Gas developed a rate implementation plan, as provided in Section 3 of this evidence. The rate implementation plan recognizes a phase in approach of certain changes is required to provide sufficient time to make changes to internal and customer-facing business applications and processes, and to notify customers of changes to their rates and services.

5. In the event that the combined impact of the cost of service and harmonization rate increases result in material total bill increases, utilities are required to include a discussion of mitigation options.[5] As part of the rate class harmonization proposal, Enbridge Gas is proposing a mitigation plan, which is provided at Exhibit 8, Tab 2, Schedule 6.

6. The rate harmonization plan, and all its aspects, are important next steps to move forward and plan for the future as an amalgamated utility. The rate harmonization plan will provide for a consistent customer experience across the Company's franchise area while also minimizing administrative challenges of managing the complexities that exist in the Company's current state.

[5] Filing Requirements for Natural Gas Rate Applications, February 16, 2017, p.36.

7. This evidence is organized as follows:
    1. Harmonized Rate Zones
    2. Harmonized Rate Classes
    3. Rate Harmonization Implementation Plan

1. Harmonized Rate Zones

8. Enbridge Gas proposes to harmonize the EGD and Union rate zones into one rate zone for in-franchise services. The harmonization of rate zones allows Enbridge Gas to align, simplify and enhance rates and services to meet customers' needs.

9. This Application has been prepared based on one rate zone for purposes of cost allocation and rate design. Please see Exhibit 7, Tab 1, Schedule 1 for a description of the approach to cost allocation.

10. Enbridge Gas used a multi-step approach to assess the rate zone alternatives for the amalgamated utility. The Company first established rate design considerations and defined service areas to group similar geographic regions in the Enbridge Gas franchise area. The Company also reviewed the availability of cost information to determine what rate zone harmonization is possible. Based on this information, the Company identified and evaluated various alternatives, including the proposed alternative to set one rate zone for Enbridge Gas. Enbridge Gas weighed the benefits and challenges of each alternative and assessed the resulting impacts to customers. The Company also sought feedback from customers on rate zone preferences through the customer engagement process.

11. This section is organized as follows:
    1.1 Current Rate Zones
    1.2 Rate Design Considerations

1.3 Service Areas

1.4 Limited Availability of Storage and Distribution Cost Information

1.5 Rate Zone Alternatives for Gas Supply and Transmission Costs

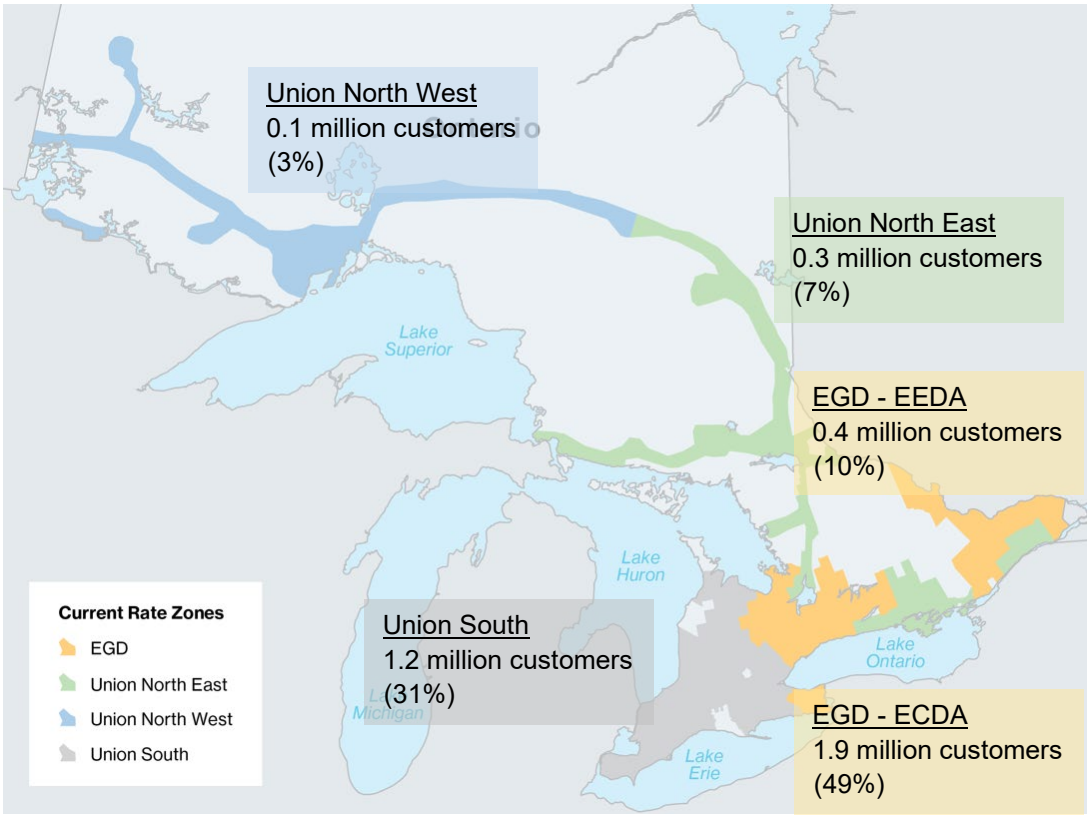
1.6 Transportation Rate Design Considerations

1.7 Customer Engagement

1.1. Current Rate Zones

12. Rate zones are geographic regions defined by the Company, in which different rates exist due to the different costs required to serve each region. Enbridge Gas currently operates three distribution rate zones: the EGD rate zone, the Union North rate zone and the Union South rate zone. For purposes of calculating gas supply charges, the Union North rate zone is further separated into the Union North West rate zone and the Union North East rate zone. Please see Figure 1 for a map of the current rate zones.

Figure 1: Map of Enbridge Gas Current Rate Zones



13. Figure 1 also illustrates the number of customers in each rate zone. Approximately 59% of total customers are located in the EGD rate zone, with 49% located in the Enbridge Central Delivery Area (CDA) for the Toronto and Niagara region and 10% located in Enbridge Eastern Delivery Area (EDA) for the Ottawa region. The Union rate zones include approximately 41% of the total customers, with 31% located in Union South and 10% located in the Union North West and Union North East rate zones.[6]

[6] Based on the 2024 Test Year Forecast.

14. The current rate zones are set based on the EGD and Union franchise areas prior to amalgamation. Both EGD and Union had used different approaches in determining rate zones.

15. EGD had a long-standing approach where customers were considered part of one rate zone for all geographic regions served by the Utility. Within the EGD rate zone, postage stamp rates are used for all services offered by the Utility, including gas supply, transmission, storage, and distribution. The OEB first approved the use of postage stamps for EGD over 40 years ago[7]. The postage stamp rates, also referred to as system-wide rates or uniform rates, are charged without regard to distance within a defined geographic region. As such, customers located in the EGD rate zone in different geographic locations, such as Niagara, Toronto and Ottawa, pay common rates for like services. The use of postage stamp rates is a widely accepted industry practice for the setting of utility rates, as it provides consistent rate treatment across geographic regions or service areas. This rate design ensures no one industry or corporation has an advantage over others based on their location within the province while also providing both administrative simplicity and operational efficiencies.

16. Union had a different approach than EGD to set rate zones. After the amalgamation of Union Gas and Centra Gas in 1998, Union maintained two distinct operating areas for the Union North and Union South rate zones. The rate zones were maintained to recognize the difference in the cost to serve a customer in different geographic regions.

[7] EBRO 302-II, Reasons for Decisions, September 4, 1975. The first approval of postage stamp rates for Consumers' Gas.

17. From a rate setting perspective, the Union rate zones are used to set rates for gas supply, transportation, storage, and distribution services, which includes a separate set of rate classes for the Union North and Union South rate zones. While the charges to provide storage services are separated by rate zone, the costs of storage are common for the Union rate zones to recognize the integrated storage operation. For example, the costs of all storage pools are recovered from the Union North and Union South rate zones based on use of storage.

18. For gas supply charges, the Union North rate zone is further separated into the Union North West and Union North East rate zones.[8] The gas supply charges, including gas supply commodity, transportation and load balancing,[9] are separated based on how each rate zone is served, with the Union North West primarily served from Western Canada gas supply at Empress and the Union North East primarily served from gas supply at Dawn. The OEB approved the use of the Union North West and Union North East rate zones in Union's Dawn Reference Price proceeding.[10]

19. Table 1 provides a summary of the cost components that are currently common or postage stamp across the existing rate zones. The storage costs are common across the Union rate zones and the distribution costs are common for the Union North rate zone. All other cost components, as indicated with an "x" are common for customers located within each respective rate zone.

[8] The Union North West rate zone is comprised of the Centrat MDA, Union WDA, and Union SSMDA and the Union North East rate zone is comprised of the Union NDA, Union NCDA and Union EDA.
[9] Load balancing is referred to as storage in the Union rate zones.
[10] EB-2015-0181, OEB Decision and Order, March 17, 2016.

Table 1
Summary of Common Costs across Rate Zones

Line No.	Cost Category	EGD	Union North West	Union North East	Union South
		(a)	(b)	(c)	(d)
1	Gas Supply (1)	X	x	x	x
2	Transmission	X	x	x	x
3	Storage	X	Common		
4	Distribution	X	Common		x

Note:
(1) Includes gas supply commodity, transportation, and load balancing costs.

1.2. Rate Design Considerations

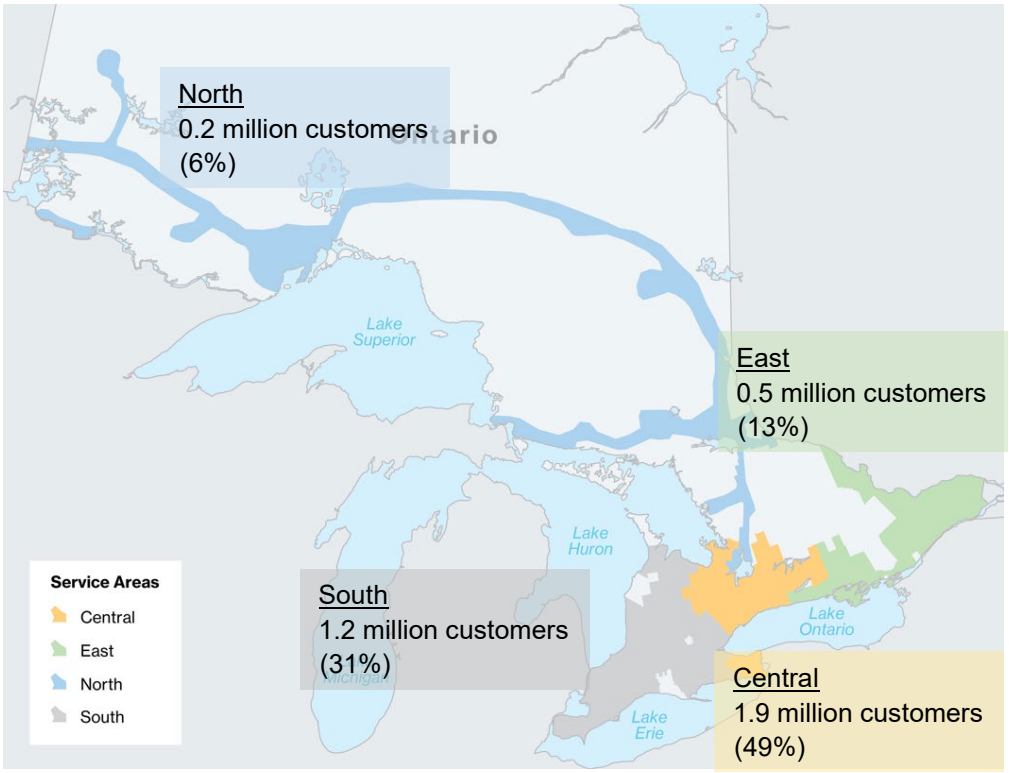
20. Enbridge Gas established rate design considerations to assess rate zones for the amalgamated utility. Enbridge Gas took a balanced approach in assessing rate zones for harmonization, recognizing that any one rate design consideration should be viewed relative to the other considerations. The rate design considerations (in no particular order) include:
    - Differences in cost-of-service – The magnitude of cost differences between rate zones. A geographic region defined as a rate zone should have a similar cost to serve and encompass all customers in the region. In contrast, a rate zone should also have a meaningful difference in the cost to serve than the cost to serve other rate zones;
    - Customer experience – The impact to a customer's experience in dealing with the Company where rate zones exist;
    - Customer bill impacts – The impact to the total customer bill as a result of changes to rate zones;

- Availability of information – The ability to identify and assign costs to rate zones based on cost causation principles;
- Administrative simplicity – The administrative effort involved in preparing and maintaining rate zone detail; and
- Customer engagement feedback – The feedback from customers on rate zone harmonization.

1.3. Service Areas

21. Enbridge Gas considered the proposed service areas of Central, East, North, and South for possible alternative rate zones. The service areas are geographic regions within the Enbridge Gas franchise area with similar operating characteristics. Figure 2 provides a map of the proposed service areas, including the total number of customers located in each service area. The service areas define elements of the service harmonization proposals provided at Exhibit 8, Tab 4, Schedule 1, and applicability of certain rate schedules and/or charges due to limitations in the capacity of physical assets and/or contracted assets to offer all services to all service areas.

Figure 2: Map of Enbridge Gas Proposed Service Areas



22. Enbridge Gas defined the service areas based on the operational considerations of each region. The Central service area includes most customers with 49% of total customers, followed by the South service area with 31%, the East service area with 13% and the North service area with 6%.[11]

23. The Central service area is primarily served by gas supply delivered at Dawn but can be served from Western Canada. For gas supply at Dawn, the Central service area can use utility owned transmission assets to serve some customers directly, while other customers require third-party transportation assets for service from

[11] Based on the 2024 Test Year Forecast.

Dawn[12]. The Central service area also includes the Niagara region, which is served using third-party contracts from Niagara or Chippawa[13]. The Central service area is part of the current EGD rate zone, which includes the Enbridge CDA.

24. The North and East service areas are separated based on their geographic location within Ontario but have similar operating characteristics. Customers in these regions are served using a combination of gas supply from Western Canada and gas supply delivered at Dawn. These service areas require the use of third-party transportation contracts to move gas to these regions, as they are not directly connected to utility owned transmission and storage assets. The North service area includes the current Union North West rate zone and the northern part of the Union North East rate zone[14]. The East service area includes the eastern part of both the EGD rate zone and the Union North East rate zone[15].

25. The South service area is directly connected to storage and served through the Dawn Parkway, Panhandle and St. Clair Systems. Due to the integrated nature of this region, the customers located in the South service area are primarily served using utility owned transmission assets. Any gas supply that is delivered to Parkway to serve customers in this region offsets the gas that is required to be transported from Dawn. The South service area includes the current Union South rate zone.

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[12] Parkway EGT, Parkway Consumers and Lisgar are served directly from the Dawn Parkway System. The Enbridge CDA requires a third-party transportation contract from Western Canada or from Union Parkway Belt.
[13] Gas supply from Niagara and Chippawa is transported on third-party transportation contracts to the Enbridge CDA.
[14] The North service area includes the Centrat MDA, Union WDA, Union SSMDA, Union NDA and the Union NCDA.
[15] The East service area includes the Union EDA and Enbridge EDA.

26. Table 2 provides a summary of the gas supply arrangements serving each of the existing rate zones and the proposed service areas. Based on the proposed service areas, the gas supply arrangements for the East and North service areas are a blend of both Empress and Dawn supply.

Table 2
Estimate of Gas Supply Transportation on Average Day

Line No.	Service Areas / Rate Zones	Western Canada (1)	Other Supply (1) (2)
		(a)	(b)
	Current Rate Zones		
1	EGD Rate Zone	15%	85%
2	Union North West Rate Zone	100%	0%
3	Union North East Rate Zone	5%	95%
4	Union South Rate Zone	0%	100%
	Service Areas		
5	Central	0%	100%
6	North	45%	55%
7	East	80%	20%
8	South	0%	100%

Notes:
(1) Gas supply at Empress and transported on the TransCanada Mainline to meet average day.
(2) All other gas supply arrangements to meet average day.

1.4. Limited Availability of Storage and Distribution Cost Information

27. Enbridge Gas is challenged to group customers by service area into rate zones for all cost functions due to insufficient cost of service information available to allocate storage and distribution costs, as described in this section of evidence.

28. Enbridge Gas considered the availability of cost information for the service areas for each of the four utility functions of costs, including gas supply, transmission,

storage, and distribution. Table 3 summarizes the information that is available to separate costs into the four service areas.

Table 3
Summary of Available Cost Information Across Service Areas

Line No.	Cost Category	Central	East	North	South
		(a)	(b)	(c)	(d)
1	Gas Supply (1)	Yes	Yes	Yes	Yes
2	Transmission	Yes	Yes	Yes	Yes
3	Storage	No	No	No	No
4	Distribution	No	No	No	Yes (2)

Notes:
(1) Includes gas supply commodity, transportation, and load balancing costs.
(2) Cost information is limited to asset detail for the Union South rate zone.

29. As shown in Table 3, lines 1 and 2, gas supply cost detail is available from the Gas Supply Plan at a level sufficient to identify the cost to serve each service area. Similarly, the use of the Company's transmission facilities can be identified for each service area. As shown in Table 3, lines 3 and 4, storage and distribution cost detail is not available to allocate the costs to new rate zones.

30. For storage cost information, Enbridge Gas has integrated its Tecumseh and Dawn storage operations and operates it as one facility. As such, a different cost of service cannot be identified for the use of the integrated storage operations and therefore, it is not practical or reasonable to create multiple rate zones for storage costs. This approach is consistent with the approach for the Union rate zones, for which the costs of storage are common for the Union rate zones to recognize the integrated storage operation.

31. For distribution cost information for the EGD rate zone, EGD had one rate zone and did not maintain distribution asset detail between the Enbridge CDA, including the Toronto and Niagara regions, and the Enbridge EDA, including the Ottawa region.

32. For distribution cost information for the Union rate zones, Union maintained distribution asset detail for the Union North rate zone separate from the Union South rate zone but does not have the information to further separate either rate zone. For example, the distribution cost information is not available to identify the asset detail that relates to the Union North West separate from the Union North East rate zones, nor is the information available to separate the North service area from the East service area.

33. The Enbridge EDA and Union EDA are both located adjacent to each other in the same geographic region. Given the similarities of these areas, any proposal for new rate zones should group customers in both of these two locations in the same rate zone. Similarly, the Niagara region is part of the Central service area but could be grouped as part of the South service area given it's location in the southeast region of Ontario. The Company, however, does not have the distribution asset detail to separate costs for these locations. For example, the asset detail is based on the historic spend for distribution asset categories for the EGD and Union North rate zones. Without historic asset detail, any separation of costs between the Enbridge EDA from the EGD rate zone and Union EDA from the Union North rate zone would be estimated based on a cost allocation methodology, such as number of customers or design day demands. As such, the costs of the East service area would be based on estimated average costs based on the existing rate zones and not the actual costs for the East service area. This allocation approach would also

require Enbridge Gas to continue to categorize costs based on rate zones established prior to amalgamation, which would become more difficult to track over time as the utility operates on an integrated basis. Given the complexity of establishing and maintaining an estimated distribution cost of service for each service area, Enbridge Gas does not support this approach as an option.

34. As a result of the above, Enbridge Gas was only able to consider creating new rate zones by service area for gas supply and transmission costs. A one rate zone approach for storage and distribution costs is needed given the Enbridge Gas operations and the limited availability of information for different geographic regions. While Enbridge Gas could maintain the existing rate zones, it is not aligned with how Enbridge Gas operates as an amalgamated utility to serve customers. By maintaining existing rate zones, a large number of customers served by the same or similar systems, would continue to pay different costs for similar services. Existing rate zones are also inconsistent with the Company's distribution operations which are divided based on the geographic region or service area, not the EGD and Union franchise areas prior to amalgamation.

1.5. Rate Zone Alternatives for Gas Supply and Transmission Costs

35. As part of assessing a proposal for rate harmonization, Enbridge Gas identified eight possible rate zone alternatives for gas supply costs, including gas supply commodity, transportation and load balancing, and transmission costs. These alternatives for gas supply and transmission costs include one alternative based on the existing rate zones, the proposed alternative for one rate zone and six different combinations of grouping the four service areas (Central, North, East and South). A summary of the alternatives and considerations is provided at Attachment 1.

36. The rate zone alternatives for gas supply and transmission considered include:

1. Current Rate Zones (Status Quo) – This alternative maintains the existing EGD and Union rate zones;
2. One Rate Zone (Proposed Alternative) – This alternative considers postage stamp rates for the Enbridge Gas franchise area;
3. Two Rate Zones – This alternative separates the franchise area into two rate zones, one rate zone for the South and Central service areas and one for the North and East service area;
4. Two Rate Zones – This alternative separates the franchise area into two rate zones, one rate zone for the South service area and one rate zone for the combined Central, North and East service areas;
5. Two Rate Zones – This alternative separates the franchise area into two rate zones, one rate zone for the South, Central and East service areas and one for the North service area;
6. Three Rate Zones – This alternative separates the franchise area into three rate zones, one rate zone for the South service area, one rate zone for the Central service area and one rate zone for the combined North and East service area;
7. Three Rate Zones – This alternative separates the franchise area into three rate zones, one rate zone for the South service area, one rate zone for the Central and East service areas and one rate zone for the North service area; and
8. Four Rate Zones – This alternative separates the franchise area into four rate zones for each of the service areas of Central, North, East and South.

Current Rate Zone Alternative for Gas Supply and Transmission Costs

37. Maintaining the current rate zones for gas supply and transmission costs of EGD, Union North and Union South causes challenges due to customers on the boundary point of each other that are in different rate zones. These customers have a similar cost to serve but would continue to pay different rates for gas supply commodity, transportation and load balancing services. There are many instances of customers in a similar geographical area in different rate zones at the boundary point between the current rate zones: Union South has a large boundary point adjacent to the EGD rate zone to the west of Toronto and Union North East has boundary points adjacent to the EGD rate zone to the east of Toronto and also in the Eastern Ontario region as depicted in Figure 1.

38. There were parties who raised the concern of adjacent rate zones and different rates and rate structures in the Company's MAADs[16] proceeding arguing that maintaining the current rate zones is not fair to customers because customers in similar circumstances are not treated similarly. To address this inequity, Enbridge Gas has proposed to no longer use the existing rate zones and has explored other alternative rate zones as part of this evidence.

One Rate Zone Alternative (Proposed Alternative) for Gas Supply and Transmission Costs

39. A one rate zone structure groups like customers into rate classes without differentiation based on the customer's location. Within the one rate zone, postage stamp rate making principles apply and customers within a rate class will pay the same amount for the same service regardless of the geographic regions. Postage stamp rates treat Enbridge Gas customers across the province of Ontario similarly.

[16] EB-2017-0306/EB-2017-0307.

40. As described above, there are challenges with maintaining the current rate zone structure as well as creating new rate zones. A one rate zone approach based on postage stamp rate making solves these challenges and has significant additional benefits, such as providing a consistent experience for all customers as well as the administrative simplicity that results for the Company, the OEB, and other stakeholders. These benefits would come later in the IR term after the implementation of the new harmonized rate classes.

41. With one rate zone, the Company will be able to provide a consistent experience for all customers since the customer communication messaging and tools for customers will not need to be tailored for different rate zones. The Company can provide a common message regarding rates and services that is clear for all customers. From a customer perspective, the postage stamp rate making approach also ensures that no one industry or corporation has an advantage over others based on their location within the province.

42. The administrative simplicity of one rate zone is a significant benefit. The Company's regulatory applications and reporting to the OEB can be simplified when only providing information regarding one rate zone. This benefit extends to the Company, the OEB and other stakeholders involved in the regulatory review process. Additionally, the Company's internal processes, procedures and internal systems can be simplified when only managing the detail of one rate zone.

Other Rate Zone Alternatives for Gas Supply and Transmission Costs

43. Enbridge Gas evaluated alternative rate zone combinations for gas supply and transmission costs based on service areas to set gas supply, transportation and load balancing costs to determine the appropriateness of each one. There are three

main issues with other rate zone alternatives which are described in this section of evidence.

a) Boundary points when separating service areas;
b) Bill impacts when the Enbridge EDA in the East service area is separated from the Enbridge CDA in the Central service area; and
c) Separating the North and East service areas with similar operating characteristics.

44. The first issue arises when the South service area is grouped separately from the Central service area and the Central service area is grouped separately from the East service area. The South service area has a large boundary point adjacent to the Central service area (west of Toronto and Niagara) and the East has boundary points adjacent to the Central service area (east of Toronto) as depicted in Figure 2. Customers near the boundary points have a similar cost to serve but would continue to pay different rates for gas supply commodity, transportation and load balancing services in these alternatives.

45. The second issue arises when the EGD rate zone is divided and the Enbridge EDA is grouped separately from the Enbridge CDA. The customers currently in the EGD rate zone pay postage stamp rates and the cost to serve these areas is recovered from all customers in the rate zone. In alternatives that separate the Enbridge EDA from the Enbridge CDA, the higher cost to serve the Enbridge EDA is borne by a proportionately small number of customers depending on the rate zone alternative. As such, these alternatives result in significant bill impacts for these customers.

46. From a gas supply transportation perspective, the Enbridge EDA is primarily served from Western Canada on an average day, which results in a higher unit cost for transportation than the comparable Union EDA transportation costs, which is

served primarily from Dawn. By sharing the gas supply transportation costs across the franchise area in one rate zone, Enbridge Gas ensures that one subset of customers is not adversely impacted when choices are made for the gas supply portfolio as a whole. The Gas Supply Plan includes a diverse portfolio with respect to supply basins, receipt points, counterparties, contract terms, and upstream transportation and storage services. When past decisions regarding the Gas Supply Plan were made to achieve this diversity, the Company did not consider cost allocation impacts of harmonization, such as separating the EGD rate zone and how a particular transportation contracting decision may impact a subset of customers.

47. The third issue arises when the North and East service areas are separated, as they have similar operating characteristics. Customers in these areas are served using a combination of gas supply from Western Canada and gas supply delivered at Dawn. These service areas require the use of third-party transportation contracts to move gas to these areas, as they are not directly connected to storage.

48. Union was able to set rate zones for gas supply commodity, storage and transportation rates for the Union North West and Union North East based on the gas supply arrangements for each rate zone. The Union North West rate zone is served from Empress and the Union North East rate zone is primarily served from Dawn. By comparison, both the North and East service areas are served based on a blend of both Empress and Dawn gas supply, provided at Table 2. Given the similar operating characteristics, the East and North service areas should be combined from a rate zone perspective.

Summary

49. Following the completion of the rate zone alternatives review, Enbridge Gas is proposing one rate zone for its franchise area with postage stamp rate making by rate class. One rate zone addresses the issues that arise when trying to define new rate zone alternatives based on service areas. The proposal for one rate zone is consistent with the current approach for the EGD rate zone which has different geographic regions in one rate zone and provides many benefits for customers, the Company and stakeholders. The resulting bill impacts from the proposal for one rate zone is provided at Exhibit 8, Tab 2, Schedule 6.

1.6. Transportation Rate Design Considerations

50. The one rate zone approach is proposed for sales service and bundled direct purchase (DP) services. Enbridge Gas is proposing that transportation rates for other transportation services be set based on the assets required to provide the transportation service.

51. Since the South service area is directly connected to Dawn storage and served through the Dawn Parkway, Panhandle and St. Clair Systems, the semi-unbundled and unbundled customers located in this area separately pay for the use of these assets. Customers located in the South service area are unique in that these customers do not have the ability to contract separately for upstream transportation services to Enbridge Gas's distribution facilities due to the integrated nature of distribution and transportation facilities in the area. As such, Enbridge Gas is proposing to set a South transportation charge for these customers based on geographic location for these services. A description of the proposed rate design for semi-unbundled and unbundled services is provided at Exhibit 8, Tab 2, Schedule 4.

52. Similarly, North service area unbundled customers with bundled storage arrangements require transportation to access their storage account at Dawn. The transportation rates for this service have been set based on the specific assets used to provide the service.

1.7. Customer Engagement

53. Enbridge Gas sought feedback from general service customers on the topic of the harmonization of rate zones as part of its customer engagement process. The topic of rate harmonization was reviewed with general service customers in each of the three phases of customer engagement provided at Exhibit 1, Tab 6, Schedule 1.

54. In phase one of the customer engagement, the harmonization of rate zones was posed to customers in a general manner without specific impacts by rate zone. In this phase, customers largely preferred harmonized rates for equity, regardless of if they pay more. However, a minority preferred different rates for fairness and concerns about their costs increasing.

55. In phase two of the customer engagement, customers were provided with impacts of rate harmonization and the percentage of customers who would be impacted by the changes and by how much each would be impacted without specific reference to rate zones. In this phase, there was more support for one rate zone than paying different rates based on where the customer lives and the responses by rate zone of the customer were generally consistent across rate zones.

56. In phase three of the customer engagement, the Company provided a geographic map of the current rate zones, the current average bill of a residential customer in each rate zone as well as an approximation of the bill impact of harmonizing to one

rate zone. Where possible, customers were also provided with their current rate zone in order to be made aware of the specific impact to them of the proposal.

57. Customer engagement results from phase three were more varied by rate zone than the responses from phase one and phase two. When provided with rate zone specific impacts, customers in rate zones who benefit from the changes had more support for one rate zone while customers in rate zones who did not benefit had more support for maintaining rate zones. Despite the shift in responses from phase two to phase three when presented with specific impact information by rate zone, there were 29% of customers in Union South (the rate zone with the greatest impact) still supporting one rate zone.[17]

58. As with any cost allocation or rate design proposal where changes that impact some customers in a positive way and not others, customer engagement results provide general support for one rate zone proposal recognizing those who are not impacted positively tend to favour no change. Overall, there is more support for than against Enbridge Gas's proposal for rate zone harmonization across the responses and no clear collective indication that the Company should continue to operate as is with no change in rate zones.

2. Harmonized Rate Classes

59. Enbridge Gas used the following guiding principles in reviewing rate classes for harmonization:

- Common customer profiles with a rate class – Rate class groupings should exhibit sufficiently similar profiles with regard to average and peak use, seasonal usage and annual volume;

[17] Exhibit 1, Tab 6, Schedule 1, Attachment 1, p.283.

- Sufficient rate class size – Rate classes should be sufficiently large enough to produce meaningful average costing/pricing to ensure ongoing rate stability within the rate class (i.e. rates and costs that are stable and predictable);
- Sufficient differentiation among rate classes – Proposed rate groupings should be examined to determine if they are materially different from other groupings with regards to average and peak use, seasonal usage and annual volume. Sufficient differentiation is necessary to avoid an unnecessary number of rate classes, minimize undue rate class switching and to reduce the number of customers with similar operating profiles in different rate classes;
- Sufficient interest and reasonable prospect of rate class use – Rate classes should be assessed for appropriateness of the rates and service offerings based on customer interest and use (or lack thereof) to avoid hypothetical rate designs in the absence of a proven market;
- Rate class cost causality – The rates within each rate class should be underpinned by the cost to serve customers of the rate class;
- Rate class rate stability and predictability – The design of rates within each rate class should provide customers some assurance that workable services will be offered on a sustained basis; and
- Rate class simplicity of use – Rate class design should be simple to understand and administer.

60. In assessing rate classes for harmonization, it was necessary at times to take a balanced approach in considering the guiding principles. A description of the rationale for the Company's rate class proposal is provided below.

61. In designing a proposal for rate class harmonization, the Company reviewed the design of rate classes within each of its current rate zones. The rate class harmonization proposal accommodates all services and customers, with consideration to the guiding principles.

62. A summary of the proposed harmonized rate classes is provided in Table 4.

Table 4
Harmonized Rate Class Summary

Line No.	Service Type & Rate Class No.	Rate Class Description
	In-franchise General Service	
1	Rate E01	Small Demand General Service
2	Rate E02	General Demand General Service
	In-Franchise Firm Contract Service	
3	Rate E10	Firm Bundled Contract Service
	In-Franchise Large Contract Service	
4	Rate E20	Semi-Unbundled Contract Service
5	Rate E22	Unbundled Contract Service
6	Rate E24	Extra-Large Unbundled Contract Service
	In-Franchise Other Contract Service	
7	Rate E30	Interruptible Bundled Contract Service
8	Rate E34	Seasonal Firm Bundled Contract Service
9	Rate E38	Unbundled Storage Contract Service
	Wholesale Contract Service	
10	Rate E60	Wholesale Transportation Contract Service
11	Rate E62	Wholesale Bundled Contract Service
12	Rate E64	Wholesale Semi-Unbundled Contract Service
	Ex-Franchise Transportation Contract Service	
13	Rate E70	Transportation Contract Service
14	Rate E72	Storage Pool Transportation Contract Service
	Ex-Franchise Other Contract Services	
15	Rate E80	Producer Injection and Transportation Contract Service
16	Rate E82	Renewable Natural Gas Injection Contract Service

63. Enbridge Gas's harmonized rate class proposal simplifies the total number of rate classes from the current 42 rate classes to a total of 16 rate classes. A summary of mapping of current rate classes of each rate zone to the harmonized rate class service type category can be found in Table 4. Table 5 provides the categorization of rate classes but not a specific rate class mapping. The specific rate class mapping details of each current rate classes to the proposed harmonized rate classes is provided at Attachment 2.

Table 5
Harmonized Rate Class Mapping Summary

Line No.	Service Type	Harmonized Rate Classes	Current Rate Classes: EGD	Current Rate Classes: Union North	Current Rate Classes: Union South
		(a)	(b)	(c)	(d)
1	In-franchise	Rate E01	Rate 1	Rate 01	Rate M1
2	General Service	Rate E02	Rate 6	Rate 10	Rate M2
3	In-Franchise	Rate E10	Rate 100	Rate 20	Rate M4
4	Firm Contract		Rate 110	Rate 100	Rate M5
5	Service		Rate 115		Rate M7
6	In-Franchise	Rate E20	Rate 300	Rate 20	Rate T1
7	Large Contract	Rate E22	Rate 125	Rate 25	Rate T2
8	Service	Rate E24		Rate 100	
9	In-Franchise	Rate E30	Rate 135	Rate 20	Rate M4
10	Other Contract	Rate E34	Rate 145	Rate 25	Rate M5
11	Service	Rate E38	Rate 170	Rate 100	Rate M7
12			Rate 315		Rate T2
13			Rate 316		
14	Wholesale	Rate E60	Rate 200	-	Rate M9
15	Contract Service	Rate E62			Rate T3
16		Rate E64			Rate M17
17	Ex-Franchise	Rate E70	Rate 331	-	Rate M12
18	Transportation	Rate E72	Rate 332		Rate M16
19	Contract Service				Rate M17
					Rate C1
20	Ex-Franchise	Rate E80	Rate 401	-	Rate M13
21	Other Contract	Rate E82			GPA
	Service				

64. Enbridge Gas prepared a customer forecast for the harmonized rate classes by placing customers into harmonized rate classes based on the customer's current

parameters and service option.[18] For example, a firm bundled contract service customer is placed in the corresponding firm bundled contract rate class for purposes of deriving the harmonized customer forecast. The approach to preparing the harmonized customer forecast ensured that there was no judgment by Enbridge Gas on what service option a customer may elect upon rate harmonization. Enbridge Gas considered reflecting potential customer switching in the forecast but decided against this approach due to its subjective nature, without prior customer experience or customer feedback on which to base the forecast. Instead, the Company is proposing the Rate Harmonization Variance Account (RHVA) to record material differences to forecast revenue that are attributable to customers switching rate classes as a result of the implementation of the rate harmonization plan. Further details on the request to establish the RHVA is provided at Exhibit 9, Tab 1, Schedule 3.

3. Rate Harmonization Implementation Plan

65. The rate harmonization implementation plan presents the timeline for the implementation of the proposed harmonized rate classes and services planned to occur in 2024, 2025 and 2026.

66. Enbridge Gas has proposed a comprehensive rate harmonization plan as described in this evidence. The rate harmonization plan impacts a number of existing processes and procedures currently employed to provide rates and services to the current 42 rate classes served under three rate zones. The rate harmonization plan includes the proposal to harmonize rate zones and rate classes resulting in 16 rate classes served under one rate zone. The magnitude and

[18] Impacts of service harmonization proposals have not been reflected in the harmonized customer forecast. Deferral and variance accounts will capture any differences in costs and/or revenue of the proposals.

quantity of the changes proposed with the rate harmonization plan require time to implement.

67. In order for the plan to be fully integrated into the processes and procedures of the amalgamated utility, a phase in approach is needed to provide the necessary time to ensure a seamless transition for customers, stakeholders and the Utility. The changes required to the processes and procedures can generally be grouped into the following areas:
    - Modification to internal and customer-facing business applications, including the existing billing systems;
    - Modifications to processes, including contract and compliance; and
    - Customer notification, education and communication.

68. Harmonization proposals to recognize the amalgamation of EGD and Union have been included in the following areas of this Application. These proposals also support the rate harmonization plan, as the Company further integrates the rates and services offered to customers.
    - Introduction of a common reference price (Exhibit 4, Tab 2, Schedule 2);
    - Cost Allocation Study (Exhibit 7);
    - Rate design (Exhibit 8, Tab 1 and Tab 2);
    - Miscellaneous Service Charges (Exhibit 8, Tab 3);
    - Services (Exhibit 8, Tab 4);
    - Rate handbook (Exhibit 8, Tab 2, Schedule 7); and
    - Deferral and variances accounts (Exhibit 9, Tab 1).

69. Enbridge Gas is proposing to implement the service and rate harmonization proposals in three phases. Due to the magnitude of the changes, the Company

cannot implement all proposals at the same time. As such, Enbridge Gas is proposing to phase in the proposed changes from 2024 to 2026. The phases are defined by implementation date, as follows:

a) The first implementation date is January 1, 2024, to coincide with the rate approvals for the 2024 Test Year as part of this Application;
b) The second implementation date is April 1, 2025, for the harmonized general service rate classes including the rate design changes for these classes; and
c) The third implementation date is April 1, 2026, for the harmonized rate classes for all other rate classes and the transition to the harmonized services for these customers.

70. These implementation dates assume OEB approval of the rate harmonization plan prior to January 1, 2024, as the work to complete the harmonization will largely occur following OEB approval. Should the OEB Decision for rate harmonization be after January 1, 2024, it may be necessary to modify the implementation dates of each phase of the implementation plan to recognize the time required to implement the business system changes and notify customers.

71. Figure 3 depicts the Company's proposed timeline to fully implement the rate harmonization plan over the 2024 to 2026 period.

Figure 3: Rate Harmonization Implementation Plan

RATE HARMONIZATION PLAN IMPLEMENTATION

2024

- **2024 Proposed Rates**
  Current Rate Classes (1)
- **2024 Proposed Gas Cost Rates** (1)
  Gas Supply Commodity Charge
  Gas Supply Transportation Charge
- **Combined Rate Handbook**
  Current Rate Classes
- **Services**
  Current services with minimal changes
- **Deferral and Variance Accounts**
  Account Harmonization
- **Other**
  New Rider N for Energy Transition Technology Fund

2025

- **Proposed Rates for General Service Rate Classes**
  Harmonized Rate Classes (2)
  SFVD Rate Design
- **Harmonized Rate Handbook**
  General Service Rate Classes
- **Other**
  New Rider L for Low-Carbon Voluntary Program

2026

- **Proposed Rates for Contract Service Rate Classes**
  Harmonized Rate Classes (2)
- **Contract Service Harmonization**
  Distribution Services
  Direct Purchase Services
  Ex-Franchise Services
- **Harmonized Rate Handbook**
  Harmonized Rate Classes

Notes:
(1) Supported by 2024 Cost Allocation Study based on harmonized rate zones and allocation methodologies for the current rate classes.
(2) Supported by 2024 Cost Allocation Study based on harmonized rate classes.

72. Each phase of the implementation plan and the associated proposals is discussed below organized by implementation date as follows:

    3.1 2024 Proposed Changes

    3.2 2025 Proposed Changes

    3.3 2026 Proposed Changes

3.1. 2024 Proposed Changes

73. The Company is proposing to implement the following changes to rate classes and services on January 1, 2024, to align with the approvals for the 2024 Test Year as part of this Application.

2024 Proposed Rates

74. Enbridge Gas is proposing to continue with the current rate classes in 2024. The proposed rates for 2024 reflect the recovery of the 2024 adjusted revenue

requirement at current rate classes. The implementation of the 2024 rates at current rate classes does not require significant billing, process and procedure changes or additional customer communication.

75. The rate design process is supported by the 2024 Cost Allocation Study. To support the phase in approach of the rates and services, Enbridge Gas has prepared a 2024 Cost Allocation Study for the current rate classes. The cost allocation for the current rate classes is provided at Exhibit 7, Tab 2. The complete cost study evidence is provided at Exhibit 7, Tab 1 to 3. The derivation of the 2024 proposed rates at the current rate classes are provided at Exhibit 8, Tab 2, Schedule 8, Attachment 2.

2024 Proposed Gas Cost Rates

76. Enbridge Gas is proposing to implement changes to gas supply commodity and transportation charges that reflect a proposed common reference price based on a weighted average cost of gas supply. The proposed gas cost reference price is provided at Exhibit 4, Tab 2, Schedule 2. The common reference price and 2024 Gas Supply Plan are used to derive the proposed gas supply commodity charge and gas supply transportation charges as provided at Exhibit 8, Tab 2, Schedule 2. The implementation of the rate design for gas cost recovery in 2024 aligns the proposed rates with the harmonization of the 2024 Gas Supply Plan, gas cost reference price and gas supply deferral and variance accounts. A description of the proposed deferral and variance account changes is provided at Exhibit 9, Tab 1, Schedule 2.

77. Enbridge Gas is also proposing bundled DP customers with an Enbridge CDA point of receipt[19] pay the gas supply transportation charge and also receive the Parkway Delivery Commitment Incentive (PDCI) credit for their deliveries at Enbridge CDA. This approach harmonizes these customers with the current approved approach for Union South customers with a Parkway Delivery Obligation (PDO). The rationale for this methodology is provided at Exhibit 4, Tab 7, Schedule 1.

78. In order to implement gas cost rate changes January 1, 2024, it is necessary for Enbridge Gas to initiate work in 2023 to address the internal business application and process changes required to harmonize the reference price and gas supply deferral and variance accounts.

79. Enbridge Gas will also harmonize and consolidate the Quarterly Rate Adjustment Mechanism (QRAM) schedules in advance of the January 1, 2024, effective date. These schedules will be filed as part of the January 1, 2024, QRAM or the first QRAM application following the OEB Decision on this Application. A description of the harmonized QRAM is provided at Exhibit 4, Tab 2, Schedule 1. A customer communication plan explaining the proposed changes will be developed in 2023.

Combined Rate Handbook

80. Enbridge Gas is proposing to implement a combined rate handbook for the current rate classes and services effective January 1, 2024. The combined rate handbook combines certain elements of content, structure and appearance for consistency and ease of use. The combined rate handbook includes terms and conditions, rate schedules and rate riders. A description of the combined rate handbook is provided at Exhibit 8, Tab 2, Schedule 7. The implementation of the 2024 combined rate

[19] Currently contracted under Ontario transportation service in the EGD rate zone.

handbook for the current rate classes does not require billing, process and procedure changes or additional customer communication.

Services

81. The Company will also maintain its current service offerings in 2024, with limited proposed changes. The proposed changes effective January 1, 2024, include:
    - Various eliminated in-franchise and ex-franchise services that are no longer required or in use; and
    - Miscellaneous service charges and certain DP charges.

82. A description of the service harmonization proposals is provided at Exhibit 8, Tab 4. A description of the proposed miscellaneous service charges and DP charges is provided at Exhibit 8, Tab 3, Schedule 1 and Exhibit 8, Tab 3, Schedule 2, respectively.

Deferral and Variance Accounts

83. Enbridge Gas is proposing to harmonize the deferral and variance accounts effective January 1, 2024. Enbridge Gas, as an amalgamated entity, no longer requires separate deferral and variance accounts for the EGD and Union rate zones and will no longer track separate costs for each rate zone. The harmonization of deferral and variance accounts aligns with harmonization efforts proposed as part of this Application. A description of the harmonization of deferral and variance accounts is provided at Exhibit 9, Tab 1, Schedule 2.

Other Proposed Changes

84. Enbridge Gas is proposing a new rate rider, Rider N – Energy Transition Technology Fund, effective January 1, 2024, for the recovery of energy transition

technology fund (ETTF) from customers as a fixed monthly amount. A description of the ETTF is provided at Exhibit 1, Tab 10, Schedule 7 and the proposed rate rider change is provided at Exhibit 8, Tab 1, Schedule 2.

3.2. 2025 Proposed Changes

85. The Company is proposing to implement the following changes to rate classes in 2025. As part of this Application, Enbridge Gas is requesting approval of proposed rates for the harmonized rate classes, which are supported by a cost allocation study based on the 2024 Test Year provided at Exhibit 7, Tab 3, Schedule 1. Subject to OEB approval in this Application, the proposed general service harmonized rate classes will be implemented on April 1, 2025, per the rate implementation plan. The proposed rates in this Application for the harmonized rate classes will be updated, prior to implementation, in accordance with the approved incentive rate-setting mechanism (IRM) adjustments beginning in 2025. The rates for the current rate classes, subject to the annual IRM adjustments, will continue for each year until the implementation date of the harmonized rate classes. The rates for the harmonized rate classes will reflect the IRM adjustments for each year following 2024 until the date of implementation. The proposed IRM, including the annual adjustments and annual adjustment process, is provided at Exhibit 10, Tab 1, Schedule 1.

Proposed Rates for General Service Rate Classes

86. Enbridge Gas is proposing to implement harmonized general service rate classes and straight fixed variable with demand (SFVD) rate design for general service delivery rates on April 1, 2025.

87. The proposal includes the introduction of two general service rate classes for Enbridge Gas under Rate E01 for small demand general service and Rate E02 for general demand general service. The proposed rate classes will replace the current six general service rate classes in the EGD and Union rate zones. The harmonized general service delivery rates are supported by a 2024 Cost Allocation Study for the harmonized rate classes. The Cost Allocation Study for the harmonized rate classes is provided at Exhibit 7, Tab 3, Schedule 1.

88. The Company also proposes to implement SFVD rate design for the harmonized general service rate classes. The proposed rate design recovers fixed costs through fixed charges and introduces a delivery demand charge for these customers. The gas cost recovery rate design implemented in 2024 is not impacted by this proposal.

89. The general service rate class harmonization and SFVD delivery rate implementation require significant changes to the billing systems and process and procedures. Due to system changes, Enbridge Gas is planning an implementation date of April 1, 2025. The month of April was set as the implementation month to allow for implementation to coincide with the April QRAM, while avoiding certain constrained times of year, such as year-end processes and the start of the gas year (November 1). Enbridge Gas's 2025 Rates Application will include a proposal for revenue adjustment resulting from the mid-year implementation of harmonized general service rate classes and rate design changes.

90. The Company anticipates a 14-month lead time to implement all necessary changes for general service harmonization. In addition, customer education and communication plans will be developed to provide sufficient time to educate general service customers of rate class changes and bill changes.

91. A description of the general service rate design proposal is provided at Exhibit 8, Tab 2, Schedule 3.

Harmonized Rate Handbook – General Service Rate Classes

92. Enbridge Gas has prepared a harmonized rate handbook for the harmonized rate classes. The harmonized rate handbook includes the harmonized general service rate classes reflecting SFVD delivery rates effective April 1, 2025. The harmonized rate handbook also includes changes to the terms and conditions of service, rate classes and rate riders applicable to general service rate classes. A description of the harmonized rate handbook is provided at Exhibit 8, Tab 2, Schedule 7.

Other Proposed Changes

93. Enbridge Gas is also proposing a new rate rider, Rider L – Low-Carbon Voluntary Program (LCVP), effective January 1, 2025, for the new LCVP proposed as part of this Application. Rider L for the LCVP will replace the existing Rider L –Voluntary RNG Program Charge. A description of the LCVP is provided at Exhibit 4, Tab 2, Schedule 7 and the proposed rate rider change is provided at Exhibit 8, Tab 1, Schedule 2.

3.3. 2026 Proposed Changes

94. The Company is proposing to implement the following changes to rate classes and services on April 1, 2026.

Proposed Rates for Contract Rate Classes

95. Enbridge Gas is proposing to implement the harmonized in-franchise and ex-franchise contract rate classes effective April 1, 2026. As part of this Application, Enbridge Gas is requesting approval of the proposed rates for the harmonized rate

classes, which are supported by a cost allocation study based on the 2024 Test Year provided at Exhibit 7, Tab 3, Schedule 1. Subject to OEB approval in this Application, the proposed contract service harmonized rate classes will be implemented on April 1, 2026, per the rate implementation plan. The proposed rates in this Application for the harmonized rate classes will be updated, prior to implementation, in accordance with the approved IRM adjustments beginning in 2025. The rates for the current rate classes, subject to the annual IRM adjustments, will continue for each year until the implementation date of the harmonized rate classes. The rates for the harmonized rate classes will reflect the IRM adjustments for each year following 2024 until the date of implementation. The proposed IRM, including the annual adjustments and annual adjustment process, is provided at Exhibit 10, Tab 1, Schedule 1.

96. A description of the proposed rate design for the in-franchise contract rate classes is provided at Exhibit 8, Tab 2, Schedule 4 and ex-franchise contract rate classes at Exhibit 8, Tab 2, Schedule 5. The gas cost recovery rate design implemented in 2024 is not impacted by these proposals.

97. Similar to the implementation of the harmonized general service rate classes in 2025, significant changes to the business systems and process and procedures are required to implement the proposed changes to in-franchise and ex-franchise contract rate classes. Due to the quantity and magnitude of system related changes, Enbridge Gas is proposing an implementation date of April 1, 2026. The month of April was set as the implementation month for 2026 to allow for implementation to coincide with the April QRAM, while avoiding certain constrained times of year, such as year-end processes and the start of the gas year (November 1). Enbridge Gas’s 2026 Rates Application will include a proposal for revenue

adjustment resulting from the mid-year implementation of harmonized contract rate classes and rate design changes.

98. In addition, customer education and communication plans will be developed to provide sufficient time to inform and educate the contract rate customers of rate class changes.

Proposed Service Harmonization

99. Enbridge Gas is proposing to harmonize the in-franchise and ex-franchise services currently offered in the EGD and Union rate zones to provide a common suite of services to customers. The harmonized services include distribution, DP (bundled, semi-unbundled and unbundled) and ex-franchise services. The proposed harmonized services are planned to be effective April 1, 2026, unless otherwise noted in Section 3.1. This timing provides sufficient opportunity to implement changes to internal and customer-facing business applications, processes, and to provide notice to customers of changes to their services. A description of the proposed services is provided at Exhibit 8, Tab 4.

100. The implementation timing for contract rate classes and service of April 2026, or 1 year after the implementation of the general service rate classes, is the minimum amount of time necessary following the OEB Decision to implement changes to internal and customer-facing business applications and processes, assuming an OEB Decision for this Application is received prior to January 1, 2024. This timing also provides sufficient time for Enbridge Gas to provide notice and inform customers of the service offerings available to them.

Harmonized Rate Handbook – Contract Rate Classes

101. Enbridge Gas has prepared a harmonized rate handbook for the harmonized contract rate classes effective April 1, 2026. The harmonized rate handbook includes changes to the terms and conditions of service, rate classes and rate riders. A description of the harmonized rate handbook is provided at Exhibit 8, Tab 2, Schedule 7.

Summary of Rate Zone Alternatives

Line No.	Rate Zone Alternatives	Service Areas / Rate Zones (a)	Considerations (b)
1	Current Rate Zones	1 - EGD rate zone 2 - Union North West rate zone 3 - Union North East rate zone 4 - Union South rate zone	• Does not recognize the utility amalgamation. • Enbridge EDA and Union EDA in separate rate zones but same geographic region. • Added complexities with multiple rate zones.
2	One Rate Zone	1 - South, Central, North & East	• No difference recognized between customers based on geographic regions. • Recognizes diversity of supply in serving geographic regions (versus traditional western supplies). • Provides for administrative simplicity and operational efficiencies. • Consistent experience for all customers.
3	Two Rate Zones	1 - South & Central 2 - North & East	• Significant bill impacts when separate EGD rate zone into Central and East service areas. • Separate rate zone for smallest service area (19% of customers).
4	Two Rate Zones	1 - South 2 - Central, North & East	• Recognizes South service area is directly connected to Dawn storage. • Does not require Central and East to be separated. • Boundary issues between South and Central.
5	Two Rate Zones	1 - South, Central & East 2 - North	• North and East separated but similar operating characteristics. • Separate rate zone for smallest service area (6% of customers) • Does not require Central and East to be separated.
6	Three Rate Zones	1 - South 2 - Central 3 - North & East	• Significant bill impacts when separate EGD rate zone into Central and East service areas. • Boundary issues between South and Central. • Added complexities with multiple rate zones. • Recognizes South service area is directly connected to Dawn storage.
7	Three Rate Zones	1 - South 2 - Central & East 3 - North	• North no longer served primarily from Empress, similar to Central and East service areas. • Boundary issues between South and Central. • North and East separated but similar operating characteristics. • Added complexities with multiple rate zones. • Recognizes South service area is directly connected to Dawn storage. • Does not require Central and East to be separated.
8	Four Rate Zones	1 - South 2 - Central 3 - East 4 - North	• Significant bill impacts when separate EGD rate zone into Central and East service areas. • Boundary issues between South and Central. • North and East separated but similar operating characteristics. • Added complexities with multiple rate zones. • Recognizes South service area is directly connected to Dawn storage.

Mapping of Current Rate Classes to Harmonized Rate Classes

Line No.	Service Type & Rate Class No.	Harmonized Rate Class Description	Current Rate Zone		
			EGD	Union North	Union South
	In-franchise General Service				
1	Rate E01	Small Demand General Service	Rate 1 - peak demand ≤ 150 m³/d Rate 6 - peak demand ≤ 150 m³/d	Rate 01 - peak demand ≤ 150 m³/d Rate 10 - peak demand ≤ 150 m³/d	Rate M1 - peak demand ≤ 150 m³/d Rate M2 - peak demand ≤ 150 m³/d
2	Rate E02	General Demand General Service	Rate 1 - peak demand > 150 m³/d Rate 6 - peak demand > 150 m³/d	Rate 01 - peak demand > 150 m³/d Rate 10 - peak demand > 150 m³/d	Rate M1 - peak demand > 150 m³/d Rate M2 - peak demand > 150 m³/d
	In-franchise Contract Service				
3	Rate E10	Firm Bundled Contract Service	Rate 100 Rate 110 Rate 115	Rate 20 - bundled firm service Rate 100 - bundled firm service	Rate M4 - firm service Rate M5 - firm service CD ≥ 1,800 m³/d Rate M7 - firm service
	In-franchise Large Contract Service				
4	Rate E20	Semi-Unbundled Contract Service	No rate classes	No rate classes	Rate T1 - firm and IT service Rate T2 - firm and IT service
5	Rate E22	Unbundled Contract Service	Rate 300	Rate 20 - unbundled firm and IT service; CD < 1,200,000 m³/d Rate 25 - unbundled IT service; CD < 1,200,000 m³/d Rate 100 - unbundled firm and IT service; CD < 1,200,000 m³/d	No rate classes
6	Rate E24	Extra-Large Unbundled Contract Service	Rate 125	Rate 20 - unbundled firm and IT service; CD ≥ 1,200,000 m³/d Rate 100 - unbundled firm and IT service; CD ≥ 1,200,000 m³/d	Rate T2 - firm and IT service; non-obligated DCQ; CD ≥ 1,200,000 m³/d
	In-franchise Other Contract Service				
7	Rate E30	Interruptible Bundled Contract Service	Rate 145 Rate 170	Rate 25 - sales/bundled IT service	Rate M4 - IT service Rate M5 - IT service; firm service CD < 1,800 m³/d Rate M7 - IT service
8	Rate E34	Seasonal Firm Bundled Contract Service	Rate 135	No rate classes	Rate M7 - seasonal service
9	Rate E38	Unbundled Storage Contract Service	Rate 315 Rate 316	Rate 20 - bundled (T-service) storage service Rate 100 - bundled (T-service) storage service	Rate T2 - Rate E24 storage service
	Wholesale Contract Service				
10	Rate E60	Wholesale Transportation Contract Service	No rate classes	No rate classes	Rate M17 - transportation excluding Dawn Parkway
11	Rate E62	Wholesale Bundled Contract Service	Rate 200	No rate classes	Rate M9
12	Rate E64	Wholesale Semi-Unbundled Contract Service	No rate classes	No rate classes	Rate T3
	Ex-franchise Transportation Contract Service				
13	Rate E70	Transportation Contract Service	Rate 331 Rate 332	No rate classes	Rate M12 Rate C1 Rate M17 - Dawn Parkway transportation
14	Rate E72	Storage Pool Transportation Contract Service	No rate classes	No rate classes	Rate M16
	Ex-franchise Other Contract Service				
15	Rate E80	Producer Injection and Transportation Contract Service	No rate classes	No rate classes	Rate M13 Gas Producer Agreement (GPA)
16	Rate E82	Renewable Natural Gas Injection Contract Service	Rate 401	No rate classes	No rate classes

GAS SUPPLY COMMODITY AND TRANSPORTATION CHARGES

AMY MIKHAILA, MANAGER RATE DESIGN
JACKIE COLLIER, SPECIALIST RATE DESIGN

1. The purpose of this evidence is to request OEB approval of the rate design for the gas supply commodity charge and gas supply transportation charges. This proposal is a component of the rate harmonization plan provided at Exhibit 8, Tab 2, Schedule 1.

2. The Company is proposing the harmonized rate design methodology for gas supply charges be implemented January 1, 2024, to align with the proposal for a common reference price for setting gas costs provided at Exhibit 4, Tab 2, Schedule 2 and the 2024 Gas Supply Plan provided at Exhibit 4, Tab 2, Schedule 1. The proposed rate design methodology will be used to derive gas supply commodity and gas supply transportation charges for the current rates classes in 2024. The methodology will continue to be used upon implementation of the harmonized rate classes for general service rate classes in 2025 and contract rate classes in 2026, as part of the rate implementation plan provided at Exhibit 8, Tab 2, Schedule 1.

3. The impacts of proposals made in this exhibit have been incorporated in the bill impacts provided at Exhibit 8, Tab 2, Schedule 6 and the rate design has been incorporated in the rate handbook provided at Exhibit 8, Tab 2, Schedule 7.

4. This evidence is organized as follows:
    1. Gas Supply Commodity Charge
    2. Gas Supply Transportation Charges

1. Gas Supply Commodity Charge

5. Enbridge Gas is proposing a common gas supply commodity charge for sales service customers for all applicable in-franchise rate classes consistent with the approach to harmonize the rate zones provided at Exhibit 8, Tab 2, Schedule 1. The gas supply commodity charge will consist of the following components:
   a) The proposed reference price set at the weighted average cost of gas;
   b) A transportation charge to transport gas supply from Ojibway and St. Clair to Dawn for sales service customers; and
   c) A gas supply administration fee.

6. Table 1 provides the gas supply commodity charge under the current approved methodology for each rate zone compared to the proposed harmonized methodology for the 2024 Test Year.

Table 1
Comparison of the Gas Supply Commodity Charge

Line No.	Particulars (cents/m^3)	Current Approved Methodology EGD (1)	Union North West	Union North East	Union South	Proposed Methodology	
		(a)	(b)	(c)	(d)	(e)	
1	Reference Price	18.1367	18.0656	20.6123	20.6123	20.7493	
2	Panhandle/St. Clair Transportation (2)	-	-	-	-	0.0365	/u
3	Gas Supply Optimization Margin Credit	-	-	-	(0.2824)	-	
4	Gas Supply Administration Charge (3)	0.2408	0.2085	0.2085	0.2085	0.1178	
5	Total Gas Supply Commodity Charge (4)	18.3775	18.2741	20.8208	20.5384	20.9036	/u

Notes:

(1) EGD gas supply commodity charge based on Rate 1 in the EGD rate zone.

(2) Panhandle/St. Clair transportation is included in the Purchase Gas Variance Account (PGVA) for the Union South and Union North East rate zones under the current approved methodology.

(3) EGD includes 0.0210 cents/m^3 gas supply administration charge plus 0.2198 cents/m^3 of other costs including bad debt commodity expense and return on rate base – working cash. The comparable costs are recovered as gas supply administration costs for the Union rate zones and in the proposed methodology.

(4) Excludes the adjustment made to the Union North East and Union South gas supply commodity charge of 1.4943 cents/m^3 and 1.7522 cents/m^3, respectively, to account for the forecast gas supply commodity costs that are currently collected in the gas supply commodity price adjustments, as described at Exhibit 6, Tab 1, Schedule 2, Section 2.1.

7. In the current approved methodology for the Union South rate zone, the transportation rate is set to zero and as such, the gas supply optimization margin credit offsets the upstream transportation costs recovered in the gas supply commodity charge. Consistent with the other rate zones, the proposed methodology reduces the upstream transportation costs in the gas supply transportation charge by the gas supply optimization margin credit, as provided at Exhibit 7, Tab 1, Schedule 2, Section 2.1 and is not a component of the proposed gas supply commodity charge. The gas supply optimization margin is described further in Section 2 of this evidence.

8. The following sections of evidence provide a description of the current EGD and Union rate zone methodologies and a detailed description of the proposed methodology for each component of the gas supply commodity charge.

1.1. Gas Supply Reference Price

Current Approved Rate Design

9. For the EGD rate zone, the gas supply commodity charge is set at the Empress reference price. The Empress reference price is set based on a 21-day average of market prices for a 12-month forward strip and adjusted each quarter through the Quarterly Rate Adjustment Mechanism (QRAM). Portfolio costs greater than the Empress reference price are deemed to be transportation and/or load balancing and recovered from sales service and bundled DP customers through transportation and load balancing rates accordingly.

10. For the Union North West rate zone, the gas supply commodity charge is set at the Alberta Border reference price. For the Union South and Union North East rate zones, the gas supply commodity charge is set at the Dawn reference price. The reference prices are set based on a 21-day average of market prices for a 12-month forward strip and adjusted each quarter through the QRAM process. As the portfolio costs include additional supply locations, the Dawn reference price does not recover all the forecast gas supply costs in the Gas Supply Plan. As such, the difference between the Dawn reference price and the forecast average unit rate cost of the Gas Supply Plan is recorded in gas supply variance accounts and recovered in price adjustment riders for the Union South and Union North East rate zone.

Proposed Rate Design

11. Enbridge Gas is proposing to include the proposed reference price as a component of the gas supply commodity charge. Enbridge Gas is proposing a common reference price based on the weighted average price of the gas supply commodity costs effective January 1, 2024, as provided at Exhibit 4, Tab 2, Schedule 2.

12. The proposed charge of 20.7493 cents/m^3 is based on the proposed weighted average reference price[1] at the April 1, 2022, QRAM. At the time of the final rate order, the most recent QRAM pricing will be used to derive the weighted average reference price.

13. The proposed reference price incorporates the gas supply commodity costs from the various sources of supply in the gas supply portfolio set based on a 21-day average of market prices for a 12-month forward strip. Also included in the reference price, is the transportation contracts for gas supply sourced upstream of Dawn or Empress to provide diversity of supply for sales service customers. The derivation of the proposed weighted average reference price is provided at Exhibit 4, Tab 2, Schedule 2, Attachment 3.

14. The proposed rate design incorporates the market prices at all of the various supply locations in the gas supply portfolio whereas the current approved gas supply commodity charge for each rate zone is based on a single source of supply (Empress, Alberta Border, or Dawn). This proposed rate design also ensures that the gas supply commodity charge is set to recover the forecast gas supply costs to

[1] The proposed weighted average reference price is \$5.309/GJ, or \$207.493/10^3m^3, converted based on the April 2022 QRAM and proposed harmonized heat value of 39.08 GJ/10^3m^3.

provide sales service, which results in improved transparency and a better price signal for sales service customers.

15. The proposed gas supply commodity charge results in an increase to the gas supply commodity charge currently paid by customers in the EGD and Union North West rate zone, as shown in Table 1. The gas supply commodity charge for these customers is currently set based on market prices at Empress which are lower than the weighted average reference price for all sales service customers. For the EGD rate zone, the proposed increase is primarily driven by the recovery of gas supply commodity purchases at or upstream of Dawn in the gas supply commodity charge that are currently recovered in transportation and/or load balancing charges. For the Union North West rate zone, the proposed increase is driven by a weighted average reference price that is greater than the Empress price. This increase is offset by a reduction in transportation rates that results from the proposal for one rate zone.

1.2. Rate C1 Transportation from Ojibway/St. Clair to Dawn

16. Enbridge Gas is proposing to add a charge of 0.0365 cents/m^3 as a component of the gas supply commodity charge for the use of the Company's Panhandle and St. Clair Systems to transport gas supply from Ojibway and St. Clair to Dawn. /u

17. As part of Union's proceeding for the Pre-approval of Cost Consequences of its NEXUS Long Term Contract,[2] Union proposed to charge sales service customers the Rate C1 St. Clair to Dawn transportation rate for the volumes transported from St. Clair to Dawn on behalf of sales service customers. The charge was established to recognize that the Company is not able to generate S&T revenue on these paths

[2] EB-2015-0166.

to the benefit of in-franchise customers, as the transportation capacity is being utilized to provide sales service. As this charge was established during Union's IR term, this charge has been recovered in the gas supply variances accounts.

18. Consistent with the current approach, Enbridge Gas will continue to charge sales service customers the Rate C1 Ojibway and St. Clair to Dawn transportation rate and as part of the proposed rate design which will incorporate the rate as a component of the gas supply commodity charge.

19. To ensure there is no cross-subsidy between sales service customers and other customers, the forecast revenue from sales service customers for the use of the Panhandle and St. Clair Systems has been credited to all in-franchise rate classes in proportion to the allocation of Panhandle and St. Clair demand costs. Please see Exhibit 8, Tab 2, Schedule 8, Attachment 8 for the treatment of Rate C1 Panhandle and St. Clair transportation charges to sales service customers.

20. Table 2 provides the derivation of the transportation charge of 0.0365 cents/m^3 for sales service use of the Panhandle and St. Clair Systems included in the gas supply commodity charge. The total cost is based on the 2024 proposed ex-franchise Rate C1 demand charge for transportation from Ojibway and St. Clair to Dawn. The sales service use of the Panhandle and St. Clair Systems provides a benefit to in-franchise distribution customers toward the recovery of fixed costs as provided at Exhibit 8, Tab 2, Schedule 8, Attachment 8. /u

Table 2
Sales Service Use of Panhandle and St. Clair Systems

Line No.	Particulars	Gas Supply Commodity Unit Rate	
		(a)	
1	Sales service use of Panhandle System (GJ/d)	60,077	
2	Sales service use of St. Clair System (GJ/d)	158,258	
3	Total (GJ/d)	218,335	
4	2024 Rate C1 Panhandle/St. Clair to Dawn ($/GJ/mo) (1)	1.829	/u
5	Total sales service annual cost ($000s) (2)	4,793	/u
6	Total sales service volumes (10^3m^3) (3)	13,147,614	
7	Gas Supply Commodity unit rate (cents/m^3) (4)	0.0365	/u

Notes:
(1) Exhibit 8, Tab 2, Schedule 8, Attachment 13.
(2) Line 3 x line 4 x 12 months / 1000.
(3) Exhibit 7, Tab 2, Schedule 1, Attachment 12, p.14, column (a), line 51.
(4) Line 5 / line 6 x 100.

1.3. Gas Supply Administration Charge

21. Enbridge Gas is proposing to charge 0.1178 cents/m^3 as a component of the gas supply commodity charge to recover the Company's administrative costs associated with providing sales service. The recovery of gas supply administration costs has not been accounted for elsewhere in revenue.

22. The proposed rate design is consistent with the current approved approach to derive the gas supply administration charges for the EGD and Union rate zones. The gas supply administration charge unit rate is derived by dividing the fully allocated costs to provide the service by the sales service volumes.

23. The costs recovered through the gas supply administration charge include the fully allocated costs of the O&M required to administer sales service. These costs include employee salaries, benefits and overheads to provide gas supply, gas management and reporting. The costs also include the bad debt associated with the gas supply charges on customer bills.

24. The gas supply administration charge has decreased compared to the current approved charges, as shown in Table 1, line 4. Since the charges were last set as part of the 2013 Cost of Service proceedings for EGD[3] and Union[4], the number of sales service customers and volume has increased, which has resulted in a lower cost per unit of sales service volume. Additionally, the gas supply administration charge is lower than it otherwise would be as a result of the integration of EGD and Union's gas supply planning groups following amalgamation.

2. Gas Supply Transportation Charges

25. Enbridge Gas is proposing a harmonized methodology for the development of two proposed gas supply transportation charges. The first gas supply transportation charge is for sales service and bundled DP customers with a Dawn, Parkway, or Enbridge CDA obligated point of receipt. The second gas supply western transportation charge is for bundled DP customers with an Empress obligated point of receipt. A detailed description of the proposed methodology is outlined below.

2.1. Current Approved Rate Design

26. For the EGD rate zone, upstream transportation costs are recovered in the following charges:

[3] EB-2011-0354.
[4] EB-2011-0210.

a) Gas supply transportation charge;
b) Gas supply transportation Dawn charge; and
c) Gas supply load balancing charge.

27. The gas supply transportation charge for the EGD rate zone is applicable to sales service customers and bundled DP customers with obligated deliveries at Empress[5]. The transportation charge recovers the cost of upstream transportation services contracted to move gas to the franchise area. In addition, any premium or discount in supply purchases which are above the Empress reference price are deemed to be transportation related if they are used to meet average annual demand. Gas supply optimization[6] margin which is generated from these assets are used to offset the transportation costs.

28. The gas supply transportation Dawn charge for the EGD rate zone is applicable to bundled DP customers with obligated deliveries at Dawn[7]. The transportation Dawn charge recovers the costs of transportation services required to transport gas from Dawn to the EGD rate zone to meet average annual demands. The transportation costs include upstream transportation and Dawn Parkway System costs.

29. The gas supply load balancing charge for the EGD rate zone is applicable to sales service and bundled DP customers. The charge recovers the upstream transportation costs required to transport gas from Dawn to the EGD rate zone to meet above average day demands. The gas supply load balancing charge is recovered in delivery rates for general service rate classes.

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[5] Contracted under Western transportation service.
[6] Gas supply optimization was previously referred to as transactional services by EGD.
[7] Contracted under Dawn transportation service.

30. For the Union North rate zones, Union North West and Union North East rate zones' gas supply transportation rates are applicable to sales service and bundled DP customers in each rate zone. The gas supply transportation rate for each rate zone recovers the upstream transportation costs required to transport gas from Empress to the delivery area for the Union North West rate zone and from Dawn to the delivery area for the Union North East rate zone. Also included in the transportation rate is the cost of the Dawn Parkway System. The Union North rate zones also recover upstream transportation and Dawn Parkway System costs to move gas to and from storage in gas supply storage rates. The rate design for Rate 20 and Rate 100 includes a gas supply demand and transportation rate.

31. For the Union South rate zone, the transportation rate is zero as the current Dawn reference price reflects the landed commodity cost at Dawn. Union South customers are served directly off utility owned transmission lines, including the Dawn Parkway System, Panhandle System, and St. Clair System, and do not require third-party transportation. The utility owned transmission costs are recovered in delivery rates.

2.2. Proposed Rate Design

32. Effective January 1, 2024, Enbridge Gas is proposing to harmonize the gas supply transportation charges. The Company is proposing the following two gas supply transportation charges:
    a) A transportation charge for customers taking sales service and bundled DP service with a Dawn, Parkway or Enbridge CDA point of receipt; and
    b) A Western transportation charge for bundled DP customers with an Empress point of receipt.

33. The approach of offering two transportation charges for bundled DP customers based on point of receipt is similar to the current EGD rate zone methodology. The transportation charges are set to recognize the commodity price difference between the points of receipt for bundled DP customers and allows for DP customer receipts at different locations without the need to separate customers into rate zones. The rate design is also consistent with the one rate zone approach, as customers that deliver gas to Dawn or Empress pay either a common transportation rate or a common Western transportation rate, respectively, regardless of their location in the Enbridge Gas franchise area. A description of the approach to harmonize the rate zones is provided at Exhibit 8, Tab 2, Schedule 1.

34. Bundled DP customers with an Enbridge CDA point of receipt[8] will pay the transportation charge and will also receive the PDCI credit for their deliveries at the Enbridge CDA to harmonize with the current approved approach for Union South customers with a Parkway Delivery Obligation (PDO). This approach harmonizes customers in similar circumstances across the EGD and Union rate zones. A description of the proposed changes to the PDO Framework are provided at Exhibit 4, Tab 7, Schedule 1.

35. The Western transportation charge includes an incremental charge for bundled DP customers with an Empress point of receipt to recognize the incremental cost of transporting deliveries received at Empress compared to deliveries received at Dawn. This rate design approach is meant to recognize the pricing difference between Empress and Dawn supplies and creates a common gas supply and transportation price component between receipt points. The Western transportation charge is only necessary to the extent DP customers continue to have an Empress

[8] Contracted under Ontario transportation service.

point of receipt. As provided at Exhibit 8, Tab 4, Schedule 3, Section 4, Enbridge Gas proposes to shift the point of receipt from Empress to Dawn for these customers eliminating any deliveries at Empress by DP customers over the IR term.

36. Enbridge Gas proposes to update the Western transportation charge price differential with the January QRAM in each year of the IR term. The annual update is meant to balance the changing price signals between Empress and Dawn but limit volatility in the Western transportation charge that might occur if the rate was updated more frequently.

37. The proposed gas supply transportation charge is a new charge for sales service and bundled DP customers in the Union South rate zone. Under the approach for one rate zone, all customers in the franchise area benefit from the diversity of the gas supply portfolio and share in the gas supply portfolio costs including transportation and load balancing costs.

Derivation of 2024 Gas Supply Transportation Charges

38. Costs to be recovered in the gas supply transportation charges include the third-party transportation costs included in the gas supply transportation demand, load balancing transportation and transportation commodity classification categories of the Cost Allocation Study.

39. Exhibit 7, Tab 1, Schedule 2 provides a detailed description of the functionalization, classification and allocation methodology of the costs described above. The Utility owned transmission costs, including the Dawn Parkway System costs, are recovered in in-franchise delivery rates, as provided at Exhibit 8, Tab 2, Schedule 4.

40. The gas supply transportation charge and the gas supply Western transportation charge are comprised of two components:
    a) A common transportation charge component applicable to all bundled rate classes that recognizes the transportation demand costs to move gas to the delivery area to meet in-franchise annual average demands including transportation fuel, net of gas supply optimization margin; and
    b) A rate class specific component that recognizes the transportation demand costs to move gas to and from storage to meet in-franchise load balancing demands of each rate class.

41. The derivation of the common component of the gas supply transportation charge and of the gas supply Western transportation charge for the 2024 Test Year is provided in Table 3.

Table 3
Derivation of Common Transportation Charge Components

Line No.	Particulars	Common Transportation Charge (a)
	Transportation Costs ($000s) (1)	
1	Transportation demand costs	153,768
2	Transportation commodity costs	23,783
3	Total transportation costs	177,552
	Rate Design	
4	Western transportation price differential (cents/m^3) (2)	1.8620
5	Western transportation volumes (10^3m^3)	280,843
6	Total incremental recovery from Western transportation ($000s)	5,229
7	Remaining transportation costs ($000s) (line 3 - line 6)	172,322
8	Sales service and bundled DP volumes (10^3m^3)	19,416,606
9	Transportation charge (cents/m^3) (line 7 / line 8 x 100)	0.8875
10	Western transportation charge (cents/m^3) (line 4 + line 9)	2.7495

Notes:
(1) Allocated transportation demand and transportation commodity costs to general service and bundled contract rate classes per Exhibit 8, Tab 2, Schedule 8, Attachment 3, column (a).
(2) Difference between the Dawn supply price of $5.267/GJ and the Empress supply price of $4.539/GJ based on the April 2022 QRAM.

42. The derivation of the common component of the transportation charge is developed in three steps.

43. The first step determines the incremental cost of Western transportation by applying the Western transportation price differential to the forecast of customer deliveries at Empress. The incremental price included in the Western transportation charge is calculated as the price difference between the Dawn supply price of

$5.267/GJ and the Empress supply price of $4.539/GJ[9], for an incremental cost of Western transportation of $0.728/GJ, or 1.8620 cents/m^3.[10] The incremental cost is subtracted from the allocated transportation costs to recognize that the incremental cost will be paid by this subset of customers, as shown in Table 3, lines 4 to 6.

44. The second step derives an average transportation charge which reflects the cost to provide upstream transportation service for customers electing sales service or bundled DP service with a Dawn, Parkway or Enbridge CDA point of receipt. To calculate the average transportation charge, the remaining transportation costs, net of the Western transportation costs, are divided by the total sales service and bundled DP volumes, as shown in Table 3, lines 7 to 9.

45. The third step is to recognize and recover the incremental costs of transporting supplies from Empress to the franchise area through the Western transportation charge. As discussed above, to recognize the difference in service, the Company has added the Western transportation price differential to the average transportation unit charges developed in step two. Therefore, the Western transportation charge is the sum of the average transportation charge and Western transportation price differential, as shown in Table 3, line 10. Having the Western transportation price differential as the unit rate difference between the transportation charge and the Western transportation charge is designed to create a consistent total supply and transportation cost for DP customers independent of the point of receipt. The proposal also supports a one rate zone approach, as proposed charges are the same regardless of customer location in the Enbridge Gas franchise area.

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[9] Dawn and Empress supply prices based on April 2022 QRAM.
[10] To convert $/GJ to cents/$m^3$, divide by the heat value of 39.08 GJ/10^3m^3 and multiply by 1,000.

46. The derivation of the rate class specific component of the gas supply transportation charge for load balancing transportation is prepared by dividing the allocation of load balancing transportation costs from the Cost Allocation Study by the total sales service and bundled DP volumes.

47. The common components, for transportation and Western transportation, and rate class specific components are summed to arrive at the gas supply transportation charge for each rate class. Please see Attachment 1 and 2 for the derivation of gas supply transportation charges for current rate classes and harmonized rate classes, respectively.

Derivation of Gas Supply Transportation Charges
Current Rate Classes

Line No.	Particulars (cents/m³)	Load Balancing Transportation Costs (1) ($000s)	Load Balancing Forecast Volumes (2) (10³m³)	Load Balancing Load Balancing Component Charge	Gas Supply Transportation Charge	Gas Supply Western Transportation Charge	
		(a)	(b)	(c) = (a / b x 100)	(d) = (c) + line 1	(e) = (c) + line 1	
1	Common Transportation Rate (3)				0.8875	2.7495	
	EGD Rate Zone						
2	Rate 1	52,749	5,001,027	1.0548	1.9423	3.8042	
3	Rate 6	45,845	4,795,693	0.9560	1.8435	3.7054	
4	Rate 100	123	27,429	0.4481	1.3356	3.1976	
5	Rate 110	3,350	1,068,281	0.3136	1.2011	3.0630	
6	Rate 115	124	381,873	0.0324	0.9199	2.7818	
7	Rate 135	-	52,646	-	0.8875	2.7495	
8	Rate 145	-	15,714	-	0.8875	2.7495	
9	Rate 170	-	323,254	-	0.8875	2.7495	
10	Rate 200	994	188,852	0.5262	1.4137	3.2757	
11	Total EGD Rate Zone	103,184	11,854,769				
	Union North Rate Zone						
12	Rate 01	24,069	989,005	2.4337	3.3212	5.1831	/u
13	Rate 10	7,004	324,093	2.1611	3.0486	4.9106	/u
14	Rate 20	378	135,325	0.2794	1.1669	3.0289	
15	Rate 25	-	5,703	-	0.8875	2.7495	
16	Total Union North Rate Zone	31,451	1,454,125				/u
	Union South Rate Zone						
17	Rate M1	29,928	3,255,132	0.9194	1.8069	Note (4)	
18	Rate M2	10,672	1,319,376	0.8088	1.6963	Note (4)	
19	Rate M4	3,341	593,899	0.5626	1.4501	Note (4)	
20	Rate M5	32	59,493	0.0544	0.9419	Note (4)	
21	Rate M7	5,549	789,737	0.7026	1.5901	Note (4)	
22	Rate M9	336	90,073	0.3727	1.2602	Note (4)	
23	Total Union South Rate Zone	49,858	6,107,711				
24	Total	184,493	19,416,606				/u

Notes:

(1) Load balancing - transportation costs for general service and bundled contract rate classes per Exhibit 7, Tab 2, Schedule 1, Attachment 8, plus transmission costs for Rate 01 and Rate 10 in the Union North rate zone.

(2) General service and bundled contract rate class volumes per Exhibit 8, Tab 2, Schedule 8, Attachment 2, column (a).

(3) Common transportation rate per Exhibit 8, Tab 2, Schedule 2, Table 3.

(4) Gas supply Western transportation charge is not applicable to the Union South rate zone since there are no customers with an Empress point of receipt.

Derivation of Gas Supply Transportation Charges
Harmonized Rate Classes

Line No.	Particulars (cents/m³)	Load Balancing Transportation Costs (1) ($000s)	Load Balancing Forecast Volumes (2) (10³m³)	Load Balancing Load Balancing Component Charge	Gas Supply Transportation Charge	Gas Supply Western Transportation Charge
		(a)	(b)	(c) = (a / b x 100)	(d) = (c) + line 1	(e) = (c) + line 1
1	Common Transportation Rate (3)				0.8875	2.7495
2	Rate E01	91,241	9,184,422	0.9934	1.8809	3.7429
3	Rate E02	60,085	6,499,904	0.9244	1.8119	3.6739
4	Rate E10	12,896	2,924,503	0.4410	1.3285	3.1904
5	Rate E30	1	474,030	0.0002	0.8877	2.7497
6	Rate E34	0	54,821	0.0000	0.8875	2.7495
7	Rate E62	1,329	278,926	0.4766	1.3641	3.2261
	Total	165,551	19,416,606			

Notes:

(1) Load balancing - transportation costs for general service and bundled contract rate classes per Exhibit 7, Tab 3, Schedule 1, Attachment 8.

(2) General service and bundled contract rate class volumes per Exhibit 8, Tab 2, Schedule 9, Attachment 2, column (a).

(3) Common transportation rate from Table 3.

GENERAL SERVICE RATE DESIGN

ANTON KACICNIK, MANAGER REGULATORY APPLICATIONS

1. The purpose of this evidence is to request OEB approval of the rate design for harmonized general service rate classes. This evidence includes the proposed rate design for general service delivery charges. The proposed rate design for gas supply charges is provided at Exhibit 8, Tab 2, Schedule 2.

2. Enbridge Gas proposes to introduce two general service rate classes for Enbridge Gas under Rate E01 for small general service and Rate E02 for general service. The proposed rate classes will replace the current six general service rate classes in the EGD and Union rate zones.

3. Enbridge Gas also proposes to implement Straight Fixed Variable with Demand (SFVD) rate design for the harmonized rate classes. The proposed rate design recovers fixed costs through fixed charges and introduces recovery of demand-related costs through a demand charge.

4. Enbridge Gas retained Christensen Associates Energy Consulting, LLC (Christensen) to review the general service rate classifications and rate design alternatives that could support rate harmonization following the amalgamation of EGD and Union. Christensen reached a recommendation, which is supported by Enbridge Gas, to introduce SFVD considering modest customer bill impacts,[1]

[1] Everything else being equal, rate harmonization will cause customer bill impacts because customers from the EGD and Union rate zones are harmonized into rate classes using common harmonized rates.

benefits of rate harmonization to customer experience, and alignment of proposals with the OEB's policy for electricity distribution[2].

5. Enbridge Gas proposes to implement its general service rate harmonization proposals on April 1, 2025, subject to OEB approval as part of this Application. This timing provides sufficient opportunity to implement changes to internal and customer-facing business applications, processes, and to provide notice to customers of changes to their rates. A description of the rate implementation plan is provided at Exhibit 8, Tab 2, Schedule 1.

6. This evidence is organized as follows:
    1. Current Rate Classes and Rate Design
    2. General Service Rate Harmonization Project
    3. Rate Class Harmonization Recommendation
    4. Rate Design Recommendation
    5. Customer Bill Impacts
    6. Implementation
    7. Customer Engagement

1. Current Rate Classes and Rate Design

7. Enbridge Gas currently provides service to over 3.8 million general service customers across the EGD and Union rate zones. A map of the current rate zones is provided at Exhibit 8, Tab 2, Schedule 1, Figure 1, which includes the forecast number of customers in each rate zone based on the 2024 Test Year Forecast. General service customers make up more than 99% of the Company's customer base and account for approximately $2.4 billion in delivery revenues.

[2] EB-2015-0043.

8. The general service customers take service under six general service rate classes in the EGD and Union rate zones. The current rate classes are defined by type of customer in the EGD rate zone (residential, general) and size of customer in the Union rate zones, defined by annual consumption, as shown in Table 1.

Table 1
Current Rate Classes and Applicability

Line No.	Rate Class	Rate Class Description	Applicability	2024 Average Number of Customers
	EGD Rate Zone			
1	Rate 1	Residential Service	Residential building served through one meter and containing no more than six dwelling units.	2,158,512
2	Rate 6	General Service	Non-residential building served through one meter.	172,843
	Union North Rate Zone			
3	Rate 1	Small Volume General Firm Service	Total gas requirements at end use location are equal to or less than 50,000 m^3 per year.	369,169
4	Rate 10	Large Volume General Firm Service	Total gas requirements at end use location exceed 50,000 m^3 per year.	2,204
	Union South Rate Zone			
5	Rate M1	Small Volume General Service	General service customers whose total consumption is equal to or less than 50,000 m^3 per year.	1,202,887
6	Rate M2	Large Volume General Service	General service customers whose total consumption is greater than 50,000 m^3 per year.	8,069

9. The current rate design for the existing rate classes recovers delivery costs from general service customers through two types of charges:

- Fixed monthly customer charge; and
- Volumetric charges based on blocks of consumption.

10. Overall, based on 2023 rates, Enbridge Gas recovers approximately 50% of the $2.4 billion in delivery revenue through the fixed monthly customer charge and approximately 50% through volumetric charges. The calculation of the fixed cost recovery is provided at Exhibit 8, Tab 1, Schedule 1, Attachment 1.

11. With respect to rate design alternatives, Enbridge Gas considered whether its existing general service rate design is well-suited for the harmonized rate design. The Company considered two items with respect to the current rate design and cost recovery.

12. The first consideration with respect to harmonized rate design is to introduce a rate design proposal that closely reflects consumption, demand, and cost-to-serve characteristics of the general service customers and leads to modest, practical bill impacts on harmonization. In other words, the Company is interested in rate design alternatives that support rate harmonization of the general service customers.

13. The second consideration with respect to cost recovery is that the vast majority of delivery costs are fixed in nature and do not vary with the level of customers' volumetric consumption. Even though the nature of these costs is primarily fixed, approximately $1.2 billion in general service delivery revenue is recovered through volumetric charges and subject to volumetric variances. As such, fixed demand costs are recovered through volumetric charges. For example, customers with small and large capacity requirements who consume the same amount of gas annually in the same rate class will pay the same amount in delivery charges because

customer demand is not considered in the current rate design. Note that the Company's delivery revenue is currently subject to an average use true up mechanism, however, that current mechanism does not true up delivery revenues for weather variances.

14. A description of proposed changes to the existing variance accounts is provided at Exhibit 9, Tab 1, Schedule 2, Section 3.10.

15. In light of the considerations above, the Company decided to investigate general service rate design alternatives as part of its rate harmonization plan.

2. General Service Rate Harmonization Project

16. Enbridge Gas initiated the General Service Rate Harmonization Project in response to the MAAD's Decision[3] to file a proposal for rate harmonization in its next rebasing application and recognizing the potential benefits of rate harmonization.

17. There are numerous benefits of rate harmonization to both customers and Enbridge Gas which would positively impact many aspects of customer experience and Enbridge Gas's operations. These include postage stamp rates[4] across the franchise area, common services and terms and conditions across the franchise area, and streamlined processes, including forecasting, billing, customer care, financial reporting, and regulatory.

18. At the same time, rate harmonization is a challenging undertaking given the current rates and services in the three rate zones, as well as the numerous system

[3] EB-2017-0306/EB-2017-0307, OEB Decision and Order, September 17, 2018, pp.42-43.
[4] Postage stamp rates do not vary based on the geographic location of a customer.

changes that need to be implemented to facilitate rate harmonization. Enbridge Gas's proposals overcome these challenges and do not lead to undue bill impacts on harmonization. The proposals support a viable outcome of rate harmonization, which is the ability to provide harmonized services under harmonized postage stamp rates across the franchise area, without customers experiencing undue bill impacts as a result of harmonization. A description of the rate harmonization plan, including the rate zone harmonization proposal, is provided at Exhibit 8, Tab 2, Schedule 1.

19. As part of the General Service Rate Harmonization Project, Enbridge Gas retained Christensen to review the general service rate classifications and rate design alternatives that could support rate harmonization following the amalgamation of EGD and Union. Given the scope of the project and the very large general service customer base at Enbridge Gas, the Company determined it required expert assistance to conduct the project. The expertise needed for this project included competencies in customer rate class classifications, cost allocation and rate design, as well as competencies in analytics and statistics, considering the project involved assessing characteristics of approximately 3.8 million general service customers.

20. The project was conducted in three phases, as follows:
    - Phase 1 assessed customer characteristics (such as how customers are using natural gas, how customers are connected to the gas distribution system, and what are key defining characteristics that distinguish one class of customers versus another);
    - Phase 2 investigated rate class and rate design harmonization alternatives and provided recommendations on preferred alternatives; and

- Phase 3 assessed customer bill impacts of rate class harmonization and rate design alternatives making use of 2023 rates[5] and 2024 proposed rates.

21. Christensen and Enbridge Gas worked collaboratively on the project. Enbridge Gas provided Christensen with customer data and features of its current services, rate class applicability, cost allocation, and rate design. Christensen kept the Company updated of their progress and findings through presentations. At the conclusion of each phase, Christensen prepared a report that summarized work conducted in each phase, findings, conclusions, and recommendations.

22. The Christensen final reports for each of the three phases of the project, are provided as attachments to this evidence in the order as listed below. The key supporting presentations provided from Christensen to Enbridge Gas have also been provided as they provide helpful insights into the project work that led to the final reports.

Attachment 1	Phase 1 Final Report
Attachment 2	Presentation – Data Supporting GS Rate Harmonization
Attachment 3	Presentation – Customer Connections to the Gas System
Attachment 4	Presentation – Rate Class and Rate Design Issues
Attachment 5	Phase 2 Final Report
Attachment 6	Presentation – Classification and Rate Design Alternatives for a Combined Rate Zone
Attachment 7	Phase 3 Final Report
Attachment 8	Presentation – Bill Impacts of Rate Harmonization at Enbridge Gas Inc.

[5] EB-2022-0133, 2023 Rates at April 2022 QRAM.

23. This evidence is meant to highlight key aspects of the General Service Rate Harmonization Project to support Enbridge Gas proposals and to request OEB approval of the rate design for harmonized general service rate classes.
The Company's evidence is complemented by Christensen's evidence which provides detailed support for the work performed in each phase of the project, project conclusions and recommendations. Readers should review the Company's and Christensen's evidence in tandem.

2.1. Phase 1

24. Phase 1 of the project assessed customers' gas consumption and demand characteristics (annual consumption, load profile, load factor, design demand) and system connection information (characteristics of service lines and meter sets). This phase also analyzed other customer-related information stored in the billing system that could be helpful in the design of harmonized rate classes such as premise type (e.g. residential, commercial, other) and the type and number of gas appliances that customers have on their premises. Christensen analyzed four years of billing data for each customer, as well as system connection information (service line, meter size, etc.), premise type, and appliance data available in the billing system. The Phase 1 Report is provided at Attachment 1 and supporting presentations are provided at Attachments 2 to 4.

25. Phase 1 findings show that Enbridge Gas's general service customers are homogeneous (i.e. very similar load profiles and load factors) over the full range of sizes, with few identifiable subgroups that consisted of only a small number of customers. Customers' system connection equipment information, as well as, appliance information, however, are not complete or reliable enough to be used as a basis for rate class classification and rate design.

26. Phase 1 findings are summarized below:
    - Reliable billing data is available for virtually all customers;
    - Customer characteristics vary relatively little with size or type of customer;
    - Load profiles are very similar over the full range of customer sizes;
    - Average load factors are relatively similar;
    - Exceptions to typical load profiles and load factors are few in number;
    - System connection equipment is homogeneous among small customers and variable among larger customers. The customer connection data are available for some, but not all customers (some accuracy issues);
    - Premise type data are available for most customers, but not all customers (some accuracy issues); and
    - Type and number of appliances are available for most customers, but the data may be out of date (some accuracy issues).

2.2. Phase 2

27. Phase 2 of the project first investigated the relative merits of three rate design alternatives, and then placed customers into harmonized rate classes (i.e. one rate zone with common rate classes). The Phase 2 Report is provided at Attachment 5 and the supporting presentation is provided at Attachment 6.

28. Christensen considered two harmonized rate class alternatives to classify customers into harmonized classes either by the type of premise or by the size of the customer:
    a) By type: residential, general service; and
    b) By size[6]: small, general (i.e. medium and large customers).

[6] Size is defined by annual consumption volumes and/or design day demands depending on the rate design alternative.

29. Christensen also considered three rate design alternatives that recover fixed and variable delivery costs through a different combination of charges as outlined below:
    a) Traditional Volumetric – The traditional volumetric rate design is the current approach used for general service rate design in the EGD, Union North and Union South rate zones. The rate design recovers costs through a monthly customer charge and volumetric delivery charges (based on blocks of consumption);
    b) Straight Fixed Variable (SFV) – The SFV rate design recovers fixed costs through fixed charges. The fixed costs are recovered in a single monthly customer charge and variable costs[7] are recovered in volumetric charges; and
    c) SFVD – The SFVD rate design recovers fixed costs through fixed charges. The fixed customer-related costs[8] are recovered in the monthly customer charge, the capacity or demand-related costs[9] are recovered in a monthly demand charge, and variable costs are recovered in volumetric charges.

30. The traditional volumetric rate design was assessed as an alternative solution to fixed charges (SFV and SFVD) should the OEB not find the use of a fixed rate design appropriate for Enbridge Gas. Having said that, the Company wants to highlight that all three rate design alternatives (i.e. traditional volumetric, SFV and SFVD) would result in harmonized postage stamp rates within each rate class.

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[7] Variable costs vary based on consumption, such as natural gas commodity, compressor fuel, and federal carbon charges.
[8] Customer costs are incurred by virtue of a customer taking service and do not vary with either the usage of the system on design day or the level of gas consumed.
[9] Demand costs vary with the usage of the system under design day conditions.

31. Christensen systematically assessed bill impacts resulting from the two rate class classifications (by type and by size) and the three rate design alternatives (traditional volumetric, SFV and SFVD) by testing and subjecting each rate class classification to each rate design alternative and by deriving customer bill impacts that each scenario combination produced. The bill impact outcomes of this scenario analysis helped determine recommendations for the preferred alternatives for rate class harmonization and rate design.

32. Phase 2 findings are summarized below:
    - Customer classification can be based on either customer size or customer type. Customer information on size was found to be universally available and current (in Phase 1). In contrast, customer premise information, which might influence the determination of customer type, tended to be less widely available and less current. As such, customer classification based on customer size rather than type of premise is preferable in terms of characteristics observed in the project;
    - The number of harmonized rate classes should be few in number due to customer homogeneity (i.e. small vs. medium-large classification for general service customers fits this concept);
    - SFVD rate design alternative is preferable to a continued traditional volumetric design or to an SFV design alternative. The rationale for this preference is described in Section 4;
    - Cost allocation and ratemaking principles support rate design based on all three dimensions of cost causation (i.e. customer-related, demand-related, consumption-related cost causation). SFVD rate design alternative reflects this approach;

- Design demand derivation is feasible, but requires resources, algorithms (to derive design demands), procedures for management of exceptions, and customer communication (and education);
- SFV fails to recognize differences in cost to serve and leads to very large bill impacts, as well as cross subsidies between small and large customers, as described in Section 4.1; and
- Traditional volumetric rate design mimics design of the SFVD alternative, however, it does not tailor customers' bills to variations in cost to serve and is consequently a second-best approach.

3. Rate Class Harmonization Recommendation

33. Christensen's recommendation, which Enbridge Gas agrees with, is for rate class harmonization based on a customer's size rather than type of premise. This recommendation draws on Phase 1 findings that show that Enbridge Gas's general service customers are homogeneous (with very similar load profiles and load factors) over the full range of sizes, with few identifiable subgroups and none of significant size. This recommendation also overcomes premise type data completeness and accuracy issues identified in Phase 1 of the project and results in more favourable customer impacts on harmonization.

34. This recommendation moves Enbridge Gas from having three separate rate zones and six general service rate classes to one rate zone and two rate classes, Rate E01 for small general service and Rate E02 for general service, as shown at Table 2.

Table 2
Enbridge Gas Harmonized Rate Classes and Applicability
Proposed SFVD Rate Design

Line No.	Rate Class	Rate Class Description	Applicability	2024 Average Number of Customers
1	Rate E01	Small Demand General Service	General service customers whose maximum daily volume requirement is equal to or less than 150 m^3.	3,826,465
2	Rate E02	General Demand General Service	General service customers whose maximum daily volume requirement is greater than 150 m^3.	87,219

35. Rate class applicability in Table 2 reflects recommendation for the SFVD rate design alternative. The class applicability was chosen such that customers with most common, basic size customer connection equipment (service line and meter set), and homogeneous cost to serve characteristics, end up being in the small general service class. Please see Attachment 5, pages 8-10, and page 46 for further discussion on selection of rate class applicability criteria.

4. Rate Design Recommendation

36. Christensen's recommendation, which Enbridge Gas agrees with, is to introduce SFVD rate design for the proposed harmonized rate classes. SFVD rate design consists of a monthly customer charge, demand charge, and delivery commodity charge. This rate design in principle matches the cost recovery with the cost of the customer connection to the distribution system and the demand each customer imposes on the system.[10]

[10] The Company's gas distribution system capacity is designed, operated, and maintained to meet customers' demand under design conditions. The proposed demand charge is based on demand / capacity requirement specific to each customer under design day conditions.

- Customer charge recovers the cost of customer connection to the gas distribution system, such as service line, pressure regulator, meter, billing, and customer care;
- Demand charge recovers cost of design day demands that customer imposes on the distribution system, such as the cost of distribution and transmission system capacity, gate stations, storage; and
- Delivery commodity charge recovers costs that vary with consumption, such as compressor fuel and UFG.

37. The key benefits of the SFVD rate design alternative can be summarized as:

- Aligns recovery of delivery revenue with the nature of the costs incurred through three types of charges;
- Provides more accurate price signal of delivery service cost to customers (i.e. fixed costs are recovered through fixed SFVD charges, while volumetric charges only recover the costs that are volumetrically driven such as the cost of natural gas and federal carbon charges);
- Accurately reflects differences in costs to serve within a rate class (i.e. accurately captures in-class cost differences between customers);
- Eliminates the need for deferral and variance accounts to capture delivery revenue variances related to declining consumption. A description of proposed changes to the existing variance accounts is provided at Exhibit 9, Tab 1, Schedule 2, Section 3.10; and
- Improves stability and predictability in the delivery portion of customers' bills and in Enbridge Gas's delivery revenues (i.e. eliminates variability in delivery charges related to changes in weather and average use).

38. Additionally, SFVD rate design alternative provides a number of characteristics that are complementary to energy transition goals:
    - Results in charges that are unique to the demand that each customer imposes on Enbridge Gas's system, therefore, recognizing the individual customer size and consumption patterns and their energy related decisions;
    - Most accurately reflects the cost to serve, adding to the transparency of utility bills;
    - Supports energy conservation initiatives by making the Company agnostic to third-party conservation programs and by ensuring the Company's delivery revenues are not at risk because of declining volume, therefore, leading to a greater opportunity to partner, sponsor and/or support a broad range of third-party conservation programs; and
    - Aligns cost recovery with design demand used by system planning and integrated resource planning (IRP). The objective of IRP is to manage and/or reduce customers' design demand on the system.

39. It is important to highlight that the introduction of SFVD rate design will not preclude customers from reducing their volumetric charges to conserve energy, including their gas supply commodity and federal carbon charges. After implementing SFVD rate design, volumetric charges still make up the largest portion (generally at least 60%) of total customers' bills. Further, the introduction of SFVD rate design eliminates the need for average use variance accounts which record delivery revenue variances due to declining average use and eliminates volumetric delivery rate increases to offset declining billing units[11].

[11] Delivery costs are divided by consumption volumes to derive volumetric delivery charges. Even if costs remain the same, if denominator (consumption volumes) decreases, the resulting delivery charges increase.

40. The Company also proposes to refresh the design day demand each customer imposes on the distribution system once a year. This annual update is intended to capture changes in demand and capacity requirements specific to each customer under design day conditions. Please see Section 6 for a description of the annual process to update customers' design day demands.

41. The SFVD rate design alternative is aligned with the fixed rate design approach that the OEB approved for Ontario electric utilities and that electric utilities have since implemented for their customers. Specifically, the following context by the OEB set the stage for introduction of fixed charges to recover fixed costs:

> On April 3, 2015, the OEB released its policy, A New Distribution Rate Design for Residential Electricity Customers1 (the April Report). The policy on residential rates in the April Report emphasized simplicity and increasing customer understanding of the fixed nature of the distribution service. The policy recognizes that customers primarily value connection to distribution services and the essential service of billing. The OEB's general policy for distribution rate design outlined in the report is to better reflect the relationship between distributor costs and service to customers by increasing the amount of revenue collected through the fixed rate, and reducing the amount of revenue collected through the usage rate The OEB started this process by a gradual move to fully-fixed distribution rates for residential customers, a process that is now nearly complete.
>
> Built to meet the instantaneous needs of all connected customers, there are few costs in the distribution system that change with the energy that flows through the grid. Distribution assets are designed to deliver power reliably and have by their nature long service lives and largely fixed costs.

> Under the current rate design, a customer that lowers its consumption also reduces its volumetric charge. This can lead to the customer not paying the cost of system assets that it may still need as a result of its technology choice or that were built specifically for them. This shifts risk and costs unfairly to other customers.
>
> The current rate design of fixed and volumetric charges does not align well with the changing use, expectations and value to some customers. It can lead to uneconomic decisions by the customer and shifting of costs to more traditional customers who are either unable to, or choose not to, adopt new technologies.[12]

42. The context above also shows that the OEB considered, when they directed electric utilities to implement fixed rate design for their customers, impacts on energy conservation, on technology enabled choice for customers, and on customers who are either late adopters or unable to take part in energy programs.

4.1. Comparison of SFVD vs. SFV

43. The SFV rate design results in all customers within a harmonized rate class paying the same single monthly customer charge which recovers all fixed delivery costs, customer and demand-related, through a single fixed charge. The shortcomings of the SFV rate design are that SFV fails to recognize cost-to-serve differences among customers and, therefore, results in intra-class cross subsidies (i.e. smaller customers subsidize larger customers) and leads to larger bill impacts for a large proportion of customers.

44. A description of shortcomings of SFV are provided at Attachment 5, pages 12-15. Attachment 5, Figure 1 on page 14 shows the customer total bill impacts based on

[12] EB-2015-0043, Staff Report to the Board, February 21, 2019, pp.2-3.

SFV and SFVD compared to the current traditional volumetric rate design for Rate 1 (residential) in the EGD rate zone. Although Attachment 5, Figure 1 focuses on residential customers in the EGD rate zone, the general trend of the bill impacts, including the discussion and outcomes, are applicable to other general service customers in Rate 6, Rate 01, Rate 10, Rate M1, and Rate M2.

45. At Attachment 5, Figure 1, the bill impacts shown are solely the result of the change in rate design, everything else being equal. The graph shows smaller customers in the left portion of the graph (deciles 1 through 4), average customers in decile 5, and larger customers in the right portion of the graph (deciles 6 through 10).[13] SFVD rate design results in smaller bill impacts compared to the current bill for the entire customer population in the rate class, which is represented by the almost straight / flat SFVD (red line) across the graph. The SFVD line is approximately equal to bill index of 1.0.[14] SFV customer bill impacts (blue line on the graph) exceed SFVD bill impacts by a large degree for a large proportion of customers. Smaller customers would experience bill increases and larger customers would experience a bill decrease relative to their current bill and as such, SFV rate design would lead to smaller customers subsidizing larger customers.

46. Another consideration is that Enbridge Gas could not implement SFV rate design for the Rate E02 general demand rate class without adding a customer size limit to the class. The reason is that SFV charges do not account for the size of the customer in terms of design day demand and, as a result, SFV charges would be lower than charges that a large customer would pay under a contract rate option. The SFV approach would make it economic for large contract customers to switch

[13] Deciles are used to divide the customers into ten equal parts.
[14] The bill index provides the percent bill impact, with a bill index of 1.0 representing no bill impact.

or migrate to the general service option. Under Enbridge Gas's preferred rate design (SFVD), charges to each customer will match the cost to serve and demand charges per unit of demand will reflect the higher costs for any migrating contract rate customers. As such, there will be no economic incentive for contract customers to move to general service (i.e. their bill would increase considerably). The SVF alternative does not possess the same "safeguard mechanism" which eliminates potential opportune migration of contract customers to general service.

47. Rate class applicability in Table 3 reflects the recommendation for the SFV rate design alternative. Please see Attachment 4, pages 3-11 for further discussion on selection of rate class applicability criteria. The rate class applicability was chosen based on volumetric boundary as:
    - SFV rate design does not make use of design day information;
    - Volumetric boundary overcomes premise type and connection data completeness and accuracy issues; and
    - The boundary was set based on analysis of customers' consumption data and acts as a volumetric counterpart to class applicability to the SFVD alternative.

Table 3
Enbridge Gas Harmonized Rate Classes and Applicability
SFV Rate Design Alternative

Line No.	Rate Class	Rate Class Description	Applicability
1	Rate E01	Small General Service	General service customers whose total consumption is equal to or less than 15,000 m^3 per year.
2	Rate E02	General Service	General service customers whose total consumption is greater than 15,000 m^3 per year.

48. The bill impacts comparing the current rate design to the SFV and SFVD for typical Rate 1 residential customers in EGD rate zone are provided in Attachment 5, Tables 2 and 3, pages 12 and 13, respectively.

4.2. Comparison of SFVD vs. Traditional Volumetric

49. The proposed traditional volumetric rate design results in customers paying a monthly customer charge and volumetric delivery charge. Monthly customer charge recovers customer-related costs and volumetric charge recovers demand-related costs.

50. The positive aspect of the traditional volumetric alternative is its familiarity to customers and stakeholders as it is consistent with current rate design for the EGD and Union rate zones. The negative aspects (when compared to SFVD and SFV) are:
    a) Poor alignment between fixed costs of the gas distribution system and volumetric delivery revenues; and
    b) Variability in customers' bills and the Company's delivery revenues caused by weather.

51. As noted above, this alternative retains the use of volumetric delivery charges similar to the current rate design. The applicability boundary to delimit Rate E01 from Rate E02 rate class is an annual consumption volume less than or equal to 15,000 m^3.

52. The structure of volumetric delivery charges for the traditional volumetric alternative is a single (i.e. one-block) volumetric delivery unit rate.

53. Rate class applicability in Table 4 summarizes recommendation for the traditional volumetric rate design alternative. The class applicability was chosen based on analysis of customers' consumption data and as a volumetric counterpart to rate class applicability to the SFVD alternative. Please see Attachment 4, pages 3-11 for further discussion on selection of rate class applicability criteria.

Table 4
Enbridge Gas Harmonized Rate Classes and Applicability
Traditional Volumetric Rate Design Alternative

Line No.	Rate Class	Rate Class Description	Applicability	Delivery Charge: Volumetric
1	Rate E01	Small General Service	General service customers whose total consumption is equal to or less than 15,000 m^3 per year.	Single block pricing: 0 m^3 to 15,000 m^3
2	Rate E02	General Service	General service customers whose total consumption is greater than 15,000 m^3 per year.	Single block pricing: > 15,001 m^3

54. The bill impacts comparing the current rate design to the SFVD and traditional volumetric rate design alternative for typical Rate 1 residential customers in EGD rate zone are further detailed in Attachment 5, page 24, Table 11.

55. As discussed above, one shortcoming of traditional volumetric rate design is that it fails to align recovery of (volumetric) delivery revenue with the fixed nature of the demand-related costs incurred. Therefore, Enbridge Gas proposes that this alternative be coupled with a variance account that would capture any variances in actual and forecast volumetric delivery revenue resulting from weather and average use variances. Through the use of this variance account, Enbridge Gas and its customers would be assured that delivery revenues would recover and match fixed delivery costs. Enbridge Gas is proposing to introduce the harmonized Volume

Variance Account as part of this Application. A description of the proposed variance account is provided at Exhibit 9, Tab 1, Schedule 2, Section 3.10.

4.3. Illustration of Annual Bill Charges for Current and Proposed Rate Design

56. Table 5 illustrates annual bill charges for the current rate design compared to the SFVD, SFV, and Traditional Volumetric rate design alternatives. The charges are illustrated for a typical residential customer with an annual consumption of 2,400 m^3 and design day demand of 24.36 m^3/design day. In Table 5, fixed charges are in line 1 and column (b), line 2.

Table 5
Illustration of Annual Bill Charges: Current, SFVD, SFV, and Traditional Volumetric Rate Design

Line No.	Charge Type	Current Rate Design (1)	SFVD Rate Design	SFV Rate Design	Traditional Volumetric Rate Design
		(a)	(b)	(c)	(d)
1	Customer	Monthly Charge x 12	Monthly Charge x 12	Monthly Charge x 12	Monthly Charge x 12
2	Delivery	Block 1 Vol < 30 m^3 Block 2 Vol < 55 m^3 Block 3 Vol < 85 m^3 Block 4 Vol > 170 m^3 (2)	24.36 x \$/m^3 x 12 (3)	N/A (4)	2,400 m^3 x \$/m^3 (5)
3	Natural Gas	2,400 m^3 x \$/m^3	2,400 m^3 x \$/m^3	2,400 m^3 x \$/m^3	2,400 m^3 x \$/m^3
4	Federal Carbon	2,400 m^3 x \$/m^3	2,400 m^3 x \$/m^3	2,400 m^3 x \$/m^3	2,400 m^3 x \$/m^3

Notes:
(1) Delivery charge derived using a declining price block structure with each block of consumption volume multiplied by corresponding unit rate.
(2) The current rate design illustrated is for the EGD rate zone. The Union North and Union South have different declining blocks.
(3) Delivery charge derived using customer's specific design day demand value multiplied by demand unit rate.
(4) Delivery charge is not applicable in SFV rate design as both customer-related and demand-related costs are recovered in monthly customer charge.
(5) Delivery charge is derived using a single price block structure using consumption volume multiplied by delivery unit rate.

5. Customer Bill Impacts

5.1. Phase 3

57. While Phases 1 and 2 of the project were carried out based on costs and rates available at that time, Phase 3 assessed customer bill impacts of rate class harmonization and rate design alternatives making use of 2023 rates[15] and

[15] EB-2022-0133, 2023 Rates at April 2022 QRAM.

proposed rates based on the 2024 Test Year Forecast. The Phase 3 Final Report is provided at Attachment 7 and supporting presentation is provided at Attachment 8.

58. Christensen derived bill impacts for general service customers to capture impacts of 2024 Rebasing (2023 current bills[16] vs. 2024 proposed bills for the current rate classes) effective January 1, 2024, and to capture impacts of rate harmonization (2024 bills vs. 2024 bills for the harmonized rate classes and rate design) effective April 1, 2025. This sequence provides for continuity of bill impacts from 2023 bills to 2024 harmonized bills and distinguishes bill impacts due to 2024 Rebasing and rate harmonization. The level of bill impacts due to 2024 Rebasing and the level of bill impacts due to 2024 rate harmonization are presented in Attachment 7 and Attachment 8. These Attachments include bill impact continuity for typical customer profiles in EGD and Union rate zones for SFVD, SFV, and traditional volumetric rate design alternatives.

59. The following are key findings regarding bill impacts stemming from the proposed 2024 rate harmonization and SFVD rate design alternative:
    a) 2024 harmonized bill impacts for customers in the two proposed harmonized rate classes (Rate E01 Small Demand General Service and Rate E02 General Demand General Service) are reflective of impacts stemming from rate class harmonization and of the proposed change in rate design;
    b) The SFVD rate design alternative results in minimal bill impacts for the vast majority of general service customers, which will help facilitate implementation of rate harmonization on April 1, 2025, with no need to mitigate bill impacts and/or phase in implementation over two or more years. Using SFVD rate design, out of more than 3.8 million general service

[16] 2023 bills are based on 2023 Rates (EB-2022-0133) at April 2022 QRAM (EB-2022-0089).

customers, less than 60,000 customers (or approximately 1.5% of total general service customers) would experience bill impacts greater than a 10% increase, as provided at Attachment 7, Table 3, page 21.[17]

60. As noted above, the Company's rate harmonization proposal produces an outcome where the vast majority of customers in Rate E01 and Rate E02 experience modest bill impacts even though bill impacts reflect both rate class harmonization and introduction of SFVD rate design. This outcome supports complete implementation of rate harmonization proposal for general service customers on April 1, 2025.

61. Given the diversity of customer size within the Rate E02 rate class, Christensen also considered an appropriate level of monthly customer charge for Rate E02, with a recommendation to set a common monthly customer charge for all customers in Rate E01 and Rate E02 and recover the residual Rate E02 customer-related costs through demand charge for Rate E02 customers. This proposal recognizes variation in customer-related costs within Rate E02 class and provides a stronger linkage between cost to serve and revenue recovery from each Rate E02 customer. An additional benefit of this proposal is improved continuity between Rate E01 and Rate E02 bill at the applicability threshold. The monthly customer charge proposal for Rate E02 customers is provided at Exhibit 8, Tab 2, Schedule 3, Attachment 7, page 9. An overview of the monthly customer charges is also provided at Exhibit 8, Tab 1, Schedule 4.

62. Individual customer total bill analysis further indicates that customers experiencing the largest bill increases are predominantly those with the lowest (individual)

[17] The OEB generally considers a 10% total bill impact on a rate class average basis a material impact to customers in that rate class.

revenue to cost ratio at present, which refers to customers who under the current rate design recover the least amount of cost incurred to serve them (i.e. they pay less than what it costs to serve them). This conclusion is described in the summary provided at Attachment 5, pages 27-28.

63. Harmonized bill impacts using SFVD vary little with customer size as shown in Figures 7 and 8 provided at Attachment 7, page 17 and in Table A2.5 provided at Attachment 7, page 32. A similar relationship exists between average, small and large customers in the Union rate zones.

64. Harmonized bill impacts and bill impact continuity for SFV alternative are shown in Figures 9 and 10 provided at Attachment 7, pages 18-19 and in Table A2.6 provided at Attachment 7, page 33 and for traditional volumetric alternative in Figures 11 and 12 provided at Attachment 7, page 20 and in Table A2.7 provided at Attachment 7, page 34.

65. In conclusion, SFVD rate design yields modest 2024 harmonized bill impacts for virtually all general service customers in harmonized rate classes Rate E01 and Rate E02. This alternative provides the best customer specific cost-to-serve match relative to other rate design alternatives by aligning recovery of delivery revenue with the nature of the costs incurred through three types of charges.

66. SFV rate design results in a broad range of bill impacts, with more than 500,000 customers experiencing bill increases greater than 10%, as provided at Attachment 7, Table 3 page 21. Some of the bill impacts are extreme, with small customers within the rate class uniformly experiencing large bill increases and large customers within the rate class experiencing large bill decreases. By recovering all fixed costs

through a monthly customer charge, the SFV alternative does not match customer specific cost-to-serve, except for the average customer in the class.

67. Traditional volumetric rate design produces moderate bill impacts for virtually all general service customers in harmonized rate classes. However, it fails to account for variations in demand each customer imposes on the system. For example, customers with small and large capacity requirements who consume the same amount of gas annually in the same rate class will pay the same amount in delivery charges because customer demand is not considered in traditional volumetric rate design. Further, this rate design alternative leads to variability in the delivery portion of the customer's bill and utility delivery revenue because of weather, although the delivery costs are fixed in nature.

6. Implementation

68. The evidence supporting implementation of rate harmonization is provided at Exhibit 8, Tab 2, Schedule 1. This section of evidence summarizes key findings supporting the Company's recommendations.

69. The implementation requires internal and customer-facing system changes needed to:
    - Move customers from six to two harmonized rate classes; and
    - Implement changes to rate design and charges on the customer bill.

70. Rate class harmonization affects a large number of processes and systems, regardless of which rate design alternative is ultimately approved by the OEB. Such as:

- Creating new harmonized rate classes and converting all existing customer data to new configurations for all processes; and
- Remapping of all accounting procedures (G/L), etc.

71. SFVD rate design necessitates derivation of design demand for each general service customer. In other words, design demand becomes a billing determinant for which customers are billed on using SFVD rate design. The Company's gas distribution system capacity is designed, operated, and maintained to meet customers' demand under design day conditions. Design day conditions are represented by the coldest day an area of the system may experience. A customer's design day demand reflects their specific level of capacity required under design day conditions. Put simply, design day demand signifies how much natural gas a customer uses on the coldest day (i.e. under design day conditions). Enbridge Gas reserves capacity in its gas distribution system to reliably meet the design day demand of each customer. The proposed demand charges will recover the cost associated with that capacity by rate class. Please see Attachment 5, pages 26-44 for a description about the characteristics of design day demands and design day methodology.

72. Analyzing four years of billing information, Christensen verified that design demand can be reliably derived for each customer. Exceptions arising from data or statistical relationships can be managed under defined (automated) protocols.

73. Christensen reviewed rate designs at major North American gas utilities. While there is limited use of demand charges for general service customers, Atlanta Gas Light (AGL) has 20 years of experience with design day demand billing that demonstrates feasibility at a large natural gas distribution utility. AGL's experience also shows that any challenges of customer communication are manageable and

can be overcome as demonstrated by AGL's success in implementing SFVD rate design. Detailed evidence discussing design day methodology is provided at Attachment 5, pages 28-46. More information about the AGL rates and tariff, including frequently asked questions regarding their demand charge, referred to as Design Day Capacity Charge, is provided on their website[18] at www.atlantagaslight.com/residential/pricing-and-rate-plans.html.

74. Christensen derived design demand for each Enbridge Gas general service customer to facilitate SFVD bill determination for the scenario analysis described above.[19]

75. In order to implement SFVD rate design, Enbridge Gas will need to accommodate changes to its billing system to introduce design demand billing determinant. Further, SFVD rate design requires a platform to derive design day demand for each general service customer and to manage exceptions using automated protocols. The Company has determined it will utilize the Azure platform to derive design day demands for its general service customers and to manage exceptions. Subject to OEB approval of the SFVD rate design as part of this Application, Enbridge Gas estimates it will need approximately 14 months to make changes to its billing processes and systems, as well as, to the Azure platform to facilitate derivation of design day demands.

76. Assuming the OEB issues a decision with respect to general service rate harmonization by the end of 2023, the Company will have completed necessary

[18] Atlanta Gas Light. www.atlantagaslight.com/residential/pricing-and-rate-plans.html
[19] Note that all customer identification, private, and/or confidential information was completely removed from all data before Enbridge Gas forwarded data to Christensen.

system changes by the end of 2024 and will have derived customer specific design day demands to be used in billing starting April 1, 2025.

77. As noted in Section 4, the Company proposes to refresh the design day demand each customer imposes on the distribution system once a year. AGL also refreshes their customers' demands once annually. This annual update is intended to capture changes in demand requirements specific to each customer under design day conditions. Although Enbridge Gas has not yet determined the particular timing of an annual refresh, it would be sensible to carry out the refresh after the second quarter of the year to capture updated demand characteristics from the most recent heating season. The updated design day demand values would be reflected in the billing system on January 1 of each year. Updated values will be communicated to customers using on-bill messaging.

78. With respect to annual update of design day demands, it is worthwhile to highlight that a customer's design demand is not affected by weather variability from one year to the next given it is based on design day conditions which are fixed (over a long, time horizon) and do not vary from one year to another. Therefore, a customer's design day demand will not change due to weather variability, but rather, for example, due to a customer adding, or removing, natural gas appliances, or due to a customer implementing energy conservation measures. Unless the customer takes a particular action affecting demand, their design day demand will not change considerably, if at all, from one year to another.

79. Attachment 5, pages 36-45, provides detailed discussion on the derivation of customers' design day demands and considerations regarding management of exceptions, such as demand values for new customers, for customers with insufficient demand history, or for customers with uncommon demand patterns.

7. Customer Engagement

80. This section of evidence references the customer engagement evidence provided at Exhibit 1, Tab 6, Schedule 1 and summarizes key findings supporting Enbridge Gas's recommendations.

81. In addition to the work undertaken by Christensen to assess general service rate harmonization and rate design alternatives, Enbridge Gas also undertook customer engagement related to rate design in two separate instances:
    a) The first as part of the larger customer engagement process to get feedback on fixed and variable rate design; and
    b) The second as a separate customer engagement to gauge customer reaction on how fixed costs should be recovered and bill simplification.

7.1. Customer Engagement on Fixed and Variable Costs of Providing Service

82. Phase 1 of the customer engagement process was qualitative in nature. There was strong consensus that customers believe they should pay the variable costs of the natural gas they use themselves. It was also clear that customers believe that fixed costs related to how much customers use should be allocated based on use, as provided at Exhibit 1, Tab 6, Schedule 1, Attachment 1, page 9.

83. Phase 2 built on these preferences and asked customers questions on network connection costs, and network capacity costs. With regards to network connection costs, 61% of residential and 65% of small businesses felt that each customer should pay a portion based on the amount of natural gas they use, as provided at Exhibit 1, Tab 6, Schedule 1, Attachment 1, page 12. With regards to network capacity costs, 62% of both residential and small business customers felt that each customer should pay a portion based on the amount of natural gas they use on the

coldest day of the year, as provided at Exhibit 1, Tab 6, Schedule 1, Attachment 1, page 13.

84. Phase 3 again asked customers about how network connection and network capacity costs should be recovered, and the results were consistent with Phase 2, with a majority of residential and business customers saying they should pay a portion of costs based on use, as provided at Exhibit 1, Tab 6, Schedule 1, Attachment 1, page 30.

85. The results of Phase 1, 2, and 3, support the general service rate design proposal in this Application, specifically the proposed SFVD rate design. SFVD aligns recovery of delivery revenue with the fixed nature of costs incurred through both a customer charge and a demand charge. Through Phase 1, 2 and 3 of the customer engagement, Enbridge Gas was able to validate that this is customers' preference.

7.2. Customer Engagement on Fixed Charge Recovery and Bill Simplification

86. Although there was support in principle from customers for its proposal to recover fixed costs through fixed charges which aligns with the SFVD rate design, Enbridge Gas wanted to further explore this topic with customers given that utility rate design, and consequently charges on the utility's bill, are not always readily understood by customers.

87. In addition to the topic of rate design and considering the many billing changes that will come about as a result of rate harmonization, Enbridge Gas took the opportunity to gauge customer reactions to bill simplification. Enbridge Gas would like to streamline its bills for general service customers to make them less overwhelming and easier for customers to understand the nature of the changes, while retaining the complete bill breakdown for customers who wish to review it.

Enbridge Gas could also implement a simplified bill in conjunction with rate harmonization. The simplified version of the bill would also align Enbridge Gas bills for general service customers with the OEB's requirement for electricity bills.

88. To complete this customer engagement, Enbridge Gas again engaged Innovative Research Group (Innovative). The customer engagement took a qualitative approach with a series of 10 focus groups with residential customers, and 20 in-depth interviews with small to medium-large size business customers, which were conducted between June 22 and July 25, 2022. Qualitative research is an exploratory research technique used to gauge customer responses to potential changes. The results of this customer engagement have been prepared by Innovative and the report can be found at Attachment 9.

89. Enbridge Gas, with input from Innovative, developed a discussion guide and visual stimulus to take residential and business participants with varied knowledge of a natural gas utility through the topics so that Enbridge Gas could get meaningful feedback on its proposals. Please see Attachment 9, pages 48-61.

90. The stimulus material provided participants with an overview of the natural gas system and then progressed the discussion from relatively straightforward potential bill changes to the more complex topic of how to charge customers for fixed costs. The topics of discussion for the focus group and in-depth interviews were as follows:
    a) Core components of natural gas and electricity networks;
    b) Example of Enbridge Gas current bill;
    c) Mock-up of proposed Enbridge Gas bill charges;
    d) Explanation of delivery charges on electricity and natural gas bill;
    e) System overview showing fixed and variable costs;

f) Current cost recovery;
g) Impact on an average customer;
h) Ways to recover fixed charges (two options presented); and
i) Impact on small and large demand customers.

91. In the preliminary part of the discussion, most customers indicated that they do not look at their current Enbridge Gas bill closely. They simply pay what they owe, or some will take a look at the details if there are noticeable variances from previous months. For many participants looking at the current charges on Enbridge Gas's bill was new to them[20]. The discussions also made it clear that customers have a general lack of understanding of the line items on their bill and would like to see a description of line items. Please see Attachment 9, pages 13-16.

92. When presented with a simplified version of the bill, responses were generally favourable however many noted they would like to retain the option to see details of their bill (e.g. description of bill line items). Some participants were opposed to combining multiple line items from the current bill into a single bill line item citing concerns of losing visibility if it means combining fixed and variable charges. Please see Attachment 9, pages 17-22.

93. After participants provided feedback on how they would like to view charges on their bills, they were asked for feedback on how to recover fixed costs with fixed charges.

94. Enbridge Gas presented two options for recovery of fixed costs with fixed charges.

[20] The participants were shown page 2 of the bill which lays out all changes that make up the total amount owing shown on page 1 of the bill.

- Option one was to recover fixed costs with one fixed monthly charge such that the charge would be the same for each residential customer; and
- Option two was to recover fixed costs with two fixed monthly charges. The first charge was a monthly fixed charge which would be the same for each residential customer, plus a second charge which would vary by customer depending on their individual use/demand.

95. Enbridge Gas found that most participants agreed in principle with recovering fixed costs with fixed charges. In terms of one or two fixed charges, although most participants initially liked the simplicity of one fixed charge, many residential participants changed their view once they understood the concept of the demand charge noting that the two-charge approach is more fair: allows them to retain control and provides an incentive to make responsible decisions on their energy usage. Business customers were evenly split in their views, choosing the option that they perceived would give them the most financial benefits. Please see Attachment 9, pages 31-36.

96. Based on these findings Enbridge Gas concludes that there is customer support to recover fixed costs with fixed charges in the form of two fixed charges. This aligns with Enbridge Gas's proposal to use the SFVD design. With two fixed charges, customers benefit with bill stability in the form of fixed charges while still allowing for a charge to each customer which matches the demand they put on the system.

97. Enbridge Gas can also conclude that there is support for bill simplification, as long as details and explanations of charges are still readily available for customers who choose to delve deeper into their bill.

98. Based on the feedback received, Enbridge Gas plans to simplify its general service bills to three billing line items: Natural Gas charge (volumetric), Delivery charge (fixed), and the Federal Carbon charge (volumetric). Attachment 9, page 50, shows an example of a simplified bill that was used to solicit customer feedback through the focus groups on the "Charges for Natural Gas" section of the customer bill. Attachment 10, pages 1 and 2 shows another example of a simplified bill with changes based on the feedback received.[21] Notably the changes made were to change the name from Gas Supply charge to Natural Gas charge so it is more intuitive and reflective of what the charge represents, and to reorder the three billing line items so that Natural Gas charges is first, as provided at Attachment 9, page 8, followed by Delivery charge and lastly the Federal Carbon charge.

99. The planned simplified bill is similar to the categorization used by electric utilities which is set out in Ontario Regulation 275/04[22]. Through the customer engagement focus groups Enbridge Gas heard from customers that they would find it beneficial if the "look and feel" of the various charges on utility bills they receive were similar so that it is easier to compare across the utilities, as provided at Attachment 9, page 23. The bill simplification being planned is responsive to this feedback and is consistent with the bill structure that electric utilities have already implemented for their customers. A side-by-side comparison of charges shown on electricity bills and on simplified Enbridge Gas bills is shown in Table 6.

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[21] Charges were calculated based on October 2022 QRAM rates using a December volume of 305 m^3 from EGD rate 1 customers 2021 normalized average use monthly profile.
[22] O. Reg. 275/04: Information on Invoices to Low-Volume Consumers of Electricity, November 6, 2020, https://www.ontario.ca/laws/regulation/040275

Table 6
Comparison of Charges: Electricity Bills vs Simplified Enbridge Gas Bills

Line No.		Electric Utilities	Simplified Enbridge Gas Bill
1	Type of Charge	Electricity	Natural Gas
2		Delivery	Delivery
3		Regulatory	Federal Carbon

100. Enbridge Gas plans to roll out the simplified bill on April 1, 2025, along with the implementation of general service rate harmonization into billing.

CHRISTENSEN
ASSOCIATES
ENERGY CONSULTING

Rebasing and Harmonization:
General Service Rates

at

Enbridge Gas Inc.

by

Christensen Associates Energy Consulting, LLC
Madison, Wisconsin

June 16, 2021

Table of Contents

EXECUTIVE SUMMARY **1**

Review of Legacy Billing Data 1
Review of Consumption Profiles and Peak Demands 2
Customer Usage Patterns *2*
Peak Consumption Methods *4*
Review of Customer Connections Data 5
Implications for Determination of Rate Classes 6

1. INTRODUCTION **7**

2. EGI'S LEGACY BILLING DATA **8**

Current Service Territories, Rate Class Definitions, and Customer Summary Information 8
LEGD Rate Zone *9*
LUG Rate Zones *11*
Current Data Availability and Quality 13
LEGD Rate Zone *13*
LUG Rate Zones *17*
Summary 19

3. CONSUMPTION PROFILES AND PEAK DEMANDS **20**

Monthly Consumption Data 20
Raw Data Assembly *20*
Preparing Monthly Data for Consumption Profiles *21*
Charts of Selected Monthly Consumption Profiles *21*
Methods to Determine Peak Consumption and Load Factors 27
Consumption Data and Weather Sensitivity *27*
Regression Modeling of Weather Sensitivity and Peak Consumption Prediction *28*

4. CUSTOMER CONNECTIONS DATA **38**

Service Line Data 38
Description of Data *38*
Availability, Coverage, and Quality of Service Line Data *38*
Summary of Service Line Diameter Data *39*
Meter Capacity Data 42
Description of Data *42*
Availability and Coverage of Data *42*
Summary of Meter Capacity Data *42*
Relationship with Other Customer Characteristics *44*

5. RATE CLASS OPTIONS **48**

Criteria for Segmenting Natural Gas Distribution Customers 48
General Criteria *48*
Boundary Conditions between GS and Larger Customers *51*
EGI Rate Class Structure Based on Legacy Rates 51
LEGD Class Structure: Residential vs Non-Residential Split *52*
LUG Class Structure: Rate Zones with Consumption Threshold *52*
Alternative Approaches to Rate Class Definition 53
Hybrid Structures Based on Categorization Data Available for All Legacy Territories *53*
Segmentation Based on Fixed Connection Characteristics *56*
Segmentation Based on Demand Characteristics *56*

Segmentation Based on End-Use Categories *59*
Geographical Segmentation *59*
CANDIDATE ALTERNATIVES FOR EGI 59

6. CONCLUSIONS 61

Rebasing and Harmonization:
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June 16, 2021

EXECUTIVE SUMMARY

Enbridge Gas Inc. requested that Christensen Associates Energy Consulting conduct a review of rate classification alternatives that might facilitate rate harmonization following the amalgamation that created the natural gas distribution company in 2019. Such harmonization would likely produce customer and utility benefits arising from rate simplification, lower operational costs and simplified regulatory oversight. The intent of the review was to both identify alternatives and to explore the data challenges that might arise during the process of General Service (GS) rate class harmonization.

Review of Legacy Billing Data

The merged utility combines two service territories: Legacy Enbridge Gas Distribution (LEGD) and Legacy Union Gas (LUG), comprising about 3.7 million GS customers at the time of the amalgamation, 2.2 million served by LEGD and 1.5 million by LUG. LEGD's GS customers are split by type, residential (served under Rate 1) and non-residential (served under Rate 6), the latter being further segmented into standard and Large Volume (LV) customers. In contrast, LUG's GS customers are split first by rate zone (North and South) then by size, with an annual consumption boundary of 50,000 m^3. Small customers are served under Rate 1 in Union North, and Rate M1 in Union South. Large customers are served under Rates 10 and M2. Union South serves about 75% of LUG consumption.

LEGD's billing data readily covered the four years of data sought for this review, including billing period dates and consumption totals. The company provided all available customer data for the period 2016-2019. For a high proportion of customers complete data were available and relatively few billing adjustments (just 3.4% of monthly bills) were found. Meter reading occurs bimonthly, with estimated monthly totals supporting monthly bills in the absence of a meter read.

LEGD also records information on each account's rate, customer type and premise type, end-use categories, plus region and weather zone identifiers. Of these data fields, only the premise type field was relatively incomplete. Data on "revenue class", though, indicating the presence of space heating, water heating, etc., provided relatively complete information on customer characteristics. A key observation, incidence of space heating, revealed very high proportions of space heating. The full data set permitted computation of consumption per day per billing period for each account, and also facilitated linking of each account with a weather station for purposes of weather sensitivity analysis.

LEGD customers are matched with a somewhat limited number of weather stations. The weather data proved sufficient to conduct statistical analysis of weather sensitivity, an important factor in the research, since EGI was interested in exploring the feasibility of developing peak demand estimates for purposes of customer classification and billing. At present, GS customers are billed predominantly on a volumetric (metered total consumption) basis, plus a monthly customer charge. The volumetric charge currently recovers capacity-related costs, which are mostly fixed, an approach that is open to criticism on grounds of fairness, given that load factor can vary within each class.

LUG's billing data provide similar information of similar quality to that of LEGD. A significant operational difference that complicated, but did not impair, research was the retention in the current system of 25 months of data. However, data sufficient to lengthen the billing data set to match that of LEGD proved to be retrievable from the Data Mart system. The time cost of merging the data sets suggests that EGI would benefit from adopting data retention to the standard of LEGD in the future.

Once obtained, the billing data were found to be of high quality, in part due to the now discontinued practice of monthly meter reading. (The quality of the LEGD bimonthly data for billing and research purposes suggests that bimonthly reading is sufficient.) The LUG data also contained high-level premise classification codes and detailed premise types, information useful for rate harmonization due to its residential/non-residential split. Thus, the consumption data for the LEGD and LUG service territories can be accessed in parallel fashion, on the basis of customer type (residential or non-residential) and size to obtain summary data on a range of harmonization strategies.

Region and weather zone information were of sufficient quality to conduct weather sensitivity analysis to match that of LEGD, despite the fact that the LUG customers are spread out across a relatively more diverse geographical area than LEGD's customers.

In summary, both LEGD and LUG data appear sufficient to conduct analysis facilitating comparisons necessary to evaluate rate class harmonization.

Review of Consumption Profiles and Peak Demands

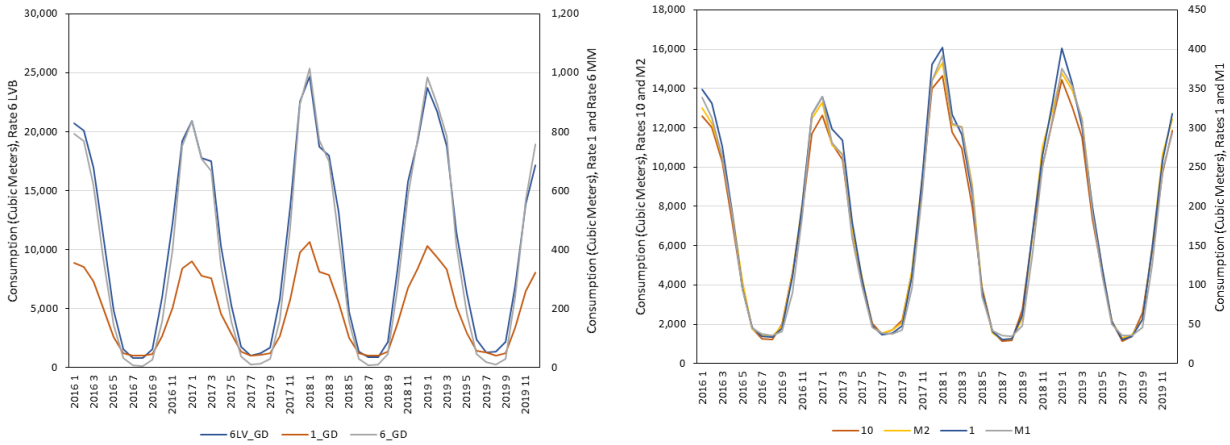
Research on data to support harmonization pursued two paths. The first path involved investigation of customer usage patterns via billing data. The second required research on estimation methods for peak demands.

Customer Usage Patterns

Since customers are billed on a cycle basis, each cycle having its own read dates, it is necessary to compute estimated bills with uniform dates. By prorating actual billing amounts by the share of billing dates in each calendar month we produced calendar-month billing quantities for all customers. We then developed calendar-month usage profiles for each legacy customer class and subclass. Invariably, the load profiles appeared to be very similar and highly seasonal due

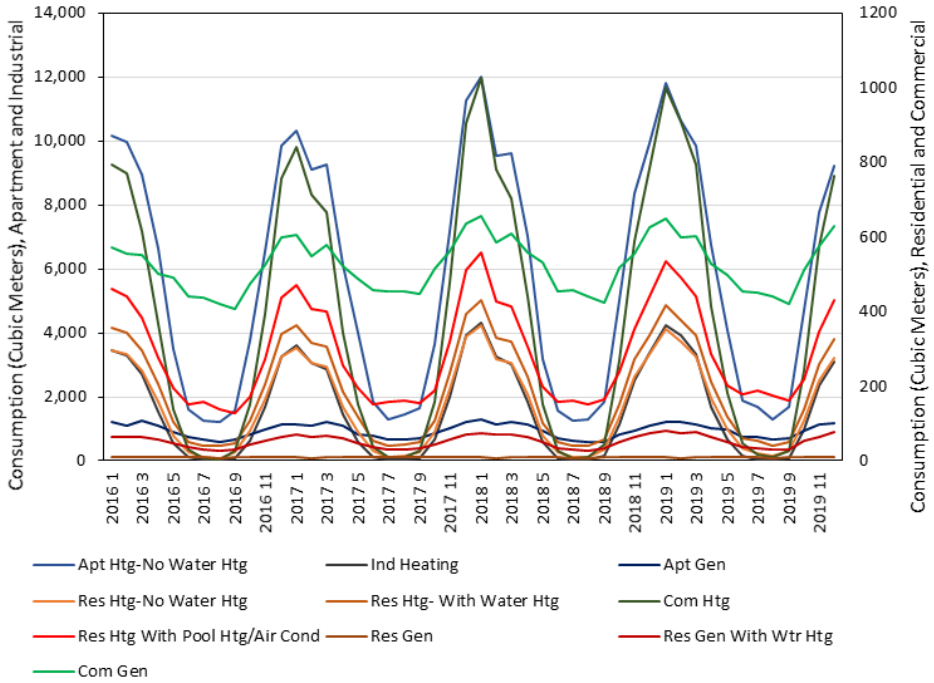
to the dominant role, for most customers, of space heating. Figures produced for each rate zone, disaggregated by rate, customer type, and weather zone all produced similar profiles. Examples appear in Figures ES-1 and 2. Legacy rate classes display fairly similar aggregate load profiles, with differences associated with scale only. This is particularly the case with the LUG rate classes, below, right.

Figures ES-1 & 2. Monthly Median Consumption, by Legacy Rate, LEGD and LUG



The exception is provided by customers who do not have space heating fueled by natural gas. Figure ES-3 illustrates the difference. These customers are few in number.

Figure ES-3. Monthly Consumption Profiles by End-Use Categories, LEGD



Peak Consumption Methods

Since data for consumption on individual days are not available, obtaining consumption estimates for a peak day requires an analytical structure to predict daily usage based on customer characteristics and weather (mainly temperature) data. Given a sufficiently stable relationship between weather and consumption, it is possible to extract information to estimate consumption for a given day from monthly bills.

Both LEGD and LUG produce estimates of peak consumption using a module of the Synergi Gas software that estimates regression models of the relationship between customers' consumption and heating demand measured by heating degree days (HDDs). CA Energy Consulting was asked to evaluate the procedures employed in Synergi Gas to model the weather sensitivity of consumption and to assess the related estimates of peak consumption as a potential source of data to support rate harmonization.

The Synergi Gas weather sensitivity modeling departs from standard regression modeling practices in a number of ways. To assess the Synergi Gas modeling approach, we implemented similar regression models of consumption against HDDs. The Synergi Gas model computes factor quality codes to evaluate regression quality, and we computed similar quality measures for our comparative model. Both models produced HDD-consumption relationships for a large majority of customers.

The estimated peak demands from these models can be used to generate class and subclass load factors. The Synergi Gas model produces slightly lower peak demands, resulting in slightly higher load factors than our comparative model. Comparing estimated load factors across the legacy operating units' rate zones, we found relatively similar load factors across both categories of accounts and rate zones.

At the median, estimated load factors are the lowest for the LEGD zone and the highest for Union North. Median load factors are modestly higher for high-consumption commercial and industrial customers (over 50,000 m^3) in all three zones.[1] We observe similar patterns in estimated load factors derived from our weather models. Load factors from the Synergi Gas computations appear in Table ES-1, below, with customer disaggregation by type and size.

[1] The variability of load factors for high-consumption residential categories may be an artifact of the small number of customers.

Table ES-1. Median Load Factors by Account Category and Legacy Rate Zones

	2019 Load Factor (Median) w/ Synergi Gas Peaks		
Account Category	**LEGD**	**LUG South**	**LUG North**
COM below 15,000	0.27	0.29	0.31
COM between 15,000 and 50,000	0.30	0.32	0.33
COM above 50,000	0.33	0.34	0.35
IND below 15,000	0.26	0.27	0.33
IND between 15,000 and 50,000	0.26	0.28	0.33
IND above 50,000	0.28	0.30	0.40
RES below 15,000	0.32	0.32	0.34
RES between 15,000 and 50,000	0.43	0.36	0.35
RES above 50,000	0.37	0.35	0.33

In summary, the customer-specific weather sensitivity analysis implemented in the Synergi Gas software appears to produce reasonable and broadly reproducible estimates of daily peak consumption and load factors at the median and in the middle of the peak consumption and load factor distributions. The relatively similar load factors for a number of customer subgroups are broadly consistent with the similar monthly consumption profiles for those groups.

Review of Customer Connections Data

Customer billing information, such as annual consumption volume and peak demand, has traditionally been a primary basis for class determination, along with customer type (residential, general service, etc.). We also investigated customer connections data as a possible source of class definition. We examined two types of information on customer connections: service line diameters, obtained from the legacy operating companies' geographic information systems (GIS), and meter capacity data available from the billing systems. For both LEGD and LUG, meter capacity data are almost universally available, whereas service line data are less complete and subject to measurement issues related to the condition of the GIS data.

Service Line Data. Service line diameter data for both LEGD and LUG suffered from incompleteness and accuracy issues. This might be expected, as such data are recorded at times of original installation or service upgrade, but are not readily subject to update. Based on the data shortcomings, it does not seem advisable to make use of service line data for rate class determination.

Meter Capacity Data. Both the LEGD and LUG billing systems record meter types in detail. These records indicate that most residential customers have meters in the 200 cfh capacity

category. Larger, mostly non-residential customers have a broad range of meter capacities, with capacity being correlated with peak period consumption. Our comparison bear this out.

As measures of customer size, groups based on meter capacities have the possibly desirable feature that they are based on relatively fixed premise characteristics rather than more variable consumption or peak demand statistics. Gas meters are relatively long-lived and are not likely to be replaced with a meter of different capacity absent a material change in expected customer demand. Meter capacity may also serve to identify small groups of customers whose distribution requirements materially differ from the rest of a class—for example, very large single-family residences, or multi-unit buildings at the margin of a residential class definition, that may more closely resemble commercial customers than "typical" residences.

Implications for Determination of Rate Classes

Our review of data available to undertake rate class harmonization revealed that EGI possesses high quality, timely customer billing data as a basis for conventional rate class review. Additionally, EGI also has the capability to develop reliable, stable customer peak demand data suitable for rate class determination and for use in rate design and billing. This is significant because the improvement in information about the customer's cost to serve afforded by a measure of peak demand increases rate design options that permit the use of broader customer classes.

The investigation of customer connections data provided mixed results: meter capacity data are accurate but service line data are not as accurate and timely as they would need to be to assist in rate class development. Meter capacity data while available, are correlated with peak demand, reducing their ability to contribute to rate class analysis.

External factors affecting harmonization include the degree to which costs are harmonized in the cost-of-service model and the underlying degree of geographical variation in distribution costs. These have not been part of the review, but can influence EGI's decisions on harmonization across rate zones once rate classifications have been selected.

Another external factor is the nature of legacy classifications. LEGD's customer-type approach yields shares of usage and customer numbers for residential customers that are quite similar to the shares of LUG's small-customer rate classes. That is, there appears to be strong overlap in customer grouping despite the difference in approach to classification. Candidate alternatives for harmonizing all rate zones include: 1) a size-based approach; 2) a customer type-based approach; and 3) a hybrid size and type approach. (The last of these likely results in more rate classes than the other candidates.)

The size-based approach has the advantages of being based on a readily observable quantity and of reflecting the cost of connections to some degree. A disadvantage is the fact that customer size is variable: the use of several size groups might burden EGI with determining

when customers would need to change rate class. One additional consideration is that the introduction of a peak demand metric as a measure of size might reduce customer variability in size.

The customer-type approach has an advantage of reducing customer classification issues, but is not supported by evidence that different types of customers have different costs to serve. The evidence of this project suggests the opposite. As Figure ES-3 shows, it appears that the use of demand, and hence measurement of customer load factor, is a potentially useful approach to matching customer bills to cost to serve, regardless of segmentation approach. However, the use of demand in billing and perhaps segmentation by size may tip the balance slightly toward size-based classification.

In summary, this review suggests that customer homogeneity indicates that having relatively few rate classes is feasible. Similarly, this homogeneity suggests that classification on the basis of size or customer type may have an advantage over a hybrid approach. (Additionally, it seems possible to classify on the basis of size in such a way that most residential customers are included in the small size group while most non-residential customer consumption is included in the large size group.) Next, the use of demand appears feasible for both classification and billing. Its use in size-based classification may reduce rate class movement by customers, and its use in billing has the potential to ensure improved billing of the small number of customer outliers who do not have space heat as an end use.

Lastly, it may be that a review of bill impacts of this short list of alternatives would be useful. A particularly valuable contribution of bill impact review would be to test how bills change with the introduction of a straight fixed variable design or a design that includes a demand charge.

1. INTRODUCTION

At the time of the recent amalgamation between Enbridge Gas Distribution and Union Gas Limited, the merged company faced challenges in combining the two distribution service territories.[2] Furthermore, the Union Gas service territory consisted of two rate zones.[3] The resulting three rate zones had their own retail rates and rate classes, and the question arose as to the manner in which these zones could be harmonized so that customers, regardless of location, could be served under a single set of rate designs. While such harmonization is not mandatory for the provision of service, it is likely that customer and utility operational benefits would arise, resulting in lowered costs and simplified regulatory oversight.

The merged company, Enbridge Gas Inc., hired Christensen Associates Energy Consulting (CA Energy Consulting) to conduct a review of the alternatives that might be available should rate classes be harmonized. The intent of the review was to both identify alternatives and to explore the data challenges that might arise during the process of rate class harmonization.

[2] The amalgamation was completed on January 1, 2019.

[3] The report refers to both the two service territories and the three rate zones, using the former in instances in which the same conditions apply for the two Union Gas rate zones.

Such challenges arise from differences in rate class structure and associated supporting data. These data include both billing data and the data covering equipment used to connect customers to each distribution system.

The review focuses on the broad set of General Service (GS) customers who traditionally are connected to the distribution system and are too small to have tailored contracts or access to independently purchased supply. While these customers may appear homogeneous in terms of consumption patterns and overall level of consumption (at least relative to large customers), actual differences in geography and resulting distribution system differences may present a challenge in harmonizing rate classes and rate designs that might affect the extent and pace of harmonization.

The report begins by describing the Company's current rate zones, existing rate class definitions and the billing data for each zone. We venture opinions on the quality and availability of such data to support rate harmonization. Section 3 of the report then presents summary information on consumption profiles for the various existing classes of customers in each zone. One aspect of this information pertains to the question of determining a customer's peak demand, a vital question since it is a customer's peak usage that plays a dominant role in the equipment (and resulting fixed costs) needed to serve the premise. We discuss how the Company develops such measures, focusing on determining customers' weather sensitivity, and review the attributes of this approach.

Section 4 provides information on the data available to identify customer connections for each premise. Such data are potentially valuable, since knowledge of the service line and meter type of a customer provides guidance in the cost of the connection itself and the likely maximum level of demand by the customer. Since customer connection facilities change infrequently, knowledge of these facilities might provide a useful basis for fixed cost recovery. The question thus arises whether connection information of each service territory is capable of supporting rate class determination.

Section 5 utilizes information from the previous sections to evaluate potential rate class definition options and the quality and availability of data to support these options. The report concludes with findings on the Company's alternatives for rate harmonization.

2. EGI'S LEGACY BILLING DATA

Current Service Territories, Rate Class Definitions, and Customer Summary Information

Enbridge Gas, Inc. (EGI) consists of two service territories. Legacy Enbridge Gas Distribution (LEGD) provides services in south-central Ontario, including the Greater Toronto Area, the Niagara Peninsula, and the Ottawa capital region. Legacy Union Gas (LUG) serves southwestern Ontario, the area around Kingston, collectively the rate zone "Union South", and long stretches of Northern Ontario following the route of the TransCanada pipeline, the rate zone being denoted "Union North".

LEGD's service territory/rate zone, with its dense urban areas, has the larger share of customers and usage. As of 2018, LEGD served about 2.2 million customers of all types, while LUG served about 1.5 million.[4] Table 1 shows active GS accounts, total GS customers billed, and total and average consumption for 2019.

Table 1. Summary Statistics of GS Customer Populations, by Service Territory[5]

Service Territory	Active Accounts (000)	Customers Billed (000)	Annual Consumption (2019, million m^3)	Average Consumption (2019, m^3)
LEGD	2,196	2,444	10,504	4,298
LUG	1,511	1,497	5,813	3,882
EGI	3,707	3,941	16,317	4,140

Differences between the numbers of customers billed and the number of active accounts reflect effects of customer turnover and data structure differences between the LEGD and LUG data. The LEGD unit of observation is a customer-premise combination, subject to change when customers cancel or move service. The LEGD count for customers billed thus includes inactive customer IDs for which at least one monthly bill was rendered. In contrast, the unit of observation in the 2019 LUG consumption data is the premise ID, so we do not directly observe customer turnover for LUG.[6]

LEGD Rate Zone

LEGD's GS customers are divided into two groups: residential customers, served under Rate 1, and non-residential (commercial and industrial customers), served under Rate 6.[7] Table 2 summarizes customer numbers, annual consumption, and related shares, by class. Rate 6 is segmented into the main group and a Large Volume Billing (LV) subclass.

[4] 2018 EGI Annual Report, pages 25 and 26.

[5] Data derived from customer account information provided by EGI.

[6] We understand this to be a limitation of the 2019 billing data extracted from LUG's Banner system rather than a limitation of Banner in itself. Both the LUG account information and archived Banner data for periods earlier than the 25-month Banner data retention period were identified with both premise and account numbers. Aggregation to premise would not affect total consumption and should minimally affect median consumption, since the median customer in most groups will have occupied their premises for the entire year.

[7] A third rate, Rate 9, serves the specialty needs of customers who resell using pressurized containers. This study does not consider these customers, who are readily distinguished from other GS customers.

Table 2. LEGD GS Summary Information, 2019

Rate	Customers Billed (000)	Annual Consumption (million m^3)	Average Consumption (m^3)	Median Consumption (m^3)	Share of Customers	Share of Consumption
1	2,254	5,332	2,365	2,241	92.2%	50.8%
6	178	2,424	13,640	4,299	7.3%	23.1%
6 LV	12	2,748	228,605	124,602	0.5%	26.2%
Total	2,444	10,504			100.0%	100.0%

As might be expected, the residential class makes up a larger share of customers than of usage. Additionally, in all rates the median annual usage is lower than the annual average, indicating that the class distributions of consumption have positive skew. That is, in all three categories, the distributions have long upper tails of customers with relatively high levels of consumption. Average consumption statistics are influenced by the presence of high-consumption customers in the population, and can overstate consumption for "typical" customers. Hence we include statistics for median consumption.

LEGD's GS rates primarily classify customers into residential and non-residential categories, without categorization by consumption or other size measures. Rate 1 customers are delimited by residential purpose with the number of dwelling units per terminal location capped at six. Rate 6's definition is "non-residential purposes", without a size limitation. However, LEGD's rates for larger (non-GS) customers set definitions of minimum size, sometimes augmented by load factor requirements that smaller customers have difficulty matching.[8]

LEGD bills its GS customers on a monthly basis, but nominally conducts meter readings bimonthly. The typical meter read cycle features an estimated bill in the first month following an actual read, and a billed consumption amount in the second month that is the difference between the bimonthly meter reading and the meter estimate that is the basis of the previous month's bill. Rate 6 LV customers nominally have monthly meter readings, reflecting their much larger average usage than the other Rate 6 customers. As shown in Table 3, below, slightly more than half of Rate 1 and Rate 6 bills are estimates.

As a normal part of the billing process, adjustments are sometimes appropriate. The rightmost columns of Table 3 indicate that adjustments are a small share of total bills rendered. The process of bill adjustment is described in the next section.

[8] An example of a boundary related to consumption total only can be found in Rate 100, which requires that customers have maximum daily consumption in the range of 10,000 to 150,000 cubic meters.

Table 3. Percent of Actual and Estimated Bills by Rate Category, LEGD

Rate	Actual	Estimated	Total	Pct. Actual	Adjusted	Pct. Adj.
1	46,563,866	52,221,693	98,785,559	47.1%	2,910,942	2.9%
6	3,502,032	4,228,135	7,730,167	45.3%	759,504	9.8%
6 LV	525,817	11,289	537,106	97.9%	8,946	1.7%
Total	50,591,715	56,461,117	107,052,832	47.3%	3,679,392	3.4%

LEGD records and retains a relatively long history of billing data in its systems, going back at least nine years. We requested four years of billing data for the customer population and the Company was able to retrieve these data from its SAP billing system.

LUG Rate Zones

Unlike LEGD, LUG defines its GS rate classes on the basis of customer size, with an annual consumption breakpoint of 50,000 cubic meters, and by North and South zones within the LUG service territory.[9] This classification combines all of its customers for a given zone and size category in a single rate class. The rate definition is complicated to some degree by the fact that the "Union North" zone is further subdivided for pricing of gas supply charges into Northwest and Northeast. (Gas supply charges include cost recovery for the commodity, transportation, and storage, and reflect the geographic differences between regions.)

The size definitions are common to both Union North and Union South. For Union North, customers with annual usage less than 50,000 m^3 are placed in Rate 1, while larger customers are allocated to Rate 10. For Union South, the parallel rate designations are Rates M1 and M2, respectively. Very few residential customers have annual consumption exceeding 50,000 m^3, so Rates 10 and M2 are *de facto* non-residential rates.

Table 4 presents the customer and consumption information for 2019 for the LUG service territory. The Union South region is larger in terms of both customer numbers and annual usage, with more than three quarters of the territory's usage located there. Perhaps surprisingly, annual usage is measurably, but not greatly, larger for the North Rate 1 customers than the South Rate M1 group. Weather and average size of dwellings and other customer premises play a role in this outcome, presumably.

[9] Other rates use alternative measures.

Table 4. LUG GS Summary Information, 2019

Rate	Premises (000)	Annual Consumption (million m^3)	Average Consumption (m^3)	Median Consumption (m^3)	Share of Premises	Share of Consumption
1	351	1,056	3,009	2,302	23.4%	18.2%
10	2	296	143,144	86,800	0.1%	5.1%
M1	1,137	3,244	2,854	2,209	75.9%	55.8%
M2	8	1,217	158,717	93,457	0.5%	20.9%
Total	1,497	5,813			100.0%	100.0%

Like LEGD, LUG also bills its customers at a monthly frequency. For most of the period covered by the data that we obtained, LUG also read meters nominally on a monthly basis. This pattern changed in December 2019 to bimonthly to harmonize with that of the LEGD service territory. Table 5 shows the percent of actual and estimated readings in the LUG billing records that we obtained. Actual read rates were higher for the LUG South zone than for LUG North, and rates of estimated bills were somewhat higher for large GS customers (Rates M2 and 10) compared to smaller GS customers (Rates M1 and 1). These percentages will drop sharply in 2020 due the reduction in meter reading frequency.

Table 5. Percent of Actual and Estimated Bills by Rate Category, LUG

Rate	Actual	Estimated	Total	Pct. Actual	Adjusted	Pct. Adj.
1	10,704,244	1,986,253	12,690,497	84.3%	357,412	2.8%
10	67,859	17,245	85,104	79.7%	6,373	7.5%
M1	38,683,245	2,239,807	40,923,052	94.5%	608,764	1.5%
M2	266,456	29,364	295,820	90.1%	15,337	5.2%
Total	49,721,804	4,272,669	53,994,473	92.1%	987,886	1.8%

In one potentially significant way, LUG differs from LEGD: data up to 25 months old are readily available via its Banner system. However, less recent data, while still retrievable, must be acquired separately from their Data Mart archive of Banner system data.

Current Data Availability and Quality

LEGD Rate Zone

Billing Data

LEGD's SAP database of customer billing data readily supplied the four years of data requested in this project, covering the period 2016-19.[10] The request was submitted in order to acquire sufficient data to determine the extent of variability in summary statistics by year, and to be able to statistically evaluate the effect of weather (heating demand) on customer consumption for the purposes of estimating peak loads and load factors. The request also permitted analysis of data availability for rate class review and rate design.

We found a high degree of data availability in that the number of billing records we obtained was close to a nominal value given the number of LEGD customers and expected customer turnover rates. The combined monthly billing datasets yielding about 109.5 million observations. (For reference, 2.4 million customers should provide 2.4 * 12 * 4 = 115.2 million bills if they were active throughout the 2016-2019 period. Customers that were inactive for portions of one or more years would receive fewer than 12 annual bills.) The data sets that were provided almost completely comprised customers who were only on GS rates for the entire 2016-2019 period. Just 7,000 bills applied to GS customer IDs that were not on a GS rate at some point during the period 2016-19.

The database included standard billing system information: for each observation, the database supplied billing period start and end date, and consumption level. This was matched with a separate dataset of account information which included region or weather zone identifiers, account class/type, premise type, and other information not germane to the rate class/rate design task.[11] Once combined, these data permitted computation of consumption per day per billing period for each account, and also facilitated linking of each account with a weather station for purposes of weather sensitivity analysis.

As noted above, LEGD renders monthly bills based on nominally bimonthly meter readings to its GS customers. The monthly billed consumption quantities are potentially subject to prior-period adjustments that may result in anomalous billed consumption quantities in particular months. For example, an adjustment intended to reverse some or all of a previous period's billed consumption could result in a negative billed consumption quantity (and an associated bill credit) in the period when the adjustment is applied. Adjustments were present in 3.4% of LEGD monthly bills. Many, though not all, of the adjustments relate to adjacent billing periods. (See Table 3, above, for adjusted bill totals and percentage shares by rate.)

[10] We obtained data for January 2020 reads to cover the entirety of calendar year 2019, since December 2019 bills would generally represent actual or estimated consumption in parts of November and December 2019.
[11] CA Energy Consulting did not receive personally identifiable information sufficient to link any account to a specific customer. That is, all billing information was rendered anonymous by EGI before receipt.

To facilitate operational analyses where measures of actual consumption in periods subject to adjustments would be desirable, LEGD's SAP billing system also provides an "applied consumption" concept in addition to billed consumption. In periods not subject to billing adjustments, billed and applied consumption are identical. In periods subject to adjustments, applied consumption is computed with algorithms that distribute adjustments over the applicable periods to estimate the actual consumption quantities.

Given the relatively low rate of bill adjustments, it should not be surprising that the differences between the applied and billed consumption concepts are minor at higher levels of aggregation. Total consumption is essentially the same under each measure, and differences in median consumption are typically well under one percent. This suggests that the presence of billing adjustments will not be highly influential on consumption profile data based on billed consumption. In contrast, when conducting our analysis of weather sensitivity for LEGD customer peak loads, we used the applied consumption measure as representing the best available estimates of customers' actual consumption.

The LEGD data also provide information about customer type, premise type and end-use categories. Aggregation across GS Rates 1 and 6 produces some useful breakouts. Table 6 reveals the count and shares of residential, commercial, and industrial customers among 2019 active customers. The LEGD billing system allows commercial and industrial customers to be identified separately within the broader non-residential (Rate 6) group.

Table 6. LEGD GS Active Customer Count by Customer Type

Customer Type	Count	Share
Residential	2,030,208	92.4%
Commercial/Apt.	160,635	7.3%
Industrial	5,753	0.3%
Unidentified	1	0.0%
Total	2,196,597	100.0%

Note: apartment accounts are classified with commercial accounts.

Table 7 presents LEGD's information on premise type for the same set of active customers. Where available and accurate, detailed premise categories can help identify sets of customers that may have distinct consumption profiles. The table shows that the LEGD premise type categories are relatively coarse, and mostly are unavailable (recorded as unknown) in the billing system. While some residential customer premise types are recorded, and most of the Large Volume Billing (LVB) customers are distinguished, most customer premises are classified as unknown.

Table 7. LEGD GS Active Customer Count by Premise Type

Premise Type	Count	Share
A-Apt	27,343	1.2%
D-Detached	333,507	15.2%
L-LVB Industrial/Commercial	9,287	0.4%
S-Semi-Detached	34,549	1.6%
U-Unknown	1,791,911	81.6%
Total	2,196,597	100.0%

LEGD uses a "revenue class" identifier to classify customers by end-use categories as well as residential and non-residential types. The reliability of revenue class data is dependent on the extent to which installations and removals of gas-using equipment are visible to EGI and used to accurately update the revenue class. LEGD defines a large number of revenue class codes, which we summarized into broader end-use groups as shown in Table 8. Most LEGD residential and non-residential customers have space heating end uses. Revenue class also identifies LEGD customers with non-heating general uses, as well as a substantial number of residential customers with pool heating systems. We cannot validate the revenue class data directly; its usefulness will depend on the extent to which the revenue class categories reflect observable differences in consumption patterns, peaks loads, and/or load factors.

Table 8. LEGD GS Count by Customer Type and Revenue Class Categories

No.	Combined Revenue Class	Count	% of Customer Type	% of Total
10	Res Htg-No Water Htg	211,266	10.37%	9.62%
20	Res Htg- With Water Htg	1,722,103	84.53%	78.40%
50	Res Htg With Pool Htg/Air Cond	79,991	3.93%	3.64%
60	Res Gen	4,197	0.21%	0.19%
61	Res Gen With Wtr Htg	12,504	0.61%	0.57%
	Residential	**2,030,061**	**100.00%**	**92.42%**
48	Com Htg	150,083	97.77%	6.83%
79	Com Gen	3,431	2.23%	0.16%
12	Apt Htg-No Water Htg	6,996	0.34%	0.32%
86	Apt Gen	309	0.02%	0.01%
	Commercial	**160,819**	**95.82%**	**7.32%**
73	Ind Heating	5,530	98.68%	0.25%
83	Ind Gen	74	1.32%	0.00%
	Industrial	**5,604**	**100.00%**	**0.26%**
	Other	113		0.01%
	Total	**2,196,597**		**100.00%**

In summary, the information on LEGD's billing data suggests that this service territory has highly complete billing data for the 2016-2019 periods, with largely expected frequencies of estimated bills. The rate of bill adjustments is low enough, and differences between billed and applied consumption data small enough, that bill adjustments will not materially affect measures of total, average, or median consumption. Additionally, Tables 6 and 8 show that there is reasonably comprehensive data to classify customers among residential, commercial, and industrial types, and to identify at least heating versus non-heating end-use categories.

Geographic and Weather Data

The LEGD service territory under study is divided into eight geographic areas. EGI also provided daily weather data for a number of weather stations in or near its service territories, collected in the eWeather system. Weather data included daily high, low, and average temperatures; and heating degree days (HDDs) based on an 18-degree Celsius threshold. Consulting with EGI staff, we associated each LEGD area with a weather station. Table 9 shows the area-weather station assignments, and the number of active accounts in each area.

Table 9. LEGD Weather Zones and Associated Weather Stations

Code	Zone	Station	Accounts
1	Toronto	Toronto	540,116
21	Mississauga	Toronto	378,024
35	Richmond Hill	Toronto	364,539
45	Whitby	Toronto	192,169
	Greater Toronto		1,474,848
47	Peterborough	Peterborough	50,736
53	Barrie	Barrie	139,976
65	Ottawa	Ottawa	361,384
76	Niagara	St. Catharines	169,642
	Unidentified		11
	Total		2,196,597

The granularity of weather stations assignments is somewhat limited, though it is sufficient to distinguish colder areas such as Ottawa within the LEGD service territory. However, the density of weather stations likely is too low to reflect some short-distance climate differences. For example, the CYYZ weather station at Toronto Pearson Airport is the closest available station for the entire greater Toronto area, and may not reflect weather and climate variations associated with proximity to Lake Ontario and/or the Toronto urban center.

LUG Rate Zones

Billing Data

The primary LUG billing data system, Banner, provides relatively limited retention of historical billing data, for a total of 25 months of history. Several years of additional history are archived in the LUG Data Mart system.[12] The Banner data system was the primary source of billing data for the period February 2018 to January 2020. Additional data to cover the 2016-2018 period were retrieved from the Data Mart system.[13] Retrieving the data from these two systems and uniting them into a single billing database proved challenging and time consuming for both EGI staff and CA Energy Consulting.

Since Banner and the Data Mart archives do not contain completely identical data elements, separate queries were used to extract the monthly billing records. This led to differences between the datasets including different approaches to providing billing period dates and differences in the units of observation.[14] For the period covered by Banner data, which provided only read dates, we computed the implied billing period dates and duration information from the previous billing record for each premise, and found that the billing period lengths were reasonable (approximately one month) in the vast majority of cases. As shown in Table 5, above, the nominally monthly meter reading frequency over most of the 2016-2019 period results in a lower rate of estimated bills for LUG, and the rate of bill adjustments is low relative to LEGD.

As with LEGD, the account information available for the LUG rate zones provides customer data that provide additional potential categorization variables for customers beyond the rate class code. The LUG billing system provides high-level premise classification codes as well as detailed premise types, the latter with 100 distinct type codes for varieties of residential, commercial, and industrial premises. Table 9 provides summary data for the higher-level classification for the combined Union North and South rate zones.

[12] In addition, some Rate 10 and M2 customer billing data are recorded in the Contrax system.

[13] February 2018 was the limit of Banner retention when initial Banner extracts were provided by EGI. We ultimately received LUG billing data covering reads from January 2015-January 2020.

[14] The Banner data provided only read dates; the Data Mart extract provided the period start dates and days-in-period directly. Also, the Banner billing data were identified only by premise ID, whereas the Data Mart extract provided premise and customer IDs. As a result, per-customer averages computed for the LUG data are, strictly speaking, per premise. We believe that a repull of the data obtained from Banner could harmonize treatment of these variables, though they should not have a material impact on the main results presented here.

Table 9. LUG GS Customer Count by Premise/Building Type[15]

Premise Type	Count	Share
Residential	1,382,492	91.5%
Commercial	110,781	7.3%
Public Building	5,919	0.4%
Care and Detention Center	943	0.1%
Industrial	6,060	0.4%
Service Line Only	24	0.0%
Other	4,731	0.3%
Total	1,510,950	100.0%

Table 10 provides a slightly different segmentation, this time on the basis of customer type and size.

Table 10. LUG GS Customer Count by Customer Type and Rate/Size Identification

Customer Type	<50,000 m^3	>50,000 m^3	Total	Share
Agricultural/Seasonal	539	138	677	0.0%
Commercial	108,900	8,643	117,543	7.8%
Industrial	3,965	1,508	5,473	0.4%
Own Use	390	78	468	0.0%
Residential	1,386,632	155	1,386,787	91.8%
Other	2		2	0.0%
Total	1,500,428	10,522	1,510,950	100.0%

This disaggregation is useful for rate harmonization, due to its residential/non-residential split and the provision of additional detail to support analytical choices about the treatment of small subgroups that may have distinct consumption characteristics, such as customers with seasonality that departs from the usual heating-related seasonality. While LEGD customers are not directly categorized by size in the LEGD billing system, consumption categories can be determined from the available billing data to facilitate comparison with LUG customer categories. Thus, it appears that consumption data for the LEGD and LUG service territories can be accessed in parallel fashion, on the basis of customer type (residential or non-residential) and size to obtain summary data on a range of harmonization strategies.

[15] This table is not limited to rates 1, 10, M1, and M2; a handful of stray codes account for the difference between this and other LUG tables.

Geographic and Weather Data

The LUG rate zones are divided into eighteen weather zones identified in account data from the Banner system.[16] As with LEGD, the eWeather system provides daily weather data for stations that we associated with the LUG weather zone codes with assistance from LEGD staff. Table 11 shows the area-weather station assignments, and the number of active accounts in each area.

Table 11. LUG Weather Zones and Associated Weather Stations

Code	Zone	Station	Accounts
ON01	Windsor/Chatham	Windsor	192,058
ON02	Thunder Bay	Thunder Bay	52,030
ON03	Sarnia	Sarnia	47,613
ON04	London	London	243,384
ON05	Delhi/Simcoe	Delhi	24,519
ON06	Brantford	Delhi	83,051
ON07	Waterloo	Waterloo	216,517
ON12	Kenora	Kenora	10,749
ON14	Kapuskasing	Kapuskasing	10,380
ON16	Hamilton/Halton	Hamilton	346,690
ON19	Timmins	Timmins	19,989
ON30	North Bay	North Bay	54,934
ON32	Sudbury	Sudbury	54,314
ON40	Earlton	Earlton	5,721
ON51	Sault Ste. Marie	Sault Ste. Marie	31,824
ON76	Trenton	Kingston	52,688
ON84	Kingston	Kingston	37,084
ON95	Cornwall	Montreal	27,422
ON01	Total		1,510,967

The greater number of weather zones is undoubtedly necessary to represent weather variations over the range of climate conditions within the LUG rate zones. As with LEGD, the density of weather stations still is likely to limit the ability of the weather data to represent some short-distance climate differences, such as those resulting from proximity to the Great Lakes, for certain subsets of customers.

Summary

Despite the differences in archiving practice between service territories, and differences between Banner and Data Mart-accessible data for LUG, both data sources appear to be able to supply relatively complete billing data for purposes of direct comparison of customers. Additionally, although there are differences in past meter reading practices, both service

[16] In addition, a finer geographical variable, the GECA code, has 950 unique values in the billing data.

territories appear to have monthly billing data capable of determining the seasonal pattern of consumption by customer and levels of peak monthly demand.

The databases also permit aggregation by type of customer, at least for a residential/non-residential split. Finer gradations of segmentation are not always common to both service territories. For purposes of rate harmonization, though, this does not seem to be a serious problem, since rate class determination does not usually require such segmentation.

3. CONSUMPTION PROFILES AND PEAK DEMANDS

Monthly Consumption Data

Raw Data Assembly

Our analyses of consumption data used census-type data on consumption provided by EGI. EGI's data on consumption volumes from billing systems are, with few exceptions, available at monthly frequencies. While voluminous, processing monthly census data for EGI's legacy operating units is within the capabilities of data analysis software,[17] and provides maximum flexibility for analyzing the data for arbitrary subgroups of customers. We viewed this flexibility, and the ability to characterize the entire population, as important given that a goal of the project was preliminary assignments of EGI customers to alternative rate classes. While sample data may be sufficient for characterizing consumption for existing classes, subject to implementing a suitable sample design, it is less well suited to producing the data desired by EGI in total.[18]

As mentioned above, we obtained four years of consumption data from both the LEGD and LUG service territories. We requested multiple years of consumption data in large part to provide sufficient data for modeling of peak loads, for which observations of multiple peak seasons are desirable, if not essential. An additional benefit of multi-year data is to reduce the risk that decisions made on the basis of summary consumption data or consumption profiles may be influenced by unusual weather in a given year or heating season.

Account information that may be used or usable to categorize customers, such as billing rates, account types (e.g., residential, commercial, industrial), premise types, meter types, and connection information, were encoded into numeric values to reduce dataset size, and merged with the billing records for subsequent processing.

[17] We conducted the bulk of our data processing and analysis using Stata/MP 15.1 data analysis software, as its lack of binding observation limits (in contrast to row limits in Microsoft Excel) allowed us to handle monthly billing records from 2016-2019 for LEGD and LUG as a single dataset for each operating company. In practice, dataset size in Stata/MP is limited by computer memory. The largest monthly billing datasets produced for this project had on the order of 100 million records and were processed on computers with 32-64 GB RAM.

[18] If one or both of the legacy operating companies produced consumption data at higher frequencies from widespread interval metering, sampling would have been necessary for computational reasons.

Preparing Monthly Data for Consumption Profiles

The dates covered by the monthly billing records in the source data vary across customers, mainly with customers' scheduled read dates. Billed consumption from a read (or estimate) in a given month reflects actual consumption partly in the month of the read and partly within the previous month (or, less commonly, more than one month). Revenues from bills may be recognized in the month of the read or, in some cases, in subsequent months.[19] As a result, monthly consumption data that are dated by the read date or an accounting date will lag actual consumption. Among other considerations, this may lead to misalignment of billed consumption peaks with the timing of peak consumption days within months. To develop monthly consumption profiles on a common calendar-month basis, we assigned billed consumption to calendar month using billing period start and end dates.

The calculation of calendar-month consumption estimates, employs average daily consumption for each billing period and the number of days in each calendar month covered by the billing period. For instance, if a customer had billing cycles from 16 December-15 January and 16 January-15 February, the calendar-month consumption for January would be estimated as the sum of 15 days of consumption at the daily average for the 15 January bill, and 16 days' consumption at the daily average from the 15 February bill.[20] To cover the entire four-year period, we obtained billing records for reads through January 2020, which include consumption to cover the latter part of December 2019. We computed calendar-month data separately from the Data Mart records (through January 2018) and the Banner data (from February 2018).

Charts of Selected Monthly Consumption Profiles

The charts below show monthly consumption profiles for selected groups of LEGD and LUG customers. Given the positive skew of the data within legacy rate categories, we present profiles for median consumption as a representation of typical customers within the reported groups.[21]

Figures 1 and 2 show profiles for the legacy GS billing rates—for LEGD, Rates 1, 6 (both mass market LVB); for LUG, Rates M1, M2, 1, and 10.[22]

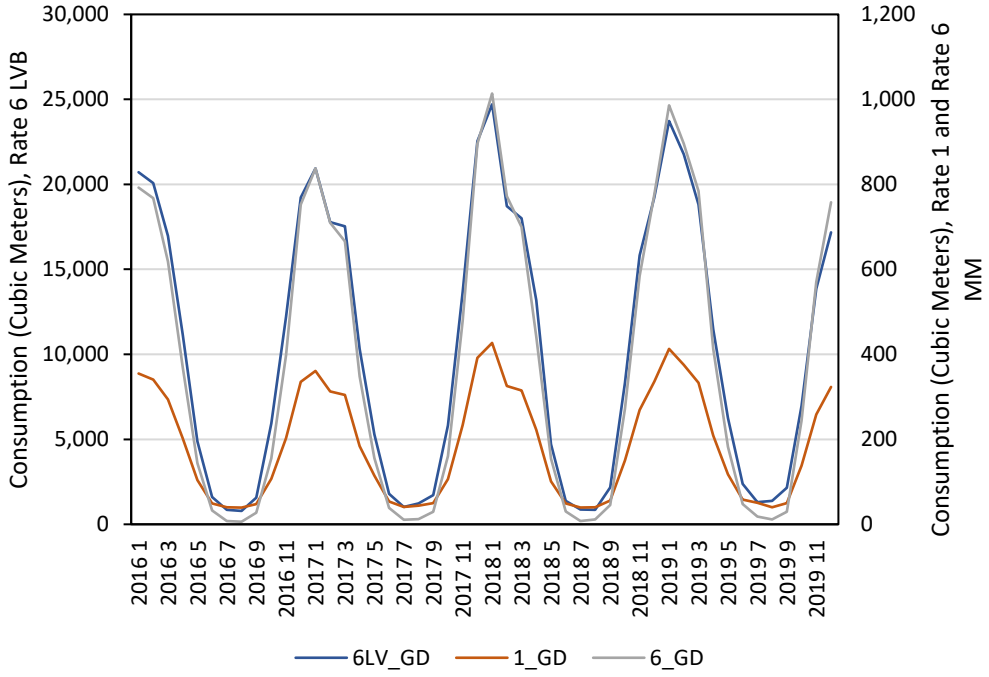
[19] Data from the LUG Data Mart suggested that reads from billing cycles with late-month reads were associated with the following month for accounting purposes. We did not receive comparable data for LEGD or for the LUG Banner data extracts.

[20] In some cases, billing periods may span more than two calendar months, particularly in the case of bills incorporating prior period adjustments. Our processing allows for billing periods covering arbitrary start and end dates.

[21] In addition, we computed monthly total and average consumption, as well as consumption at the 10th, 25th, 75th, and 90th percentiles to represent the distribution of consumption.

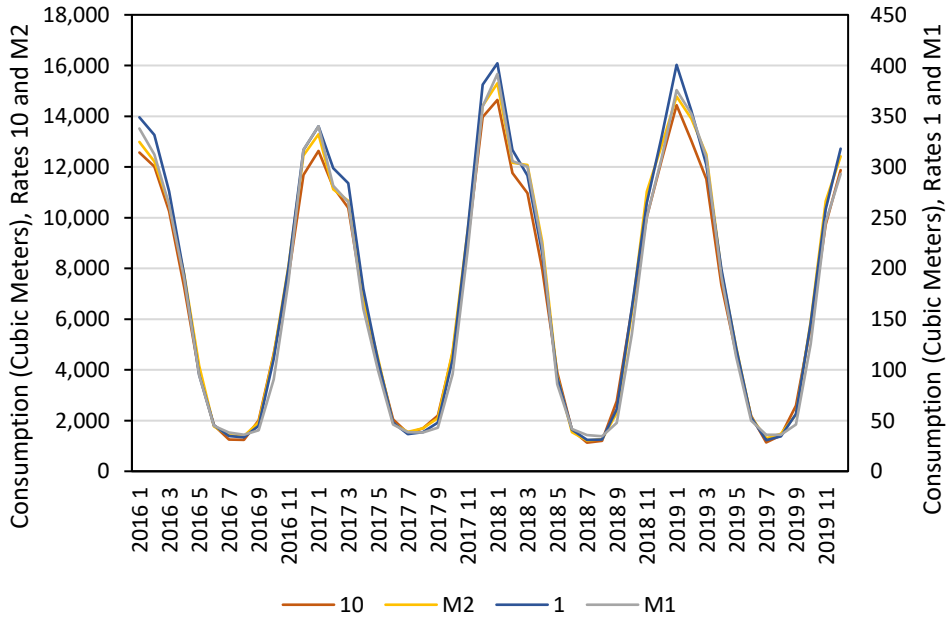
[22] Note the use of vertical axes on both the left and right side of the figures to allow for differences in median customer size across classes.

Figure 1. Monthly Median Consumption by Legacy Rate, LEGD



At this level of aggregation, all of the legacy rates have winter peaks. The median customers appear to differ in consumption quantities more than in the shapes of monthly profiles, which may be expected from the high prevalence of space heating use across all of the legacy rate categories.

Figure 2. Monthly Median Consumption by Legacy Rate, LUG



Figures 3 and 4 show consumption profiles by area (weather zone) for LEGD and LUG. The profiles generally have similar shapes. The highest peaks for LEGD are observed for the Mississauga and Richmond Hill areas in the Greater Toronto Area, which may reflect dwelling size and residential/non-residential mix rather than weather variation. The LUG profiles tend to show higher peaks in colder weather zones. For example, in Figure 4, LUG's Kapuskasing zone is consistently the coldest weather zone while Cornwall and Trenton are consistently at the lower end of monthly consumption during cold-weather months.

Figure 3. Monthly Median Consumption by Weather Zone, LEGD

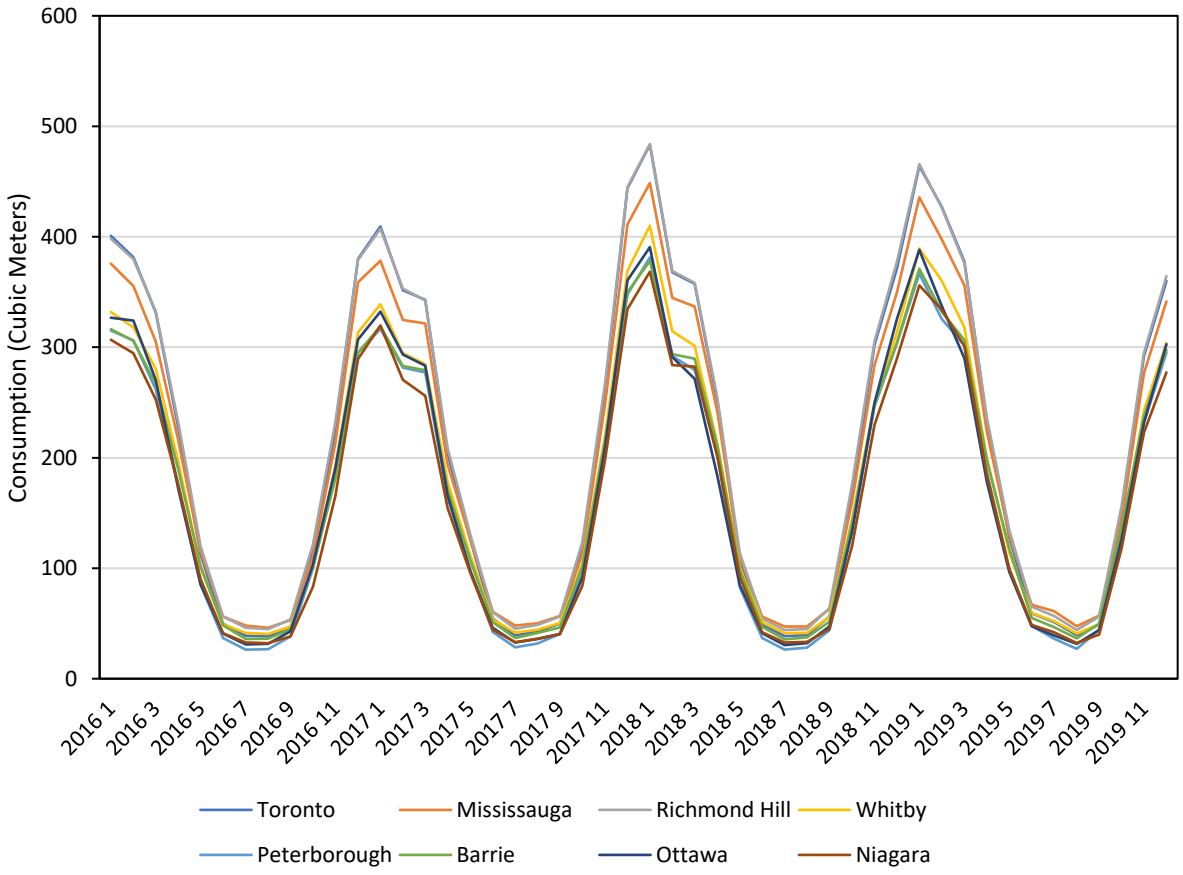
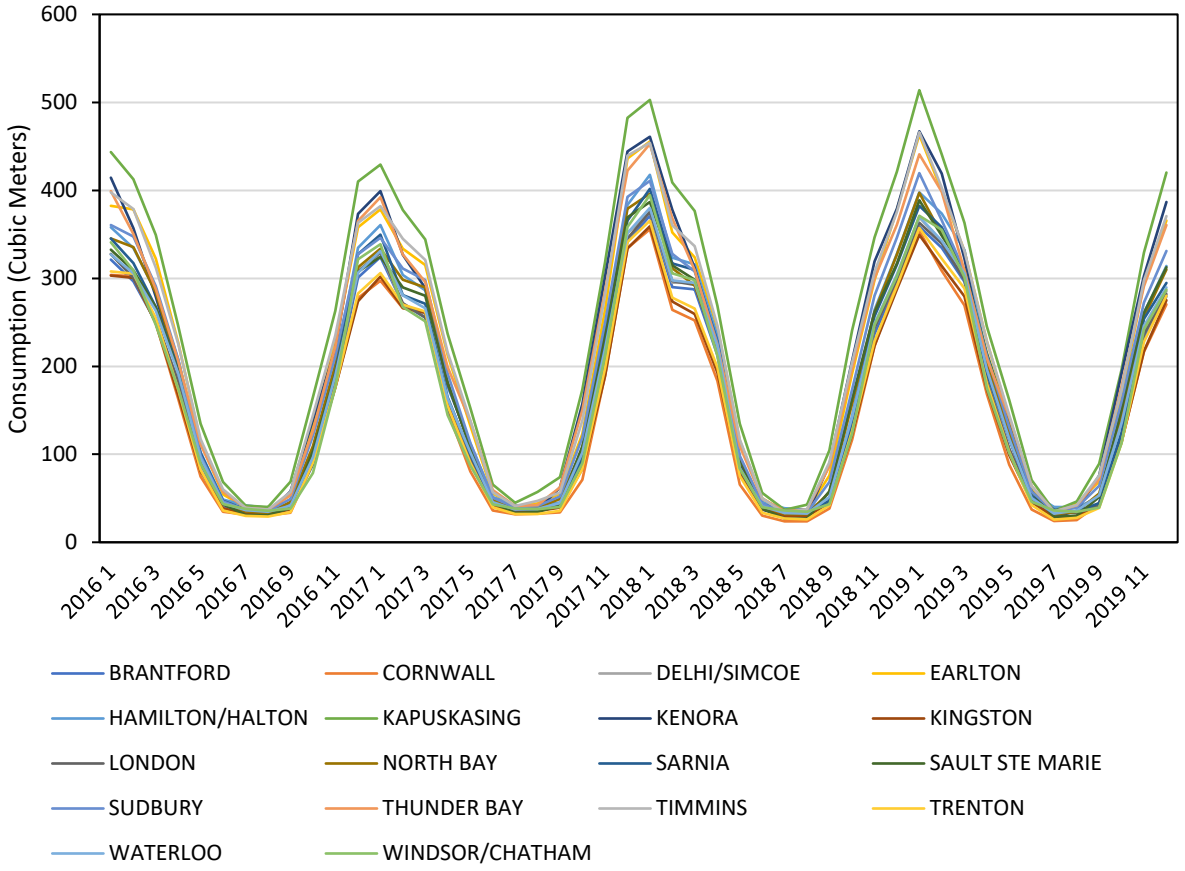


Figure 4. Monthly Median Consumption by Weather Zone, LUG



Figures 5 to 8 present consumption profiles for groups of customers classified by account type (residential, commercial, and industrial) and annual consumption tiers (with breaks at 15,000 and 50,000 annual cubic meters consumption). Figure 5 shows profiles for small residential customers, comprising most of LEGD Rate 1 and the residential portions of LUG Rates 1 and M1. Figure 6 shows profiles for small commercial (under 15,000 annual cubic meters), including portions of LEGD Rate 6 (mostly mass market) and the portions of LUG Rates 1 and M1. Figures 7 and 8 show large commercial and industrial profiles, respectively, for both LEGD (Rate 6 large-volume billing) and LUG (commercial and industrial portions of Rates 10 and M2).

Figure 5. Monthly Median Consumption Profiles, Residential, LEGD and LUG

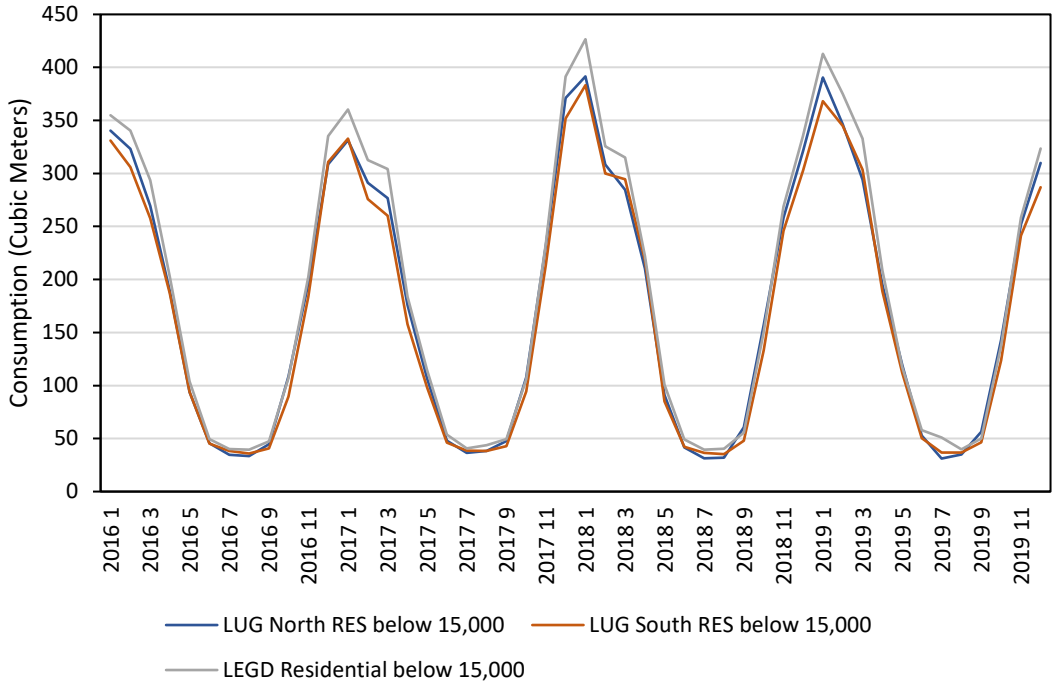


Figure 6. Monthly Median Consumption Profiles, Small Commercial, LEGD and LUG

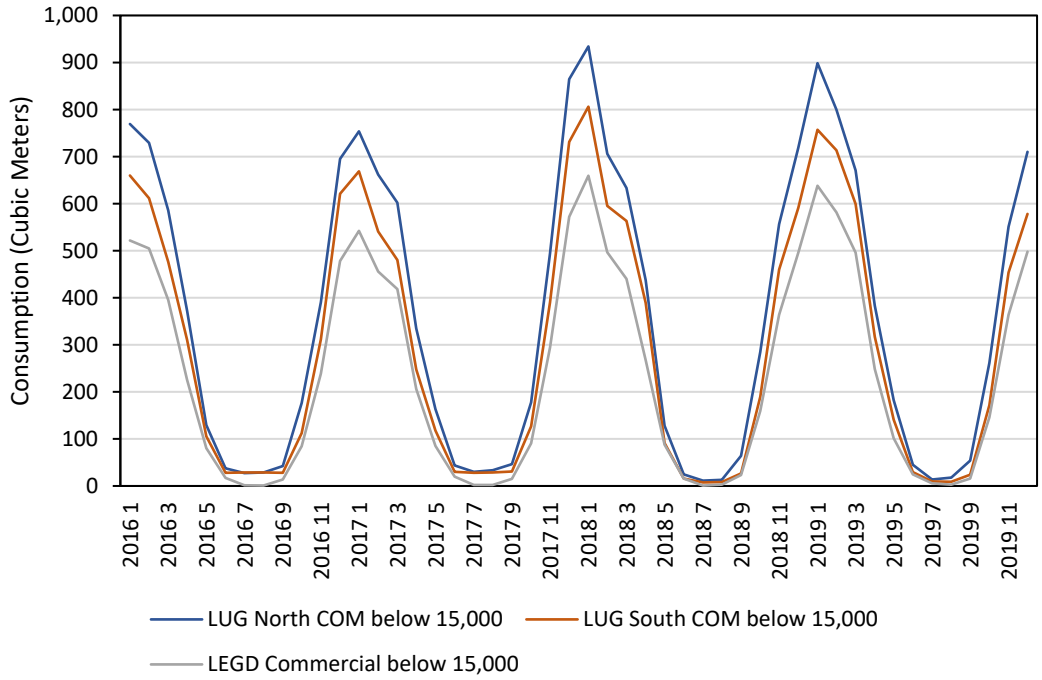


Figure 7. Monthly Median Consumption Profiles, Large Commercial, LEGD and LUG

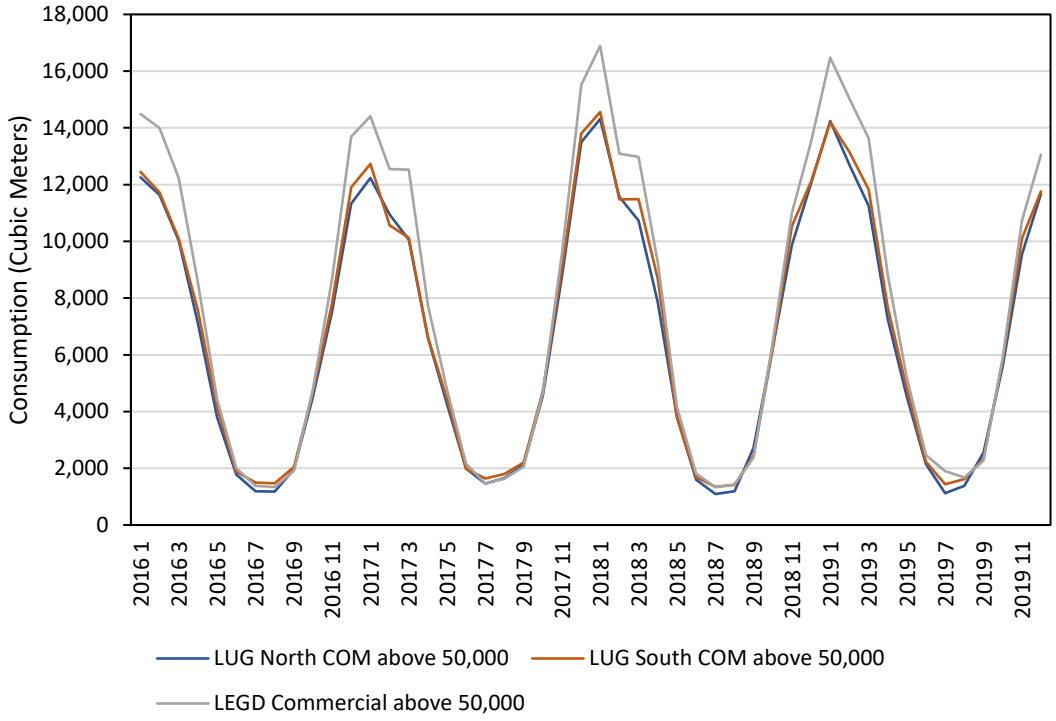


Figure 8. Monthly Median Consumption Profiles, Large Industrial, LEGD and LUG

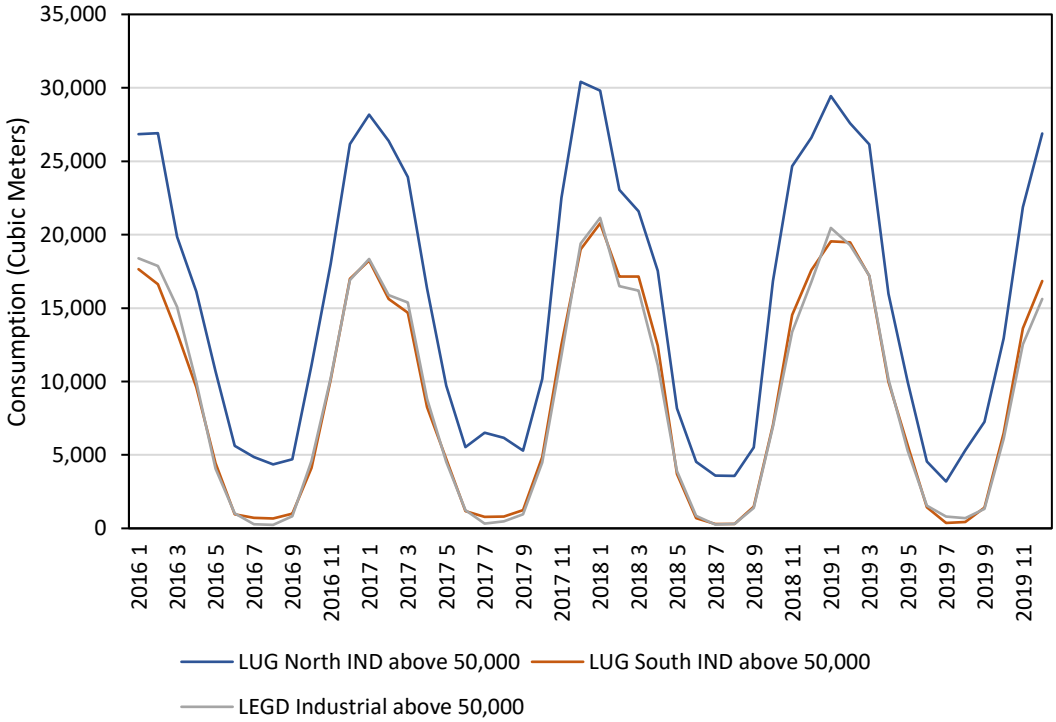
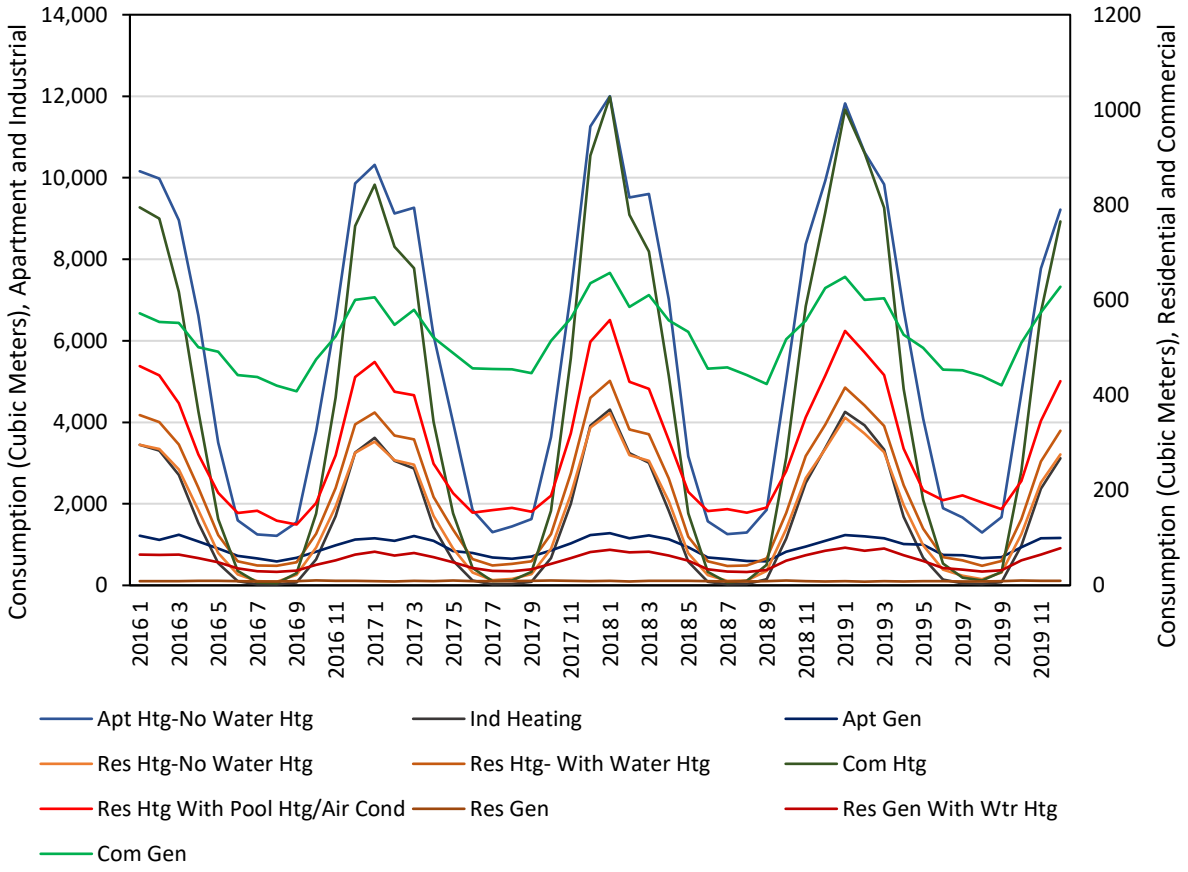


Figure 9 shows monthly profiles by revenue class categories for LEGD. These categories include segmentation of customers by end uses, including customers with space heating demands and other GS customers. This figure shows distinct consumption patterns for non-heating general demand customers as well as for residential customers with pool heating. The non-heating categories remain mostly winter peaking, though with much flatter consumption profiles than the space heating categories.

Figure 9. Monthly Consumption Profiles by End-Use Categories, LEGD



Methods to Determine Peak Consumption and Load Factors

Consumption Data and Weather Sensitivity

The monthly consumption profiles above show strong winter-peaking consumption patterns for LEGD and LUG customers as a whole and for most larger subsets of customers. Where we can identify customers by end-use categories (e.g., LEGD revenue class codes), most customers have space heating as an end use, commonly in combination with water heating. Non-heating

GS customers, who have much flatter monthly consumption profiles than heating customers, comprise relatively small fractions of the GS populations for EGI's operating units.

If interval (e.g., daily) consumption data were available with sufficient granularity, it would be possible to compute directly peak day consumption and load factors (the ratio of average to peak consumption). For EGI's operating units, the finest consumption data are observations from monthly bills.[23] Developing average daily consumption from monthly bills involves a considerable amount of consumption averaging between billing periods. Obtaining consumption estimates for a peak day requires an analytical structure to predict daily usage based on customer characteristics and weather (mainly temperature) data. Given a sufficiently stable relationship between weather and consumption, it is possible to extract information to estimate consumption for a given day from monthly bills.

Regression Modeling of Weather Sensitivity and Peak Consumption Prediction

Both LEGD and LUG produce estimates of peak consumption using a module of the Synergi Gas software that estimates regression models of the relationship between customers' consumption and heating demand measured by heating degree days (HDDs).[24] Synergi Gas estimates linear consumption-HDD relationships at the individual customer level based on consumption data fed by the legacy companies' billing systems, and HDD data for associated weather stations. CA Energy Consulting was asked to evaluate the procedures employed in Synergi Gas to model the weather sensitivity of consumption and to assess the related estimates of peak consumption as a potential source of data to support rate harmonization.

The consumption model implemented in Synergi Gas decomposes total (observed) consumption into (unobserved) non-weather sensitive (NWS) and weather sensitive components, where the latter is a linear function of HDDs. In the terminology of Synergi Gas, the NWS consumption is the "base" factor and the HDD-sensitive consumption is the "heat" factor:

$$\text{consumption/day} = (\text{Base factor}) + (\text{Heat factor}) \times (\text{HDDs/day}) + e$$

where e is an error or residual term. In a simple regression model, the base and heat factors are taken as constant parameters. The linear regression procedure generates estimates of the parameters that best fit the data on total consumption and HDDs.[25] If consumption actually is a linear function of HDDs, linear regression parameter estimates have a number of desirable

[23] An initial inquiry regarding the availability of interval data at each EGI service territory revealed that at present there are almost no interval data available for GS customers.

[24] The main purpose of Synergi Gas is modeling gas distribution and transmission systems. The use of peak predictions for design days with extreme cold is in line with the purpose of modeling the gas system under a hypothetical peak rather than at actual weather. This does not, in principle, preclude estimation of peaks based on actual weather or normal weather.

[25] Specifically, the estimated values of the non-weather sensitive consumption and consumption per HDD terms minimize the sum of the squared deviations between the actual consumption data and the fitted values of consumption. This method is commonly termed ordinary least squares (OLS) regression.

statistical properties.[26] The simple HDD model of consumption above can be computed at the customer level using consumption data fed from billing systems and HDD data from weather stations associated with the customer premises.

Using the base and heat factor estimates, a predicted value of peak day consumption may be computed as:

predicted peak day consumption = (est. base factor) + (est. heat factor) x (max HDDs)

The associated load factor is the ratio of average daily consumption to the peak day consumption:

load factor (daily) = (average daily consumption) / (peak day consumption)

where the daily average consumption typically is taken over a calendar year or a rolling 12-month period.[27]

Synergi Gas also produces a peak hour consumption estimate as 1/20th of the peak day consumption. Since this is uniformly applied to customers and is based on an engineering rule of thumb, it does not add information to the peak day estimates. We confine our discussion below to daily peak consumption and load factor estimates.

Assumptions and Limitations of Regression Modeling for Peak Consumption

The linear HDD model of consumption clearly is a simplification of the (unknown) "true" relationship between gas consumption and factors that determine demand. The linear model greatly reduces the computational complexity of estimating customer-specific values for weather-sensitivity parameters for millions of customers.

A central assumption of the linear HDD model is that demand has an invariant relationship with respect to HDDs for a given customer. Actual consumption-HDD relationships may be affected over time by factors such as customer investment in energy-efficient appliances, and by behavioral changes that are largely or completely unobservable.

The customer-level models also inherently produce predicted peaks that coincide with the coldest day (in terms of HDDs) for the associated weather station, while actual peak consumption may depend on day-of-week effects on consumption—e.g., a residential customer that uses a programmable thermostat may have higher consumption on a weekend day than on a weekday with the same HDDs. With only (approximately) monthly or bimonthly consumption

[26] Notably, the parameter estimates are unbiased, meaning that there is no systematic deviation between the estimates and the true values, and also are statistically consistent, meaning the estimates converge to the true values as the sample size increases.
[27] Sometimes load factor calculations may use multi-year peaks and/or averages.

data available for customer-level modeling, the main goal of modeling reasonably is to distinguish the weather-sensitive and non-weather sensitive consumption components.[28]

Finally, the regression models require a number of statistical assumptions, including that the HDDs are observed without error. In practice, there will be both systematic and non-systematic deviations between HDDs and the actual drivers of temperature-related demand, both since demand may depend on additional factors (e.g. wind speed, dew point temperature) and because customers are associated with weather observations by geographical zones. Perhaps counterintuitively, non-systematic errors in HDD measurements—i.e., if HDDs are correct on average but have a component of random "noise" reflecting a difference between measured HDDs and the actual heating demand driver for a customer—are more problematic for estimating peak consumption. Random errors in explanatory variables such as HDDs can to lead to attenuation of the estimated heat parameters, and by extension may result in underestimated peak consumption. Fortunately, these attenuation effects depend on the magnitude of the error variance, and in practice are often (rationally) ignored provided that the explanatory variables are measured relatively accurately.

Regression Implementation in Synergi Gas

The regression models in Synergi Gas use consumption data based on intervals between actual reads over periods of up to two years, depending on the available billing history for each customer. In practice, this means that the regressions nominally are run on twelve data points with bimonthly meter readings, reflecting seasonally varying amounts of space heating demand relative to demands from other end uses. EGI characterized the model's use of just two years' data as mitigating tendencies of longer periods of data to underestimate consumption peaks.

As mentioned previously, for most of the period covered by the LUG data,[29] and for LEGD LVB customers, meter reads normally are monthly. LEGD MM customers' meters nominally are read bimonthly. Actual consumption is computed by aggregating consumption from estimated bills with consumption from subsequent actual reads.[30] This avoids contaminating the estimated parameters with assumptions of the estimated billing algorithms, at the cost of reducing the sample frequency and sample size.

Synergi Gas computes OLS regression estimates of the non-weather sensitive and HDD-related consumption parameters (the 'base' and 'heat' factors, respectively, as mentioned above) and a correlation coefficient between consumption and HDDs to characterize the strength of the relationship between the variables. The Synergi Gas software then may adjust or re-estimate the base and heat factors depending on the correlation and/or the results of the first-stage

[28] It may be possible to use variations in the days included in billing periods to identify day-of-week effects for *groups* of customers (e.g., residential vs. commercial vs. industrial), though this would be a major research undertaking and is beyond the scope of our analysis.

[29] We understand that LUG switched to bimonthly readings in late 2019.

[30] Additionally, the models exclude billing records that cannot be combined to produce a measure of actual consumption. These include the first record in a customer's history, if it is an actual read that may be preceded by an estimated bill not in the dataset, and the most recent record if it is an estimated bill.

estimation. For example, if the estimated base factor is negative (indicating that non-weather gas consumption is, on average, less than zero), the software will set the base factor to zero and recompute the heat factor. Since the base non-weather-sensitive consumption should be non-negative, it is reasonable to constrain the base factor accordingly.

If customers have insufficient data to estimate the regression models for the base and heat factors, Synergi Gas will attempt to assign proxy values based on estimates for similar customers. For example, the first level of search for proxy values uses results from other customers on the same meter reading route for residential customers, or same meter type for commercial customers.[31] If necessary, proxy base and heat factors will be based on an average for the customer's "rate type."

A statistically problematic feature of the Synergi Gas weather sensitivity modeling is the implementation of an iterative process for screening outliers from the regression samples. The software will trim observations from each customer's regression data until the correlation between consumption and HDDs reaches a threshold or until the algorithm removes "the maximum number of points that it is allowed to remove."[32] While this approach will improve the model fit by design, it will not necessarily produce results with the highest predictive power. This process implicitly assumes that consumption readings that deviate from a linear relationship between HDDs and usage are anomalous, if not erroneous, which is not true in general. Furthermore, by aggressively trimming outliers without consideration of whether the data are correct, the Synergi estimates might fail to reflect the relationship between temperature and consumption in periods with extreme conditions. However, the effects on estimated peaks are ambiguous, since rejecting outliers could, in principle, either increase or decrease the estimated heat factors.

In cases where the consumption-HDD relationship is weak, as measured by the correlation coefficient, Synergi Gas may set the heat factor to zero, thus setting the base factor to actual average consumption. This may be justifiable in part in that it may help to avoid some anomalous peak consumption estimates in cases where the estimated heat factor has a high standard error. However, zeroing out the heat factor will inherently lead to underestimation of the peak if there is any actual heating sensitivity to the customer's consumption. Likewise, the implied load factor of 1 for customers with the base factor set to the actual average consumption will be biased strictly upward if there is any seasonality or weather sensitivity to the customer's consumption patterns.

Synergi Gas assigns 'factor quality codes' (FQCs) to customer base and heat factor estimates to characterize the outcomes of the models. Table 12, below, shows a tabulation of factor quality codes from the Synergi Gas results for LEGD and LUG. The most common FQC is 0, which indicates positive base and heat factors combined with high correlation between consumption and HDDs; 72 percent of LEGD and 65 percent of LUG customers have this nominal outcome.

[31] The data we were provided do not identify meter routes, so we cannot replicate this part of the analysis.
[32] *CMM Factor Calculation Manual*, pg. 5. The documentation does not describe the computational details of the process in sufficient detail to allow us to replicate the process.

The next most common outcome (FQC code = 20) is a negative estimate for the base factor, with an adjusted heat factor. Overall, over 90 percent of the base and heat factors are assigned via regression for LUG (mainly FQCs 0, 20, and some outcomes in "Other FQCs"), and 87 percent of the LEGD results are regression-based (FQCs 0, 1, and 20) rather than derived from proxy calculations. Despite its simplicity, the linear consumption-HDD model does a relatively good job of explaining weather-driven consumption variability for most customers.

Table 12. Factor Quality Codes for Synergi Gas Estimates for LEGD and LUG

FQC	FQC Description	LEGD Freq.	LEGD % of Total	LUG Freq.	LUG % of Total
0	Base>0, Heat>0, Correlation>0.9	1,606,753	72%	996,542	65%
20	Est. Base <0, reset to 0; Heat recalculated	298,890	13%	386,018	25%
70	Base and Heat assigned based on meter route or meter type	169,682	8%	35,606	2%
60	Insufficient number of reads; Heat set to 0, Base set to average consumption	46,792	2%	3,452	0%
1	Correlation <0.9 but small standard error of Heat factor	46,208	2%	2,872	0%
75	Base and Heat assigned based on rate type	35,013	2%	5,196	0%
21	Est. Heat <0, reset to 0; Base set to avg. consumption	17,352	1%	5,879	0%
50	Base set to avg. consumption, Heat set to 0, due to low consumption-HDD correlation	12,464	1%	33,898	2%
	Other FQCs	10,232	0%	59,481	4%
	Total	2,243,386	100%	1,528,944	100%

The Synergi Gas peak consumption estimates are generated for design peak days that are colder than the actual coldest days recorded for the corresponding weather zones over the time period covered by the data. Both to produce estimated peak-day consumption based on actual weather, and for comparative purposes with our own analysis, we employed the base and heat factors produced with Synergi Gas to compute estimated peak consumption and load factors based on the actual coldest days observed in the 2016-2019 period.

Assessing the Synergi Gas Results

The Synergi Gas weather sensitivity modeling departs from standard regression modeling practices primarily in its iterative outlier screening procedures and conditioning of base and heat factors on factors such as the degree of fit between consumption and HDDs. To assess the

Synergi Gas modeling approach, we implemented similar regression models of consumption against HDDs, but implemented a more typical approach to outlier screening, and did not condition the base and heat factor estimates on the consumption-HDD correlation. Rather than directly replicating the Synergi Gas results, we sought to examine the extent to which the main qualitative results from Synergi Gas are reproducible using more standard regression methodology.[33]

For our input data, we employed monthly applied consumption data from 2016-2019 for LEGD. We used applied (rather than billed) consumption because the applied consumption records were adjusted to better reflect actual consumption for periods subject to billing adjustments. For LUG, we used the monthly billing dataset extracted from the Banner system, covering the February 2018-January 2020 period. We combined estimated and actual bills as described in the Synergi Gas documentation. We computed associated HDDs for the dates covered by each billing period from daily temperature observations for associated weather stations.

For outlier elimination, we screened consumption observations that are greater than three standard deviations above mean customer usage. We also excluded a relatively small number of observations with negative measured consumption, which can arise due to bill adjustments that are large relative to consumption in the billing period.

Like the Synergi Gas model, our model estimates each customer's relationship between average daily consumption and average HDDs using the series of consumption-HDD observations passing the data screens. Estimating the regression models requires a minimum of three observations per customer, and we produced estimated base and heat factors using OLS regression for all customers with three or more consumption-HDD observations. We computed the estimated peak daily consumption as the model's predicted consumption for the coldest day of the year (in terms of maximum HDDs) for the customer's weather zone.[34]

We computed the equivalent of a factor quality code for our results. Table 13, below, summarizes the results. With less aggressive outlier elimination than the Synergi Gas models, our analysis yielded somewhat smaller percentages of both LEGD and LUG customers with the nominal outcome of positive base and heat factors with high model fit.[35] Most customer regressions, regardless of the degree of fit, result in a positive heat factor. The most common exception to the nominal case of positive base and heat factors is a negative base factor with a positive heat factor (similar to the Synergi Gas FQC 20). In those cases, we mirrored the Synergi Gas approach by setting the base factor to zero and computing the heat factor as the regression

[33] The available Synergi Gas documentation did not describe all of the data processing steps in sufficient detail to allow us to replicate the methodology and isolate their effects.

[34] We also note that the model estimates can predict daily consumption using the HDDs recorded for the day at the associated weather station. Since daily consumption datasets would be much larger than the monthly billing datasets, it would be necessary to use sampling to produce daily profiles.

[35] We assessed model fit using R-squared, which is a measure of the fraction of the variability of consumption explained by the base and heat factors.

through the origin. Overall, 96 percent of LEGD and 97 percent of LUG customers for which we could compute regressions exhibited positive HDD sensitivity at some level of model fit.

Table 13. Outcome Categories for CA Energy Consulting Weather Sensitivity Models

Outcome Category	LEGD Freq.	LEGD % of Total	LUG Freq.	LUG % of Total
Base>0, Heat>0, R-squared>0.9	1,570,313	58%	916,868	62%
Base<=0, Heat>0, R-squared>0.9; Heat based on regression through origin	242,082	9%	211,151	14%
Base>0, Heat>0, R-squared 0.8-0.9	404,516	15%	124,588	8%
Base<=0, Heat>0, R-squared 0.8-0.9; Heat based on regression through origin	85,411	3%	40,079	3%
Base>0, Heat>0; lower model fit (R-squared <0.8)	314,963	12%	140,173	9%
Base<0 or Heat<0	109,277	4%	51,335	3%
	2,726,562*	100%	1,484,194	100%

* LEGD Total includes active and inactive accounts.

To compute the load factor estimates summarized below, we computed estimated peak consumption based on actual (maximum) HDDs for each customer's associated weather station in 2019. For the numerator of the load factor, we used calendar year 2019 average daily consumption. To identify cases where our regression models clearly underpredicted peak consumption, we compared the estimated peak consumption to the actual average daily consumption in the peak billing period. If the regression-based peak was lower than the highest actual average daily consumption, we replaced the regression-based peak consumption with the daily average from the highest billing period.[36] This ensures that our estimated load factors will not exceed 1, which can occur if the estimated peak is lower than the customer's annual average daily consumption.

Tables 14 and 15 below compare our estimates of peak daily consumption at the median for categories of LEGD and LUG customers with results from Synergi Gas. The comparisons use common sets of customers for whom peak consumption and load factors could be estimated in both.[37] The Synergi Gas models produce estimated peaks that are mostly (but not exclusively) a few percent lower than our models, and accordingly imply somewhat higher median load factors. The larger differences are mainly for smaller customer groups. Industrial customers

[36] We also used the highest daily average consumption to represent the peak in cases where the estimated heat factor was negative.

[37] For LEGD, the comparisons exclude large volume billing customers, which are assigned different identifiers in Synergi Gas.

have the highest peak consumption in each of the annual consumption bands, and residential customers have the lowest consumption in each band.

Table 14. Estimated 2019 Peak Day Consumption (m^3) by Account Category, LEGD

LEGD Account Category	Customers	Synergi Gas	CAEC	% Difference
COM below 15,000	91,997	33	35	4%
COM between 15,000 and 50,000	25,172	185	193	5%
COM above 50,000	10,198	615	663	8%
IND below 15,000	1,719	51	54	6%
IND between 15,000 and 50,000	1,402	250	256	2%
IND above 50,000	776	693	731	5%
RES below 15,000	1,830,723	20	21	6%
RES between 15,000 and 50,000	2,051	111	130	17%
RES above 50,000	55	432	505	17%

Table 15. Estimated 2019 Peak Day Consumption (m^3) by Account Category, LUG

LUG Account Category	Customers	Synergi Gas	CAEC	% Difference
North COM below 15,000	24,336	42	40	-5%
North COM between 15,000 and 50,000	3,316	248	245	-1%
North COM above 50,000	1,929	659	664	1%
North IND below 15,000	9	93	99	7%
North IND between 15,000 and 50,000	25	326	357	10%
North IND above 50,000	109	1354	1351	0%
North RES below 15,000	317,901	18	18	0%
North RES between 15,000 and 50,000	57	224	220	-2%
North RES above 50,000	3	535	295	-45%
South COM below 15,000	68,489	38	39	3%
South COM between 15,000 and 50,000	8,501	261	277	6%
South COM above 50,000	6,228	703	762	8%
South IND below 15,000	2,682	65	67	3%
South IND between 15,000 and 50,000	947	324	341	5%
South IND above 50,000	1,252	1060	1089	3%
South RES below 15,000	1,037,298	18	19	5%
South RES between 15,000 and 50,000	178	212	239	13%
South RES above 50,000	19	474	497	5%

Differences between load factors derived from Synergi Gas peaks and from our analysis largely mirror the results for peak consumption. The generally lower consumption peaks estimated with Synergi Gas result in load factors a few percent higher than arise from our analysis at the median. We did find larger differences in the upper tails of the load factor distributions,

resulting largely from cases where the Synergi Gas estimation criteria assigned zero heat factors to customers, and hence set the estimated peak equal to the customer's average daily consumption. In contrast, our analysis either employs the estimated peak in cases where the consumption-HDD relationship was positive but relatively weak, or else substitutes the peak daily billed consumption rather than the overall average consumption.

Comparing estimated load factors across the legacy operating units' rate zones, we found relatively similar load factors across both categories of accounts and rate zones, shown in Table 16. At the median, estimated load factors are the lowest for the LEGD zone and the highest for Union North. Median load factors are modestly higher for high-consumption commercial and industrial customers (over 50,000 m^3) in all three zones.[38] We observe similar patterns in estimated load factors derived from our weather models.

Table 16. Median Load Factors by Account Category and Legacy Rate Zones

	2019 Load Factor (Median) w/ Synergi Gas Peaks		
Account Category	**LEGD**	**LUG South**	**LUG North**
COM below 15,000	0.27	0.29	0.31
COM between 15,000 and 50,000	0.30	0.32	0.33
COM above 50,000	0.33	0.34	0.35
IND below 15,000	0.26	0.27	0.33
IND between 15,000 and 50,000	0.26	0.28	0.33
IND above 50,000	0.28	0.30	0.40
RES below 15,000	0.32	0.32	0.34
RES between 15,000 and 50,000	0.43	0.36	0.35
RES above 50,000	0.37	0.35	0.33

LEGD revenue class categories identify major end-use categories including space heating, space heating plus water heating, pool heating, and non-heating GS customers. Consistent with the monthly profiles shown in Figure 9, above, load factors for non-heating groups (and residential customers with pool heating) have distinctly higher load factors at the median, compared to customers in the heating categories. See Table 17, below.[39] The non-heating revenue class categories are relatively small, on the order of one percent of mass market customers.

[38] The variability of load factors for high-consumption residential categories may be an artifact of the small number of customers.
[39] Analysis of LUG load factors by end-use categories is pending.

Table 17. LEGD Median Load Factors and Peak Loads by Combined Revenue Class

			2019 Median w/Synergi Gas Peaks	
Combined Revenue Class	**Combined Revenue Class Description**	**Customers[40]**	**Load Factor**	**Peak Consumption (m^3)**
10	Rate 1 Heating	188,212	0.31	18
12	Rate 6 Apt. Heating	4,535	0.33	297
20	Rate 1 Heating & Water Heating	1,556,661	0.32	20
48	Rate 6 Comm. Heating	120,072	0.28	49
73	Rate 6 Ind. Heating	3,772	0.27	164
50	Rate 1 Pool Heating	73,420	0.45	23
60	Rate 1 General	3,495	0.68	1
61	Rate 1 General & Water Heating	10,968	0.52	4
79	Rate 6 Comm. General	2,724	0.78	30
83	Rate 6 Ind. General	26	0.55	51
86	Rate 6 Apt. General	250	0.64	45

Conclusions Regarding the Synergi Gas Analysis

The customer-specific weather sensitivity analysis implemented in the Synergi Gas software appears to produce reasonable and broadly reproducible estimates of daily peak consumption and load factors at the median and in the middle of the peak consumption and load factor distributions. The relatively similar load factors for a number of customer subgroups are broadly consistent with the similar monthly consumption profiles for those groups. The less orthodox data screening methods used by Synergi Gas do not appear to have large qualitative effects on regression-based peaks and load factors.

The major issues with peak and load factor estimation arise in the extremes of the distributions, where rules emphasizing goodness-of-fit in Synergi Gas are likely to treat customers with relatively weak but positive consumption-HDD relationships as having non-weather sensitive demands. In practice, many such customers will exhibit at least some response of consumption to HDDs. While the models appear to be relatively successful at characterizing similarities in demand patterns across larger groups of customers, a variety of factors, including limited billing histories for newer customers and statistical variability of the regression estimates, may be obstacles to using regression models to assign individual customers to classes.

[40] Does not include large volume billing customers.

4. CUSTOMER CONNECTIONS DATA

Customer billing information, such as annual consumption volume and peak demand, has traditionally been a primary basis for class determination, along with customer type (residential, general service, etc.). We also investigated customer connections data as a possible source of class definition.[41] We examined two types of information on customer connections: service line diameters, obtained from the legacy operating companies' geographic information systems (GIS), and meter capacity data available from the billing systems. For both LEGD and LUG, meter capacity data are almost universally available, whereas service line data are less complete and subject to measurement issues related to the condition of the GIS data. We discuss these issues below.

Service Line Data

Description of Data

Service line diameter data for both LEGD and LUG were provided from the operating companies' GIS data. EGI provided LEGD service line diameter data in a GIS data extract along with other variables containing detailed information on the customer connections. These data include information on the meter location at the customer premises, distance from the street and/or main to the building, pipe materials, and other network information.[42] The units of measure for the service line diameter variable ("tap_dia") are primarily millimeters, though review of the data indicated that the measurements included some imperial units.

EGI provided LUG service line diameter data via an analysis of data in the LUG GIS that sought to identify the diameter of the final service line segment to the customer meter. Insofar as the GIS analysis was designed to produce only the service line diameter, the LUG GIS extract did not provide information on other connection characteristics.[43] The unit of measure for the service line diameters was inches.

Availability, Coverage, and Quality of Service Line Data

The LEGD GIS extract contained 2.8 million records, 2.37 million distinct premise IDs and 2.41 million non-missing observations of the service line diameter. The GIS records with non-missing service line diameters did not completely overlap the distinct premise IDs: 2.1 million distinct premise IDs had a service line diameter measurement. Non-overlap between premise IDs in the GIS and the associated identifiers in the LEGD billing system further reduced the effective coverage of the service line data. There were some cases of premise IDs associated with

[41] To some degree connections data are already in use, since customers receiving service at the transmission level are typically distinguished from those at the distribution level. In addition, it may be worth noting that the electric utility industry has long segmented its distribution customers to varying degrees by voltage service level.
[42] We did not assess the availability of other connection information in detail, though we did observe that there were wide variations in the frequency of missing values for other connection characteristics in the GIS extract.
[43] The extract included date and description variables that allowed us to remove some observations of replaced or abandoned service lines.

multiple service line diameters, in which case we used the minimum diameter to provide a 1:1 match between the extract and premises in the LEGD account data. We were able to match service line diameters for 1.77 million out of 2.2 million active LEGD customers, for a coverage rate of 80.6 percent.

In addition to the somewhat limited coverage, the LEGD service line diameter data also featured an unexpectedly large number of distinct values—nearly 1,200 unique values—in the GIS extract. Lack of GIS data cleaning or standardization appears to be the major contributor to the proliferation of service line diameter values. In addition to the presence of observations in both metric and imperial units, a large number of values appeared to be the result of various data entry errors, including apparent typographical errors (e.g., misplaced decimals: "127" or "1.27" instead of 12.7mm) and varied rounding of common results (e.g., recording 0.5-in. or 12.7mm pipe as "13"). It is possible to observe that the most common service line diameter value is 12.7mm, but it is not possible for us to standardize the measurements from the available information.

The LUG data provided higher overall coverage for premises with active accounts, with 1.35 million non-missing values matched to 1.51 million active premises, for an 89.3 percent coverage rate. There were 13 distinct values for the service line diameter. The primary data quality issue that we observed with the LUG data was the presence of multiple service line diameter values for a substantial number of premise IDs, apparently as a byproduct of the network analysis used to identify the last pipes to the customer locations.[44] In some cases, this analysis apparently captured diameters for other adjacent or upstream pipe segments. In these cases, we identified a unique diameter for the premise by assuming the minimum diameter would represent the diameter of the segment of pipe to the customer meter.

Summary of Service Line Diameter Data

Table 18 shows counts of active accounts by account type and service line diameter for LUG. The most common values are 0.5 and 0.75 inches, which were 64.6% and 24.4% of the non-missing observations, with the remaining values mostly between 1 and 2 inches. While the overall rate of missing or unknown service line diameters was 10.7 percent, the rates were higher for commercial and industrial customers, at 34 percent and 43 percent, respectively.

[44] A subsequent re-analysis of the GIS data by EGI that attempted to improve the rate of 1:1 matches between service diameters and premise IDs anomalously resulted in a much lower frequency of 0.5-inch service lines in the data than we would have expected. We were advised to use the initial GIS extract for our analysis.

Table 18. LUG Active Accounts by Account Category and Service Line Diameter

Service Line Diameter (in.)	Commercial	Industrial	Residential	Total	% of Total
0.25	2	1	24	27	0.0%
0.375			3	3	0.0%
0.5	15,656	230	855,710	871,596	57.7%
0.75	18,958	257	310,260	329,475	21.8%
1	13,517	777	61,080	75,374	5.0%
1.25	26,230	1,319	39,744	67,293	4.5%
1.5	21		14	35	0.0%
2	3,213	410	1,158	4,781	0.3%
3	125	46	47	218	0.0%
4	238	63	83	384	0.0%
6	6	4	4	14	0.0%
10			1	1	0.0%
12			2	2	0.0%
Missing	40,722	2,366	118,657	161,745	10.7%
Total	118,688	5,473	1,386,787	1,510,948	100.0%

Table 19 shows the twenty most common service line diameter values (including the "Missing" category) with associated numbers of active accounts for LEGD. For comparison with the LUG table, we show the equivalent measurement in inches.[45] Values not shown in the table account for 3.4 percent of active accounts. As with LUG, 12.7mm/0.5-in is the most common service line diameter. The LEGD data suggest that service line diameters under 0.5 inches are more common than in the LUG territory, and the 19.05mm/0.75-in value is much less common.

[45] In cases of unconventionally rounded measurements in the LEGD GIS, the equivalent measurement in inches is an educated guess based on data frequencies and associated meter capacities. In some cases, the data are ambiguous. For example, a measure of "6" is arguably likeliest to be a rounded entry of 6.35 mm, but it could also be a valid if rare service line diameter in inches.

Table 19. LEGD Active Accounts by Service Line Diameter

Service Line (Tap) Diameter	Imperial Equivalent (in.)	Active Accounts	% of Total
6.35*	0.25	48,032	2.2%
6	0.25	31,887	1.5%
6.3	0.25	10,927	0.5%
6.4	0.25	7,370	0.3%
9.525*	0.375	122,036	5.6%
10	0.375	47,561	2.2%
9.5	0.375	23,259	1.1%
12.7*	0.5	1,094,388	49.8%
13	0.5	167,479	7.6%
12.5	0.5	26,752	1.2%
12	0.5	14,644	0.7%
15	0.625	9,081	0.4%
15.875*	0.625	8,308	0.4%
19.05*	0.75	23,723	1.1%
19	0.75	21,314	1.0%
19.1	0.75	17,723	0.8%
20	0.75	8,730	0.4%
25	1	7,185	0.3%
25.4*	1	6,889	0.3%
Missing		425,459	19.4%
Other		73,850	3.4%
Total		2,196,597	100.0%

* Standard metric value based on 1 inch=25.4mm

While the data show, as may be expected, that 12.7mm/0.5-inch service lines are the most common types in both territories, a question is whether the LUG GIS processing issues that generated multiple service line measurements affected the identification of service lines and thus associated diameters beyond issues with missing service line data. Further review of the data by EGI's GIS experts would help to improve understanding of the reliability of the data.

For LEGD, the proliferation of values for the diameter creates the potential that relatively rare (larger) service line diameters may not be adequately distinguishable from non-standard entries of more common values. While we can determine the likeliest standard values for widely observed measurements, cleaning and standardizing the service line data comprehensively would be a task for EGI's internal experts with access to the full GIS data.

Meter Capacity Data

Description of Data

Both the LEGD and LUG billing systems record meter types in detail. The LUG Banner system identifies the model and manufacturer of meters at customer premises, and provides measures of meter maximum flow directly. For LEGD, the billing data provide a meter size code that allows meter information including meter capacity to be linked to other data.[46] Meter capacities are recorded in cubic feet per hour (cfh) categories. Within meter size categories recorded in the LEGD and LUG data systems, maximum flow rates vary by meter make and model. Additionally, maximum meter flow rates may vary based on service pressure, among other factors, and are typically quoted on manufacturer data sheets at a specified standard pressure and/or service line diameter.

Availability and Coverage of Data

The legacy data systems identify a meter model or code for nearly all customers. By extension, meter capacity information is widely available with no significant coverage gaps.

Summary of Meter Capacity Data

Table 20 shows the number of customers by meter capacity for LEGD, LUG, and EGI as a whole. Approximately 94 percent of premises with active accounts have meters in the smallest 200 cfh capacity category.

[46] EGI provided a decoder for the LEGD meter size codes with capacity information by meter type.

Table 20. EGI Active Accounts by Legacy Operating Company and Meter Capacity

	LEGD		LUG		Total EGI	
Capacity (cfh)	**Active Accounts**	**% of Total**	**Active Accounts**	**% of Total**	**Active Accounts**	**% of Total**
200	2,056,919	93.6%	1,420,143	94.1%	3,477,062	93.8%
400	76,229	3.5%	48,908	3.2%	125,137	3.4%
800	26,971	1.2%	1,134	0.1%	28,105	0.8%
1000		0.0%	23,568	1.6%	23,568	0.6%
2000	11,192	0.5%	4,832	0.3%	16,024	0.4%
3000	10,297	0.5%	5,146	0.3%	15,443	0.4%
5000	7,832	0.4%	3,547	0.2%	11,379	0.3%
7000	4,153	0.2%	1,464	0.1%	5,617	0.2%
11000	2,262	0.1%	867	0.1%	3,129	0.1%
16000	558	0.0%	109	0.0%	667	0.0%
18000	37	0.0%		0.0%	37	0.0%
30000	71	0.0%		0.0%	71	0.0%
60000	18	0.0%		0.0%	18	0.0%
90000	2	0.0%		0.0%	2	0.0%
140000	2	0.0%		0.0%	2	0.0%
Total	**2,196,543**	**100.0%**	**1,509,718**	**100.0%**	**3,706,261**	**100.0%**

Tables 21 and 22 show accounts by meter capacity broken out among commercial, industrial, and residential customers for LEGD and LUG, respectively.[47] These tables show that meters with 200 cfh capacity are used for most residential customers, and are also the most commonly installed meter type for commercial customers. Higher-capacity meters are relatively more prevalent for non-residential customers for both legacy operating companies.

[47] Totals differ slightly from Table 3 due to the exclusion of customers not classifiable as commercial, industrial, or residential.

Table 21. LEGD Active Accounts by Account Category and Meter Capacity

Capacity	Commercial	Industrial	Residential	Total
200	70,973	919	1,985,026	2,056,918
400	35,748	1,003	39,478	76,229
800	21,122	981	4,868	26,971
2000	10,113	420	659	11,192
3000	9,371	805	121	10,297
5000	7,122	697	13	7,832
7000	3,666	486	1	4,153
11000	1,984	278		2,262
16000	451	107		558
18000	17	20		37
30000	43	28		71
60000	11	7		18
90000	2			2
140000	1	1		2
Total	**160,624**	**5,752**	**2,030,166**	**2,196,542**

Table 22. LUG Active Accounts by Account Category and Meter Capacity

Capacity	Commercial	Industrial	Residential	Total
200	58,787	1,234	1,360,122	1,420,143
400	24,353	929	23,625	48,907
800	970	75	89	1,134
1000	19,792	1,157	2,619	23,568
2000	4,329	405	98	4,832
3000	4,631	474	41	5,146
5000	3,101	426	19	3,546
7000	1,217	246	1	1,464
11000	685	179	3	867
16000	88	20	1	109
Total	**117,953**	**5,145**	**1,386,618**	**1,509,716**

Relationship with Other Customer Characteristics

Gas meters are sized according to customers' expected peak demands, and thus may be expected to have a close relationship to customer size, as measured by peak-period consumption and/or estimated peak demand. Tables 23 and 24 show average and median

consumption by meter capacity in 2019 for LEGD and LUG, respectively. These tables show increasing average and median consumption with meter capacity.[48]

There is moderate overlap of the consumption distributions between adjacent categories, which is not surprising as the smaller meter capacities can accommodate fairly wide ranges of total or average consumption given typical load factors, and customers may, for various reasons, have lower actual average and/or peak consumption than may be assumed in provisioning the meters.

As measures of customer size, groups based on meter capacities have the possibly desirable feature that they are based on relatively fixed premise characteristics rather than more variable consumption or peak demand statistics. Gas meters are relatively long-lived and are not likely to be replaced with a meter of different capacity absent a material change in expected customer demand. Meter capacity may also serve to identify small groups of customers whose distribution requirements materially differ from the rest of a class—for example, very large single-family residences, or multi-unit buildings at the margin of a residential class definition, that may more closely resemble commercial customers than "typical" residences.

Table 23. 2019 Average and Median Consumption by Meter Capacity, LEGD

	Annual consumption (cubic meters)	
Capacity	**Average**	**Median**
200	2,329	2,220
400	6,275	4,540
800	15,706	11,991
2000	30,764	22,784
3000	62,520	41,751
5000	126,141	78,783
7000	201,862	142,342
11000	279,776	212,197
16000	519,113	338,515
18000	986,940	703,289
30000	1,372,253	1,010,191
60000	4,369,138	3,402,101
90000	143,259	143,259
140000	29,882,058	29,882,059

[48] The exception to the pattern, the 90,000 cfh capacity category for LUG, has only one associated customer in 2019.

Table 24. 2019 Average and Median Consumption by Meter Capacity, LUG

	Annual consumption (cubic meters)	
Capacity	Average	Median
200	2,371	2,182
400	6,714	5,079
800	16,077	12,830
1000	19,611	15,815
2000	39,639	33,446
3000	56,861	46,911
5000	95,305	73,001
7000	164,195	134,589
11000	247,006	199,731
16000	356,225	301,791

Figures 10-13 show monthly consumption profiles for the median customer by meter capacity for LEGD and LUG. The consumption profiles by meter capacity show similar shapes but increasing heights as capacity increases. We do not show profiles for the highest capacity categories in the LEGD data as the underlying numbers of customers are very small.

Figure 10: Monthly Consumption by Meter Capacity, LEGD (200 to 800 cfh meters)

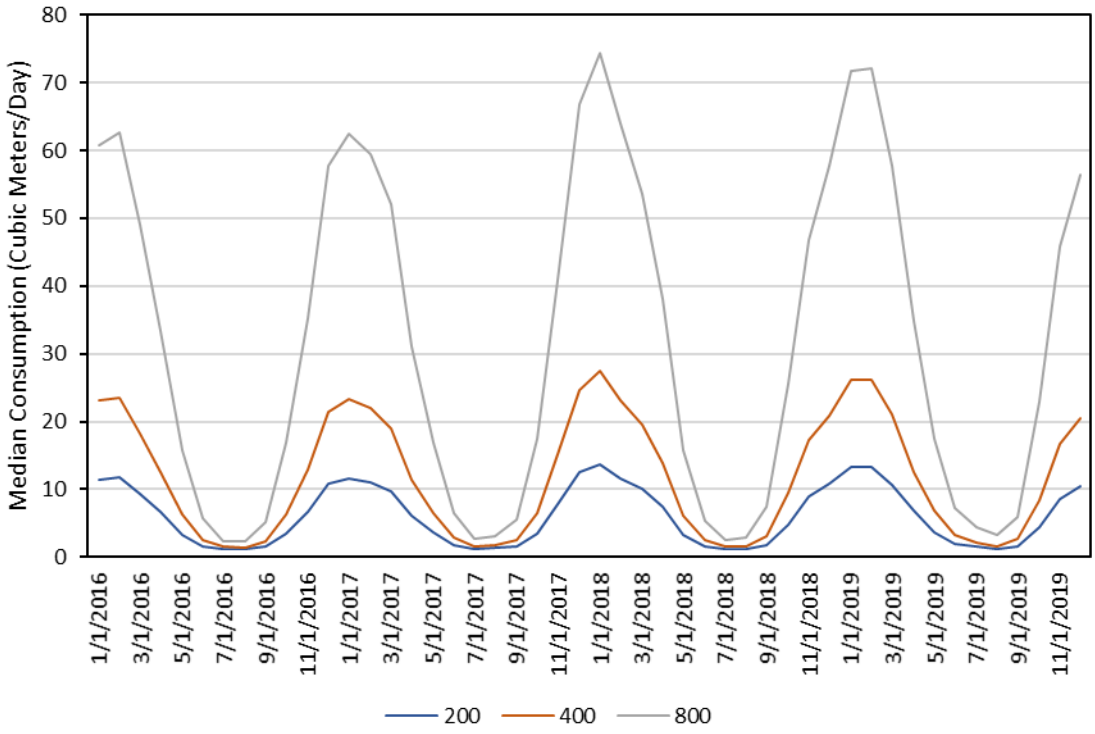


Figure 11: Monthly Consumption by Meter Capacity, LEGD (2,000 to 30,000 cfh meters)

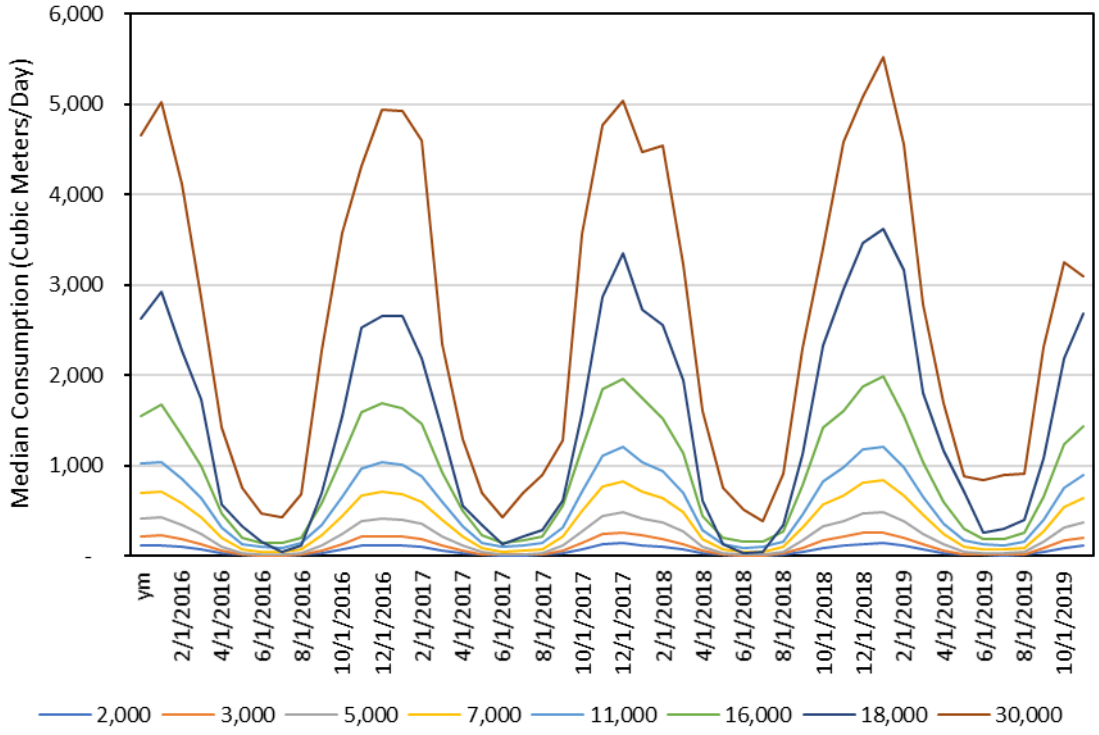


Figure 12: Monthly Consumption by Meter Capacity, LUG (200 to 1,000 cfh meters)

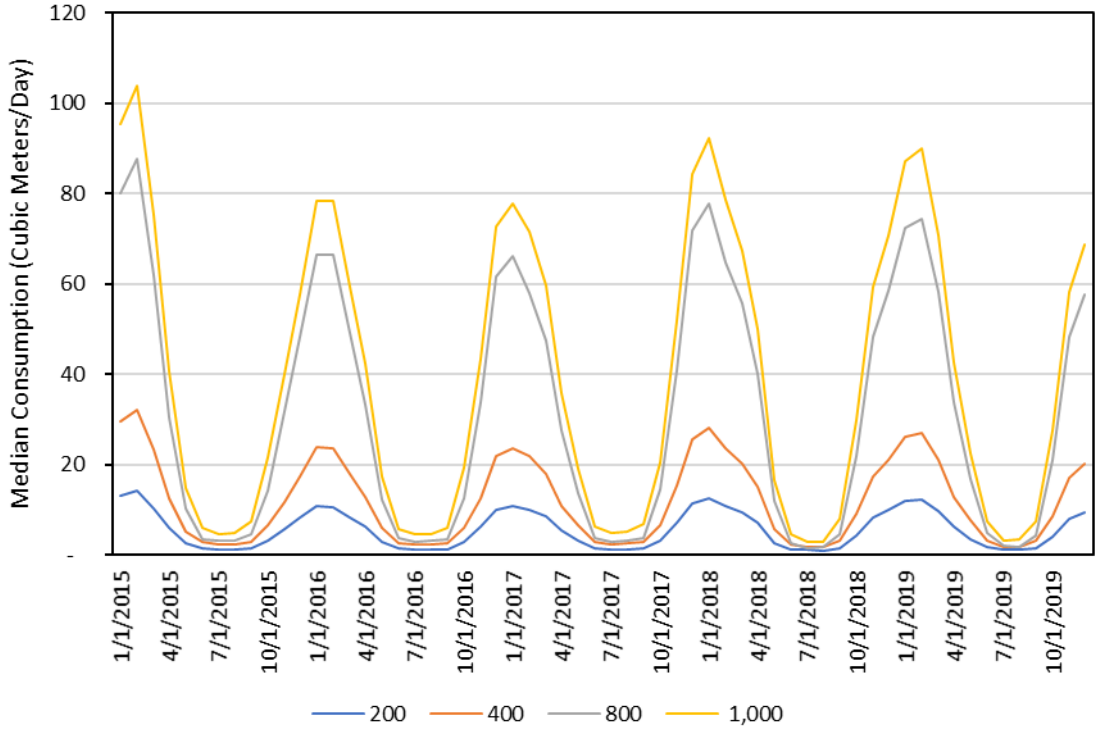
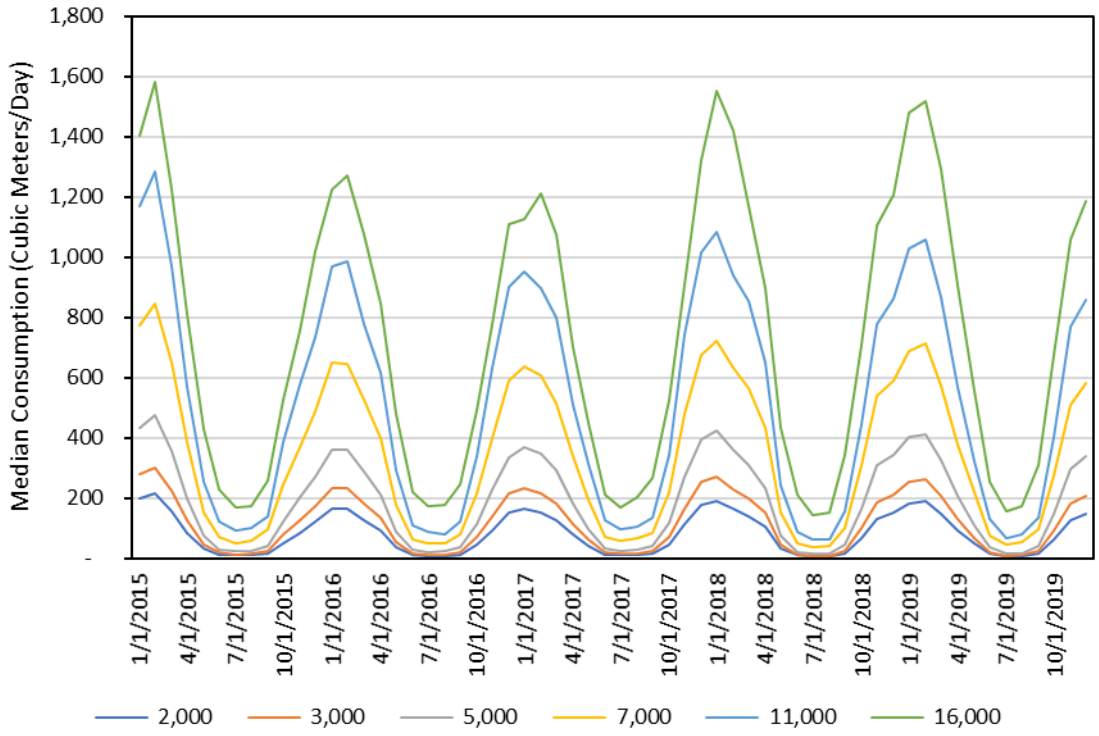


Figure 13: Monthly Consumption by Meter Capacity, LUG (2,000 to 16,000 cfh meters)



5. RATE CLASS OPTIONS

Criteria for Segmenting Natural Gas Distribution Customers

General Criteria

The selection and definition of rate classes relies upon general principles of rate design and cost allocation, upon practices approved by regulatory jurisdictions in the past, and upon the customer data available to the utility.

The attributes of successful rate design include full cost recovery, fairness, and avoidance of undue price discrimination. The concept of fairness involves similar customers being treated equally and dissimilar customers being treated unequally (i.e. differently) in terms of revenue recovery and, hence rates and pricing.[49] Similar customers are those with common characteristics, including consumption patterns and utility support requirements. Similar consumption patterns should lead to similar commodity-related costs, primarily the costs of the commodity itself. Similar utility support requirements should lead to similar delivery costs. The implication for rate design is that bills paid by similar customers should be similar and that the prices paid by the customer should be based on costs caused by the customer.

[49] Paraphrase of J. Bonbright, A. Danielsen, and D. Kamerschen, *Principles of Public Utility Rates*, p. 384, in the section entitled "Attributes of a Sound Rate Structure".

From the utility's perspective, customers differ because they are served by different types of distribution equipment (meters, service lines, etc.), receive different types of customer support (a call center for mass market customers vs. a customer representative for large customers), and purchase the commodity (whose wholesale price varies with time) according to differing time patterns and locations, and whose degree of losses may vary with location or delivery service level.[50]

Even restricting ratemaking to GS customers only will not normally reduce cost differences across customers sufficiently to result in a single rate. Therefore, in the presence of cost heterogeneity, customers should be segmented into rates based on their cost to serve and the observable variables that permit cost allocation. Possible sources of cost differentiation and reasons for segmentation include:

- Customer consumption totals and seasonal patterns, which can be represented by peak demand or load factor.
- Connection facilities and related costs.
- Geography:
    - Distribution system if customers are served by systems with measurably different costs and the systems are operated separately.
    - Position in the system as represented by delivery pressure.
    - Location in a distribution system.

The challenge for utilities is to determine how to measure these sources of cost differences and to apply these measures to decisions regarding rate class definition.

Customer consumption totals and seasonal pattern/peak demand/load factor are known for virtually all EGI customers. Such data provide measures of both consumption-related and demand-related costs. A rate design that charges commodity prices that vary by month largely obviates the need for differentiation by customer type regarding usage-related costs. A design that charges on the basis of peak demand would provide an accurate basis for recovery of demand-related costs. However, most GS customers are served under rates that do not charge on the basis of peak demand, embedding recovery of demand-related costs in usage-based delivery prices. Under such circumstances, it becomes important to segment customers if load factor varies across customer types. Since load factor varies across customers within customer type, it is desirable to use demand charges rather than consumption charges if, within a rate group, there is wide variation in load factor. Use of volumetric pricing for delivery charges results in all customers in the rate group paying bills that assume that everyone has the same load factor.

[50] Unaccounted for gas, arising from leaks, theft, and measurement, is difficult to measure and varies with distance from distribution acquisition location to delivery point.

An alternative to the use of demand charges for delivery cost recovery is to base this recovery on measures of distribution facilities for individual customers.

Connection facilities and costs associated with metering and service line diameter can theoretically be known for all customers, but require systematic and accurate recording at the time of installation or updating. Unlike billing data, such information depends on utility personnel site visits, and therefore can be incomplete. Also, basing such costs on customer-specific information rather than rate group or subgroup averages likely would result in rate proliferation, and would involve burdensome administrative cost due to customer reclassification as repairs and updates occur, and might produce instances of classification error. Additionally, connection facilities are a relatively small share of the distribution system, and the individual customer's responsibility for the remainder is not necessarily strongly correlated with connection facility size. From a practical perspective, then, the use of customer-specific enumeration of connection facilities is likely not cost effective as a cost allocation and rate design strategy.[51]

Geographical factors can produce cost differences for a couple of reasons. First, if the utility has two or more service territories, then it has a policy decision to make in determining how to treat the utility's fixed and commodity costs. If the service territories have strong linkages between distribution systems, then a case can be made for pooling fixed costs across territories. Alternatively, if they are not contiguous or they do not have strong linkages, then separate costing and pricing by service territory is appropriate. Regardless of technical system conditions, the regulator may permit a range of outcomes as long as cross subsidization is not undue.

Second, within a service territory or rate zone, customer location on the distribution grid is likely strongly associated with cost. However, at present there is a long regulatory tradition of postage-stamp ratemaking that makes differentiation in pricing by location, and therefore rate class segmentation on this basis unlikely.[52]

In summary, the role of geographic factors appears to be limited to internal distribution system analysis with regard to service territory/rate zone amalgamation from a technical perspective. Rate class harmonization (following rate class definition) will depend on conclusions regarding distribution system integration.

GS Customer type (residential/non-residential; or residential/commercial/industrial) does not appear in the above list, since customer type is not necessarily related to observable

[51] In EGI's case, records of older distribution infrastructure may have been subject to conversion from paper records into Geographic Information Systems (GIS) and thus subject to errors or incompleteness resulting from the data conversion process.

[52] Note, however, that the Ontario Energy Board now grants charging on a "stand-alone" basis for expansion into new communities. *Ontario Energy Board Generic Proceeding on Community Expansion* (17 November 2016), EB-2016-0004.

differences in cost.[53] Nevertheless, most utilities segment on this basis, most commonly between residential and non-residential customers as in the case of the legacy LEGD rate structure. EGI's legacy data systems permit segmentation between residential and non-residential customers, and additionally allow commercial and industrial customers to be distinguished within the non-residential group. Customer type is a proxy for several of the variables listed above, including total consumption, seasonality/load factor, and thus is often a handy means of segmenting groups of customers when costs lack readily observable variables.

Boundary Conditions between GS and Larger Customers

Another consideration for rate harmonization is the upper boundary of the GS class for each service territory or region. The boundaries at EGI (and elsewhere) tend to be variable, since large customers usually have access to more than one rate. Boundary delineation can take several forms: peak demand, load factor, or total consumption. Harmonization is facilitated by boundary uniformity across regions, as the degree of rate harmonization for large customers may matter.

In practice, the small number of customers close to these boundaries permits some degree of customization in the development of alternatives. Below we review cursorily the boundaries of the most important rate that a large GS customer might adopt.

In the case of LEGD, Rate 100, Firm Contract Service, is the most likely candidate for GS customers. Its boundaries for eligibility are framed in demand terms: 10,000 to 150,000 cubic meters maximum daily volume. The LUG rates are 1) Union North's Rate 20, officially a GS tariff, with a minimum peak demand of 14,000 cubic meters per day, and 2) Union South's Rate M4, the Firm Industrial and Commercial Contract rate, whose boundaries are 2,400 to 60,000 cubic meters of contract demand. The dissimilarities in these boundaries suggest that it is possible that a large GS customer could qualify for an alternative rate in one region but not in another. Such issues are a possible challenge to be faced in rate harmonization but do not appear to be central to the challenge of harmonizing the GS rates themselves.

EGI Rate Class Structure Based on Legacy Rates

The EGI operating companies' legacy rate structures reflect widely used approaches to rate class design. For LEGD, the legacy rate structure primarily segments customers into residential and non-residential groups (Rate 1 vs. Rate 6), although a distinction in the LEGD billing system between mass market (MM) and large volume billing (LVB) customers partly segments non-residential customers by consumption category. The LUG rate classes are delineated by annual

[53] Historically, utilities that have differentiated rates by customer type have occasionally found themselves trying to defend rate differences for non-residential customers located in close proximity, with identical connection equipment and service needs, but with different rates as a result of the cost allocation process. Such outcomes have influenced utilities to prefer the residential/non-residential split to the residential/commercial/industrial segmentation in some cases.

consumption level, with a 50,000 cubic meter breakpoint, and include geographic segmentation into Union North and South service territories.

LEGD Class Structure: Residential vs Non-Residential Split

The legacy LEGD GS rates divide customers into residential (Rate 1) and non-residential (Rate 6) groups. Within Rate 6, the LEGD billing systems distinguish mass market and large volume billing customers, which roughly segments non-residential customers into smaller and larger consumption categories. There is some overlap of Rate 6 mass market and LVB customers, although consumption quantities that are in the upper tail of the consumption distribution for mass market customers are in the lower tail of the LVB distribution.

Table 25, below, shows the number of active LEGD accounts broken out by the billing system's account type classification—which identifies residential, apartment, commercial, and industrial accounts. As a practical matter, the non-residential share of customers in Rate 1, and the portion of Rate 6 with residential classifications, are negligible.

Table 25. LEGD Active Accounts by Rate Category and Account Classification

Account Category	Rate 1	Rate 6 LVB	Rate 6 MM	Total
Apartment	2	2,038	5,333	7,373
Commercial	8	8,337	144,855	153,200
Industrial	0	1,224	4,479	5,703
Residential	2,030,057	0	151	2,030,208
Total	2,030,067	11,599	154,818	2,196,485

LUG Class Structure: Rate Zones with Consumption Threshold

The LUG GS rate structure combines segmentation by geography and by consumption level, with an annual consumption breakpoint of 50,000 cubic meters between the small and large GS rates for Union North and South rate zones. The small GS rates for LUG (Rates 1 and M1) consist mostly of residential customers. However, as mentioned previously, because small commercial and industrial customers have higher average and median consumption than residential customers, the share of usage in these rates that is residential is less than the share of customers. The over-50,000 cubic meter rates (Rates 10 and M2) include a small number of residential customers, but are predominantly non-residential, as shown in Table 26, below.

Table 26. LUG Active Accounts by Rate and Account Classification

Account Category	Rate 1 NORTH < 50,000	Rate 10 NORTH > 50,000	Rate M1 SOUTH < 50,000	Rate M2 SOUTH > 50,000	Total
Agricultural/ Seasonal	0	0	540	137	677
Commercial	28,657	2,023	80,500	6,362	117,542
Industrial	249	137	3,789	1,297	5,472
Own Use	162	7	252	47	468
Residential	325,872	7	1,060,883	25	1,386,787
Total	354,940	2,174	1,145,964	7,868	1,510,946

Alternative Approaches to Rate Class Definition

Other common approaches to customer classification for rates of general applicability, not incorporated in current EGI GS class design, include segmentation by end-use categories and segmentation by categories of connection to the distribution system. An example of segmentation by end-use categories, common in electric utility rate structures, is segmentation of residential customers into space heating and non-heating groups, which tend to have distinct seasonal peaking patterns. Electric rate structures also may distinguish connection types, such as service at transmission, primary (distribution system) and secondary voltages; for natural gas systems, service line size and meter capacities are analogous connection characteristics.

EGI's predecessor companies, LEGD and LUG, have recorded additional information on customer type that details composition of customers within the current rate classes and that will be useful in harmonization. LEGD collects information on account type and end use that enables development of "consolidated rate classes". These subdivisions of classes may facilitate comparison across service territories that will inform rate harmonization.

Hybrid Structures Based on Categorization Data Available for All Legacy Territories

A feasible hybrid classification structure for harmonized EGI rates could combine account classifications between residential, commercial, and industrial customer types, and size classifications akin to the LUG breakpoint and the LEGD MM/LVB distinction. While account classifications in the LEGD and LUG billing systems are not entirely consistent, as may be seen in Tables 25 and 26, above, they provide sufficient information for classifications of customers into residential, commercial, and industrial segments that are substantially consistent across the EGI service territories.

Customers—at least, those with sufficient billing history—also can be classified by consumption categories as a matter of relatively simple billing data analytics. Classification by consumption tiers ultimately would require a procedure for reclassifying customers that may move across

breakpoints without creating excessive instability of the rate classes. Such practices are common in the industry.

As preliminary candidate consumption tiers, we show a breakout of customers at 15,000 and 50,000 annual cubic meter breakpoints. The 15,000 cubic meter breakpoint is a round figure that includes most LEGD LVB customers,[54] as well as higher-consumption rate 6 MM customers. The 50,000 cubic meter breakpoint is taken from the LUG rate structure.

Table 27 shows counts of customers divided by three account types (commercial, industrial, residential), three consumption tiers,[55] and geographic units corresponding to the LEGD, LUG South, and LUG North service territories.

Table 27. LEGD and LUG Active Accounts, Hybrid Account Classification

Account Category	LEGD	LUG North	LUG South	Total
Commercial <15,000	111,580	25,308	72,117	209,005
Commercial 15,000-50,000	28,506	3,405	8,843	40,754
Commercial >50,000	18,651	2,010	6,449	27,110
Industrial <15,000	2,205	123	2,794	5,122
Industrial 15,000-50,000	1,661	30	998	2,689
Industrial >50,000	1,844	129	1,283	3,256
Residential <15,000	2,014,421	324,887	1,056,035	3,395,343
Residential 15,000-50,000	2,184	59	184	2,427
Residential >50,000	58	3	25	86
Total	2,181,110	355,954	1,148,728	3,685,792

With the classification data in Table 27, it is possible to examine the composition of hypothetical classes based on either LEGD or LUG legacy class structures, or hybrid structures with features drawn from both legacy customer classifications. Table 28 shows how the Table 27 account categories relate to legacy rates.

[54] The 15,000 cubic meter breakpoint was roughly the tenth percentile for rate 6 LVB and between the 75th and 90th percentile for rate 6 MM customers in 2019.

[55] Active accounts with insufficient billed consumption data for assignment to an annual consumption tier are excluded from Table 3. For EGI as a whole, 0.6 percent of active accounts are unclassified.

Table 28. Crosswalk of Table 27 Account Categories to Legacy Rates

Account Category	LEGD	LUG North	LUG South
Commercial <15,000	Rate 6[56]	Rate 1	Rate M1
Commercial 15,000-50,000	Rate 6	Rate 1	Rate M1
Commercial >50,000	Rate 6	Rate 10	Rate M2
Industrial <15,000	Rate 6	Rate 1	Rate M1
Industrial 15,000-50,000	Rate 6	Rate 1	Rate M1
Industrial >50,000	Rate 6	Rate 10	Rate M2
Residential <15,000	Rate 1	Rate 1	Rate M1
Residential 15,000-50,000	Rate 1	Rate 1	Rate M1
Residential >50,000	Rate 1	Rate 10	Rate M2

One set of harmonization options would be to harmonize classes by extending the LEGD rate classes to LUG, or conversely applying LUG rate classes to LEGD. Tables 29 and 30 show the approximate customer counts by rate applying LEGD classes to LUG, and LUG classes to LEGD, respectively.

Table 29. EGI Customer Counts by Class Based on LEGD Classification

Account Category	LEGD	LUG North	LUG South	Total EGI
Residential (LEGD Rate 1)	2,016,663	324,949	1,056,244	3,397,856
Non-Residential (LEGD Rate 6)	164,447	31,005	92,484	287,936
Total	2,181,110	355,954	1,148,728	3,685,792

Table 30. EGI Customer Counts by Class Based on LUG Classification

Account Category	LEGD	LUG North	LUG South	Total EGI
GS Under 50,000 m^3 (LUG Rates 1, M1)	2,160,557	353,812	1,140,971	3,655,340
GS Over 50,000 m^3 (LUG Rates 10, M2)	20,553	2,142	7,757	30,452
Total	2,181,110	355,954	1,148,728	3,685,792

Table 31 shows an example of a prospective hybrid classification incorporating features of both the LEGD and LUG classifications. The Table 31 categorization incorporates the residential/nonresidential segmentation from the LEGD structure, the 50,000 cubic meter breakpoint from the LUG structure for non-residential accounts, and an additional category for smaller non-residential customers under 15,000 cubic meters.

[56] Commercial and industrial customers under the 15,000 cubic meter threshold would be primarily mass market customers, and mostly large-volume billing customers above 15,000 cubic meters.

Table 31. EGI Customer Counts by Class Based on Hybrid Classification

Account Category	LEGD	LUG North	LUG South	Total EGI
Residential	2,016,663	324,949	1,056,244	3,397,856
Non-Residential Under 15,000 m^3	113,785	25,431	74,911	214,127
Non-Residential 15,000-50,000 m^3	30,167	3,435	9,841	43,443
Non-Residential Over 50,000 m^3	20,495	2,139	7,732	30,366
Total	2,181,110	355,954	1,148,728	3,685,792

Other alternative segmentations including residential/commercial/industrial with or without consumption tiers are feasible as well. Segmenting residential customers by consumption tiers also is possible, though insofar as less than 0.1 percent of residential customers exceed 15,000 cubic meters annual consumption, lower breakpoint(s) may be appropriate if consumption tiers for residential customers were to be pursued.

Segmentation Based on Fixed Connection Characteristics

Connection characteristics that might be used for customer classification potentially include service line diameter, meter capacity, or other distribution network characteristics. Of these measures, meter capacity information is the most widely available data element, as both the LEGD and LUG billing systems contain detailed information on customer meter installations for essentially all active customers. Meter capacity also serves to categorize customers by a relatively fixed measure of consumption tiers, since average and peak consumption quantities vary systematically with meter capacity.

Service line diameter data are less widely available, as noted in the previous section. (The data that we received were missing for 20 percent of LEGD active customers and 10 percent of LUG customers.) The data also are subject to a variety of measurement issues, which we also discussed at greater length in the previous section.[57]

Segmentation Based on Demand Characteristics

Demand characteristics that could serve for customer segmentation include estimated peak loads, load factors, and/or indicators of customers' consumption seasonality. These demand characteristics are likely to be related to customers' end uses, notably non-heating uses which will affect consumption patterns that are not driven by space heating demand.

As discussed above, LEGD and LUG currently use a module of the Synergi Gas software to produce estimated peak consumption by customer for gas network modeling purposes. Most

[57] The EGI Geographical Information Systems may be able to provide additional data on characteristics of customer connections to the gas distribution system, such as length and other physical characteristics of service lines and other distribution infrastructure. We did not evaluate the extent to which such information is available and reliable.

customers have sufficient consumption history to allow regression-based estimation of the underlying customer-level model of consumption sensitivity to heating degree days (HDDs), although the analysis does not fit all customers' histories equally well. This requires the use of proxies or assumptions to develop peak estimates for customers with insufficient histories or for which the regression results are deemed to be of lower statistical quality.

Given the monthly frequency of nearly all of EGIs GS billing data, direct measurement of peak consumption and load factors is limited to computing monthly peaks (rather than any shorter period of time). Monthly consumption data involve considerable weather averaging even in the peak heating season. Likewise, the associated load factors normally will be higher than load factors based on modeled daily peaks.[58] As in the Synergi Gas analysis, proxy measures of peak demands will be necessary for customers with insufficient histories of billed consumption, and computational methods would need to be robust to factors such as bill adjustments that cause anomalous consumption data.

Modeling and direct measurement have potential trade-offs as customer classification measures. Regression models for prediction of higher-frequency peaks may produce more theoretically relevant results, to the extent that those peaks better represent factors that are used to determine distribution system infrastructure and hence costs. However, regression models may have a disadvantage of being less transparent given the layer(s) of analysis between billed consumption data and the estimated peaks. Periodic updating of data also will change some customers' measured peaks and/or load factors, requiring procedures for updating class assignments to ensure that classes are reasonably stable over time.

An alternative perspective on the use of peak demand information arises from consideration of the use of peak demand in rate design, rather than class delineation. Traditional cost allocation methodology asserts that there are three main sources of cost causation for natural gas: number of customers, total consumption, and peak demand. Delivery costs are usually classified as some combination of customer- and demand-related causes, (while consumption-related classification applies to production cost). However, GS customers, being served by simple rate designs consisting of a customer charge and consumption-based charges, are billed in only two dimensions of cost causation instead of all three. Thus, there is an opportunity for demand data to improve the matching of price to cost through improved rate design, via the addition of a demand charge, rather than through improved customer class definition.

At some electric utilities, mass market customers are being considered for demand rates due to the rise of distributed energy resources such as residential rooftop solar energy systems. Such customers can have near-zero net consumption while retaining substantial peak demands. In the absence of demand charges, utilities may under-recover demand-related fixed costs. Debate arises in part because of the need to modify metering to measure demand.

[58] Customers who have non-space heating uses that peak outside the winter heating season may have lower measured load factors than in the Synergi Gas analysis, which may classify consumption not driven by HDDs as constant over the year.

For natural gas distribution utilities, a similar metering challenge does not arise, since peak demand is measurable by some variant of peak-month consumption.[59] The chief obstacles to this innovation are likely to be customer acceptance, bill impacts from rate change, and utility billing and customer support capability. Surmounting these hurdles is necessary for customer and regulatory acceptance. However, the theoretical case is strong: the utility can bill customers based on the three cost-causing dimensions of service. This approach not only permits full cost recovery by customer class, but more accurately associates individual customer bills with cost to serve. High load factor customers will be less likely to subsidize low load factor customers than previously.

An additional factor in this rate design debate is the theory and industry thinking regarding fixed cost recovery. Under two-part rates (customer and consumption charges only) the desire to limit the size of customer charges to levels below customer unit cost, and the absence of a demand charge, causes consumption prices to be high relative to those of three-part rates (rates with a demand charge) since the consumption pricing must be used to recover a significant share of fixed costs. For those who prefer that prices be close to either embedded unit costs or some measure of marginal costs, this markup of consumption-related cost reduces price efficiency, and results in inefficiently low levels of consumption. (Marginal price exceeds marginal cost.)

Ontario has reviewed this topic recently and has concluded that there is a good case for the "straight fixed variable" rate design, which is motivated by the idea that fixed costs are best collected in fixed charges.[60] Demand charges are long-accepted vehicles for recovering fixed costs, since most costs of the utility are fixed and are driven by the need to meet peak demand, either of the system as a whole, or of segments of the system.

A practical consideration in this debate is how demand is to be measured. Candidates include a design day or peak day measure that weather sensitivity analysis might estimate for customers, and a simple measured peak average day estimate paired with a demand ratchet. (A ratchet makes billed demand equal to the maximum recorded peak demand value from the most recent twelve (or more) months, or the most recent six (or more) winter months.) This has the effect of converting a substantial portion of the customer's bill to a virtually fixed customer-specific charge. The demand charge becomes a larger share of a low load factor customer's bill (a customer who is weather sensitive or who has a strong heating component to the bill) and a smaller share of a high load factor customer's bill.

In summary, demand information, however measured, represents under-utilized information that is capable of improving distribution pricing by better matching price to cost within each

[59] This does not imply that no measurement or metering issue arises for natural gas. The ability to formulate a demand charge depends on how reliable peak-month consumption is as a measure of peak-day or design-day/worst-case peak consumption.

[60] Ontario Energy Board, *Board Policy: A New Distribution Rate Design for Residential Electricity Customers*, EB-2012-0410. This document proposes that electricity distribution costs be recovered from residential customers by a fixed charge only, rather than partially through volumetric charges.

class, and by making marginal pricing more efficient, i.e. better reflecting wholesale commodity price. By introducing a demand charge, a utility need not segment a GS customer rate class on the basis of load factor or peak demand, unless peak demand is a useful determinant of connection cost.

Segmentation Based on End-Use Categories

While related to demand-based segmentation, end-use based customer segmentation is not directly dependent on measured consumption or related demand statistics. LEGD "revenue class" data allow classification of nearly all customers into broad end-use categories, including customers with space heating, customers with water heating, and/or customers with other general uses. LUG maintains data on gas-using appliances installed at customer premises, though the completeness and reliability of the data are unknown.[61] To the extent that end-use data are sufficiently valid, the use of end-use categories has a desirable feature that gas-using appliances are long-lived durable goods, and customers will not usually switch fuels when replacing appliances.

Geographical Segmentation

EGI's amalgamation of the LEGD and LUG service territories presents the Company with an issue as to the degree of geographic segmentation to retain in the future. The merged area is geographically large and is served from multiple directions. From the perspective of fixed costs and commodity costs, then, there are questions of territorial differences. Regarding fixed costs, it is possible that distribution system integration will increase over time, leading to changing perspectives on fixed cost treatment.

The data on consumption, customer connections, and other customer characteristics collected for this study do not shed much light on geographic cost differences, except that the usage patterns appear to indicate strong similarities in the seasonal pattern of usage across service territories for similar customer types. This suggests that cost differences will relate primarily to differences in transmission and storage costs. Fixed costs may grow together as well, as meter and service line purchasing are centralized and equipment standards gradually converge. Geographical fixed cost differences would then be based on relative customer density within the system.

Candidate Alternatives for EGI

In developing alternatives that facilitate rate harmonization, EGI can draw upon both theoretical and practical considerations. From a theoretical perspective, a rate classification scheme that permits "fair" rate design in the sense of similar customers being treated similarly is a key goal. It appears that the rate classification and rate design tasks are linked in that a three-part rate design (including a demand charge) has the capability of more accurately matching customers' bills to cost to serve. If that is the case, then a three-part design permits

[61] As of this writing, analysis of the completeness of the data is pending a decoder for appliance type codes.

broader rate classes, because variations in customer characteristics are captured as billing quantities more accurately than is the case for two-part rates.

Additionally, customer connections information can serve as a criterion for rate classification, where such data are available, but this information is directly related to only a small proportion of customer cost. More usefully, good connections information might be used for development of customer charges within broad rate class definitions, so the analyst interested in rate classification need not make use of connections data directly.

From a practical perspective, EGI's connections data do not immediately recommend themselves for purposes of rate classification due to incompleteness, accuracy, and possible lack of timeliness. On the other hand, demand information may meet the challenges of measurability, accuracy, and timeliness that are necessary for feasible development of three-part rates. Other challenges of regulatory and customer acceptance await review, but do not rule out three-part pricing at this point. Instead, demand pricing offers large benefits in terms of providing EGI the ability to conduct rate classification broadly, reflecting the largely homogeneous nature of its GS customers. With a small number of exceptions, most customers have similar seasonality and load factors. This homogeneity also permits EGI to draw rate class boundaries with flexibility, and with the confidence that numerous customers will not find themselves in an inappropriate rate class.

With reference to the various alternative combinations discussed in this section of the report, it appears that EGI might prefer to adopt a GS classification scheme that makes use of customer size rather than type, or a hybrid scheme. The size-based method has the advantage of classification that correlates to some degree with connections, and also is relatively unambiguous as to definition. A possible disadvantage is that customers can migrate over time across boundaries, creating an administrative cost. However, to some degree this problem also afflicts the customer-type approach.

The customer-type approach is also widely recognized and used, but the research in this project indicates that the approach is not strongly supported by load profiles. One would, with difficulty, distinguish a residential from a non-residential load profile, provided that both use natural gas for space heating. Additionally, there seems to be little basis in consumption patterns for creating classes based on a residential/commercial/industrial segmentation. However, differences in load factor do seem to favor three-part pricing, regardless of the rate classification scheme chosen, and to enable the development of fewer rate classes.

In summary, both these approaches are admissible on the basis of theory and practice, but EGI may perceive a slight advantage for the size-based approach.

Regarding the issue of size range, the homogeneity of the population gives EGI flexibility in setting the number of rate classes and their boundaries. Theory suggests only that fewer classes are simpler, and that the number can likely be kept smaller if three-part pricing is introduced. From a practical perspective, it appears that GS customer types can be grouped

indirectly on the basis of size by the selection of size boundaries, so the adoption of the size approach does not foreclose grouping customers by type to some degree.

An initial candidate for measuring size is annual volume. However, weather variability, and variability for other reasons specific to customer behavior will produce issues of customer classification. If customer demand is utilized in billing, and demand is measured based on a design-day metric rather than the metric of actual consumption, perhaps less variation in customer assignment to rate class would arise.

Lastly, this review has not raised the question of bill impacts of alternative designs, since this outcome is not usable from a theoretical point of view. Bill impacts, especially in cases where new classification schemes improve the match between customer bill and cost to serve, may simply reveal the extent of current cross subsidization within a customer population. However, because the process of rate classification is, to some extent, linked to rate design through the issue of two- versus three-part pricing, there is some scope for considering bill impacts. Might bill impact considerations influence decisions in the selection of rate classification scheme, at least by recognizing the current rate class and, hence, billing conditions of customers? Bill impact computations would help EGI to select from various possible rate designs, e.g. two-part volumetric, straight fixed variable, straight fixed variable with demand, and thereby influence the decision about the number of rate classes to create.

6. CONCLUSIONS

This review of EGI's alternative approaches to rate harmonization indicates that the Company has several factors operating in favor of rate harmonization:

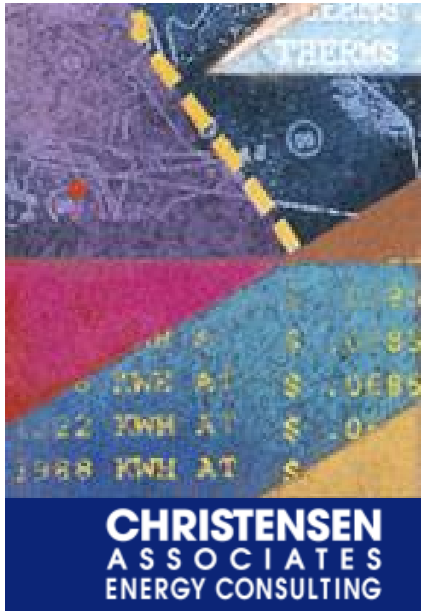
- Reliable billing data.
- Relatively contiguous service territories and rate zones.
- Connections data re meter capacity.
- Comparable data on customer type and size across service territories and rate zones.
- Apparent homogeneity of customer consumption patterns, with few exceptions.
- Provincial support for straight fixed variable billing structures that may facilitate the broad definition of rate classes.

Certain factors present offsetting challenges:

- Incomplete connections data re service line capacity.
- Uncertain future cost comparability across rate zones.
- Large geographic area with some degree of climate variation.
- Dissimilarities in legacy rate classification.

Research indicates that EGI has broad choice in developing harmonized rate classes and the billing information to support the initiative. It appears that customer connections information is currently not adequate to contribute to this work, but that customer size provides a proxy for connections investment and cost.

Rate classification can proceed along either the lines of size-based or customer type-based classification, although there appears to be a slight advantage for size-based methods. Three-part pricing, if feasible in terms of estimation of customer peak demand, offers a means to limit the number of rate classes by permitting accurate cost-based billing.



Enbridge Gas Inc.'s Data Supporting GS Rate Harmonization

A. Thomas Bozzo and Bruce Chapman
Christensen Associates Energy Consulting

July 15, 2020

Project Purpose

- Review General Service (GS) class data to evaluate capabilities to support rate harmonization
- Objectives:
  - Assess information in legacy systems
  - Investigate customer usage patterns
  - Investigate customer connections to system
  - Investigate rate class definitions

Agenda

- Legacy Data Sources and Availability
- Legacy Class Consumption Profiles
- Rate Class Options under Harmonization

Legacy Data Sources and Availability

Legacy Rate Classes

Rate	Customers Billed (000)	Annual Consumption (million m^3)	Average Consumption (m^3)	Median Consumption (m^3)	Share of Customers	Share of Consumption
1	2,254	5,332	2,365	2,241	92.2%	50.8%
6	178	2,424	13,640	4,299	7.3%	23.1%
6 LV	12	2,748	228,605	124,602	0.5%	26.2%
Total	2,444	10,504			100.0%	100.0%

Rate	Premises (000)	Annual Consumption (million m^3)	Average Consumption (m^3)	Median Consumption (m^3)	Share of Premises	Share of Consumption
1	351	1,056	3,009	2,302	23.4%	18.2%
10	2	296	143,144	86,800	0.1%	5.1%
M1	1,137	3,244	2,854	2,209	75.9%	55.8%
M2	8	1,217	158,717	93,457	0.5%	20.9%
Total	1,497	5,813			100.0%	100.0%

Notes on Legacy Billing Data

- Separate database formats/platforms by service territory
- Primary billing systems
  - LEGD: SAP, 9+ years of data; 4 used
  - LUG: Banner, with Data Mart archive, 25 months of data in Banner, 4 years used
- Both have:
  - Relatively complete billing data
  - Ability to ID residential, commercial, industrial
  - Information on other customer characteristics

Key Differences in Legacy Data

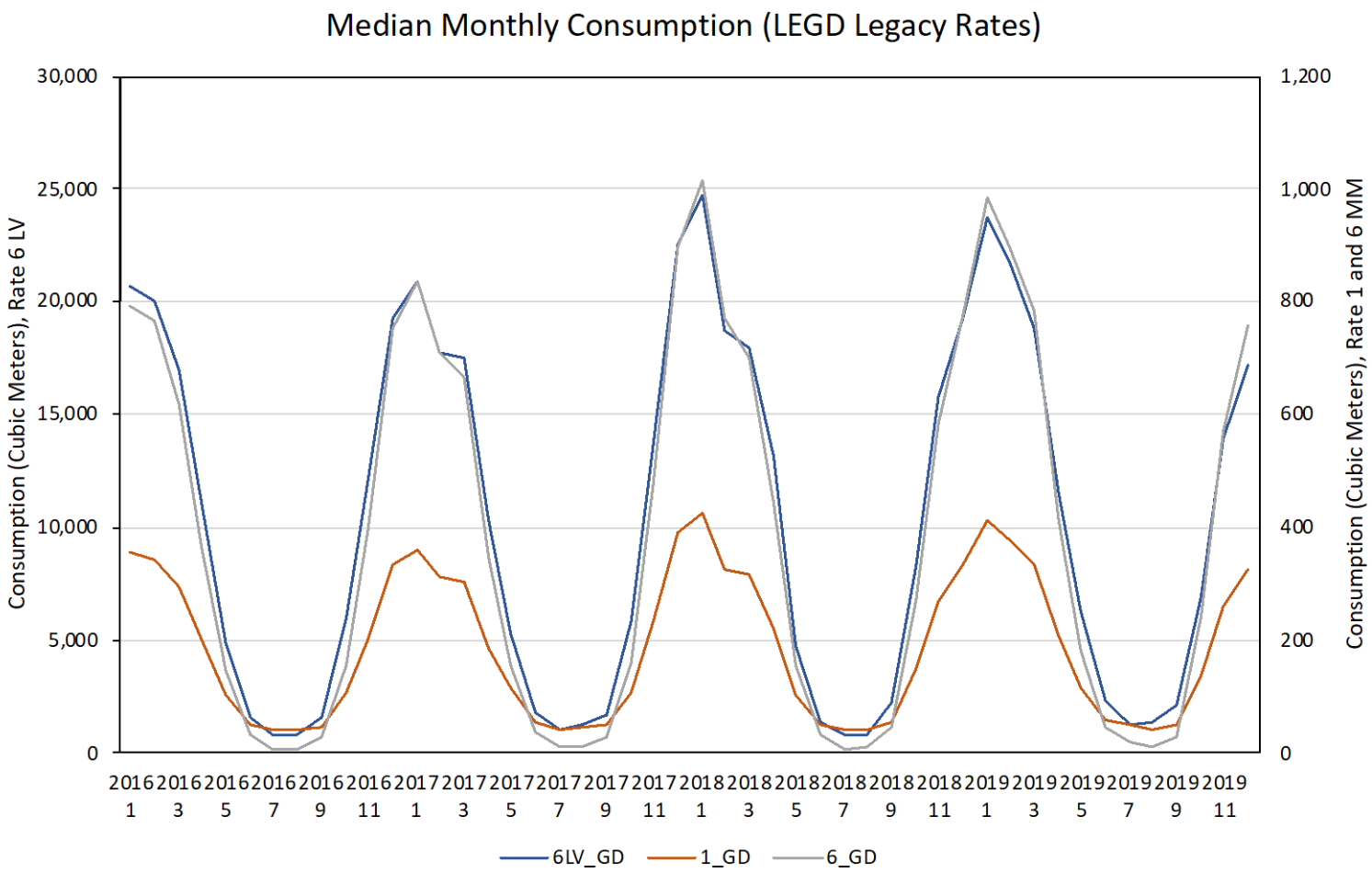
- Billing frequency for small GS customers
  - LUG monthly to Dec 19, LEGD bimonthly
- Detail of premise types
  - Premise descriptions mostly unknown in SAP
- End-use information
  - LEGD revenue class in SAP
  - LUG has separate data on gas appliances

Legacy Class Consumption Profiles

Notes on Consumption Profiles

- Class-level consumption dominated by heating demands
- Consumption profiles are similar across legacy zones for residential & non-residential customer groups
- Peak consumption varies by weather zone
- Some exceptions to winter space heating peak patterns are observable
- Profiles are shown at median

LEGD Class Profiles



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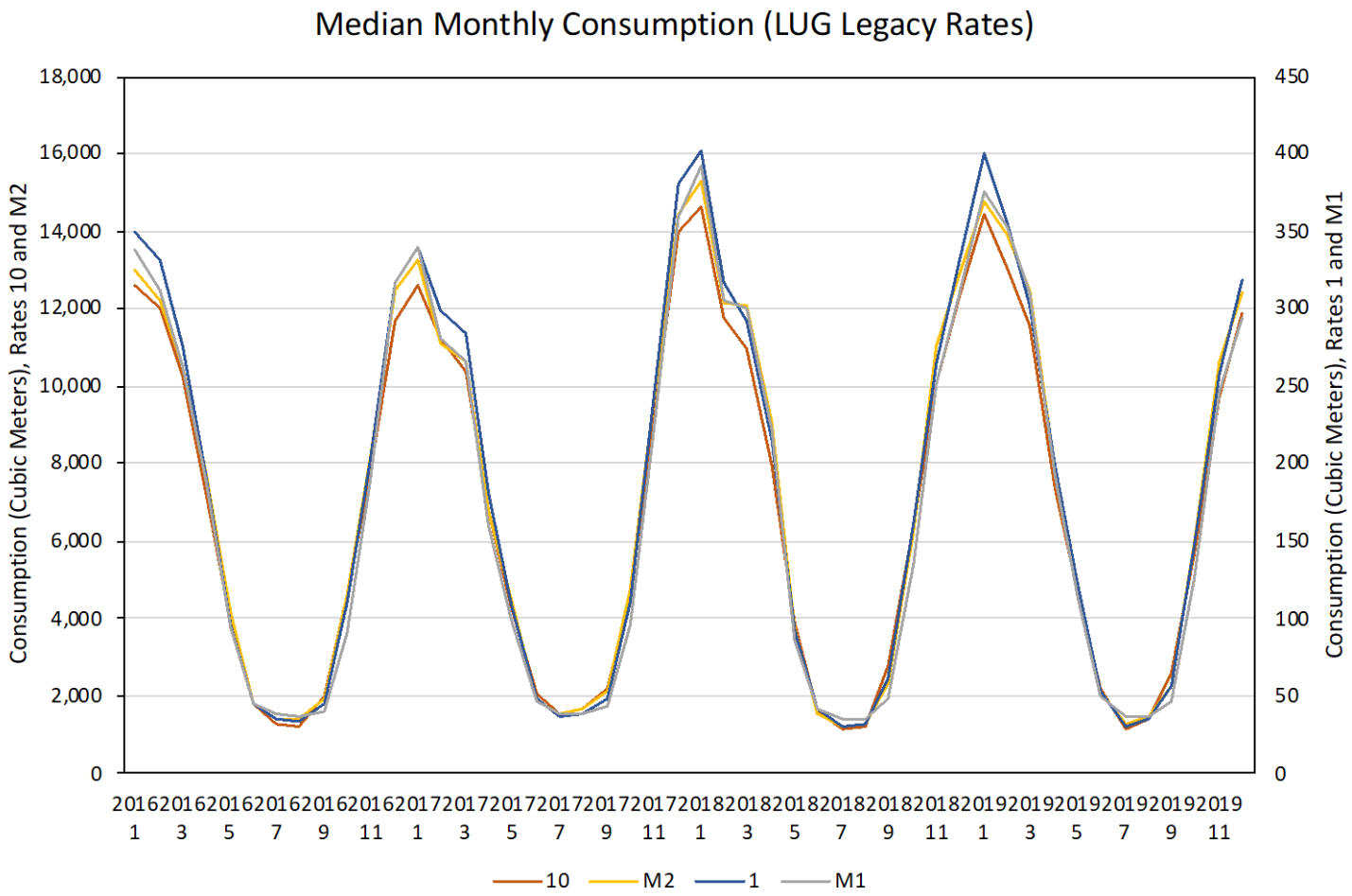
LUG Class Profiles



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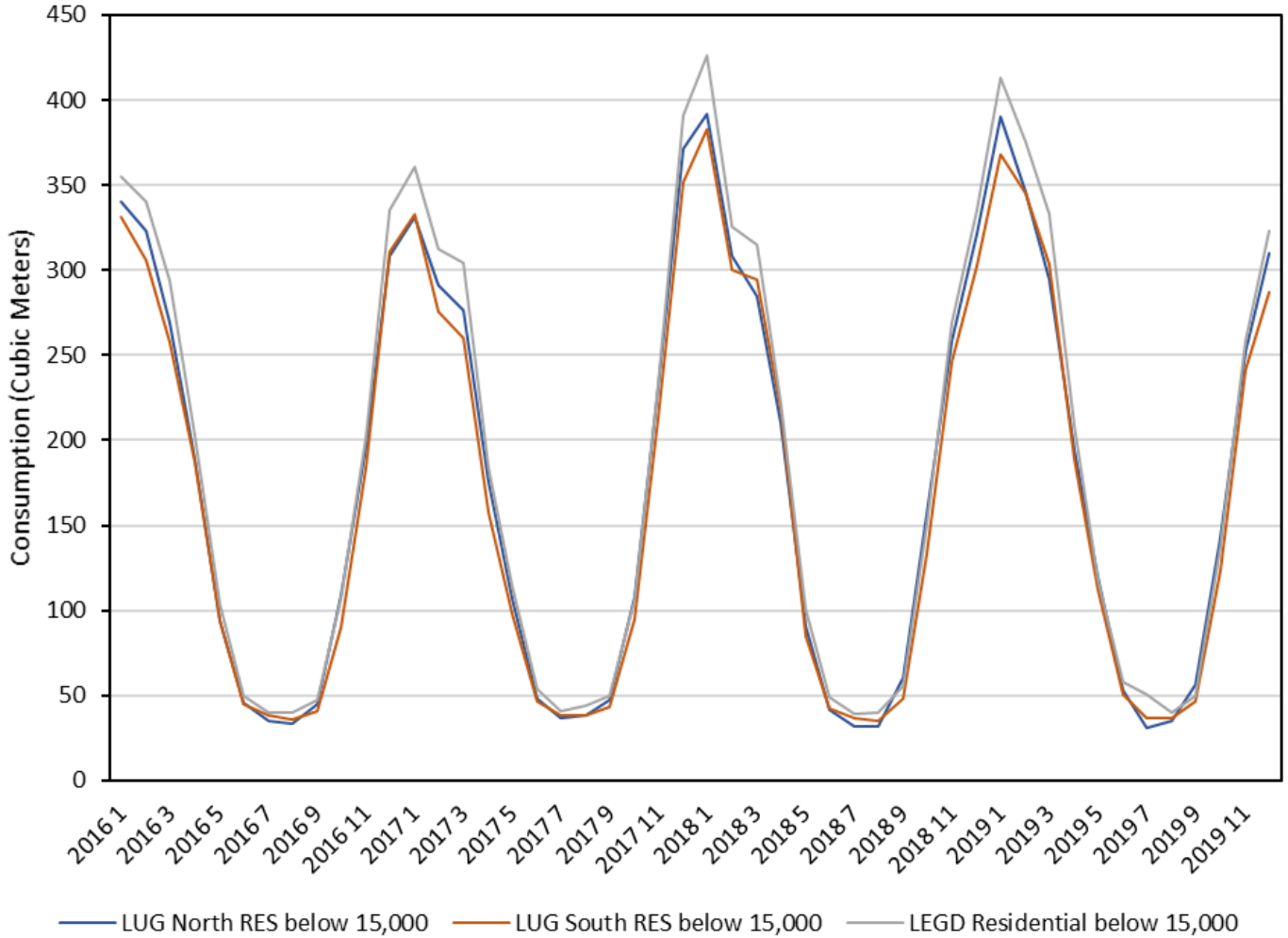
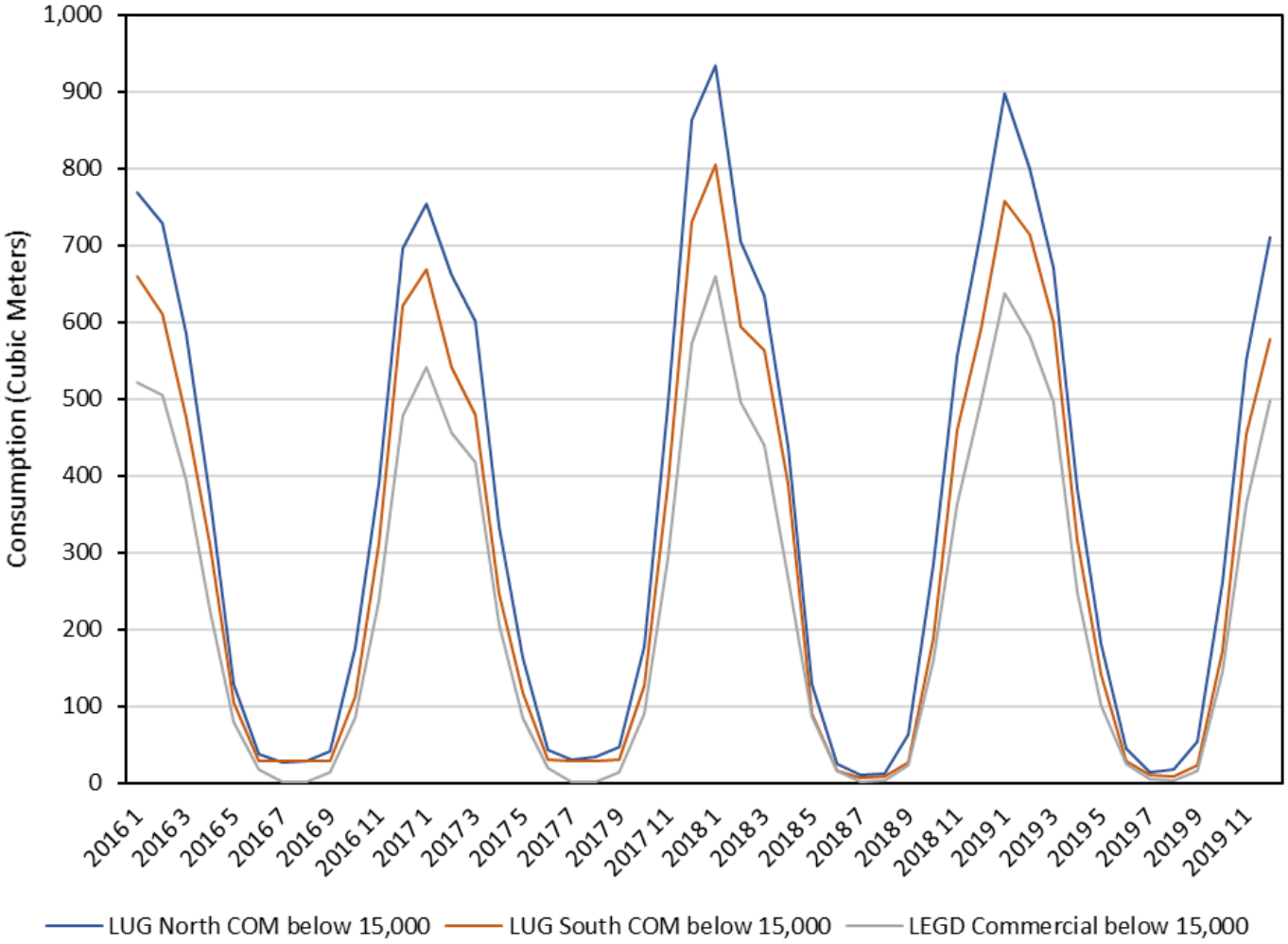
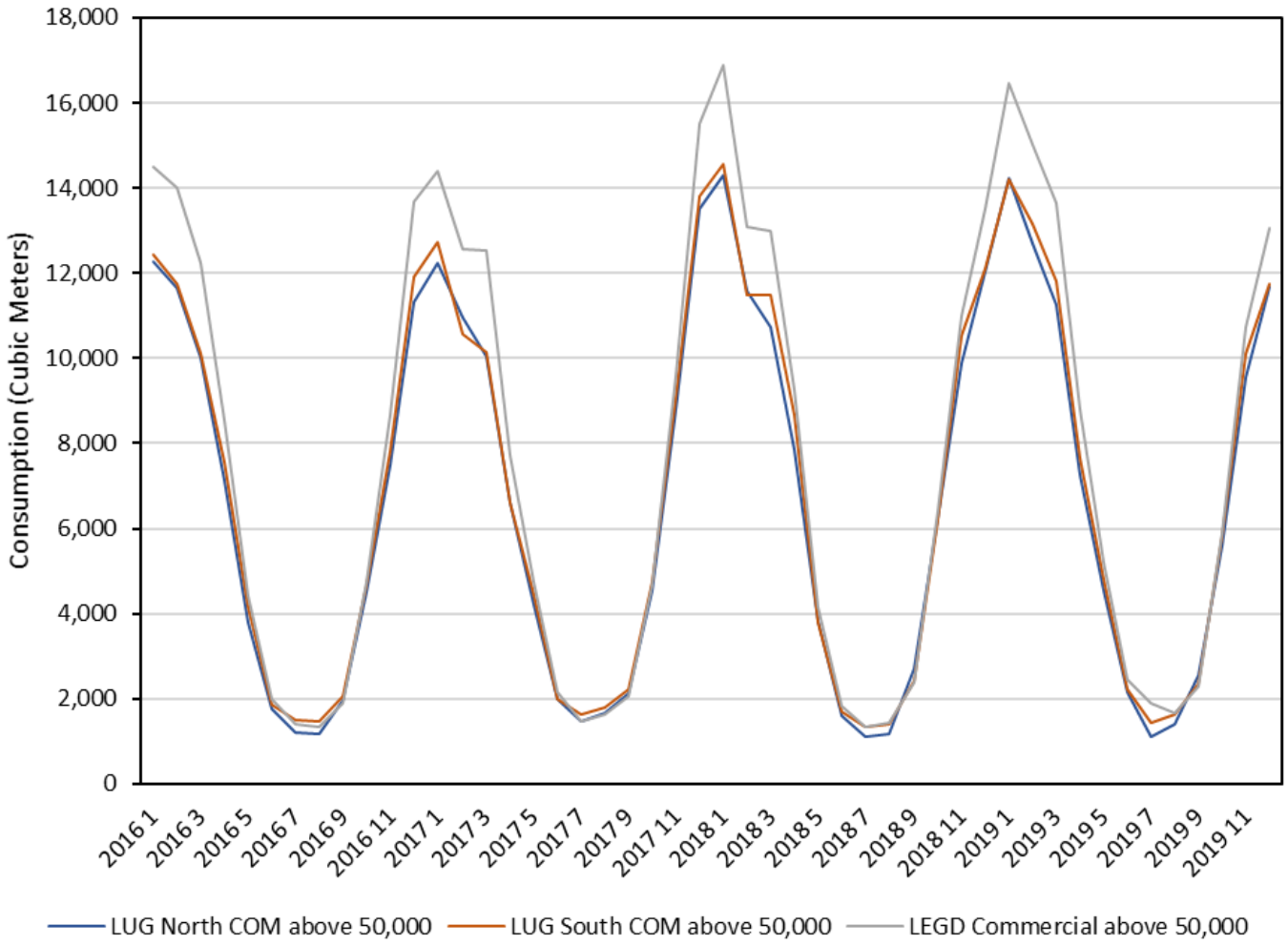
Residential – LEGD & LUG



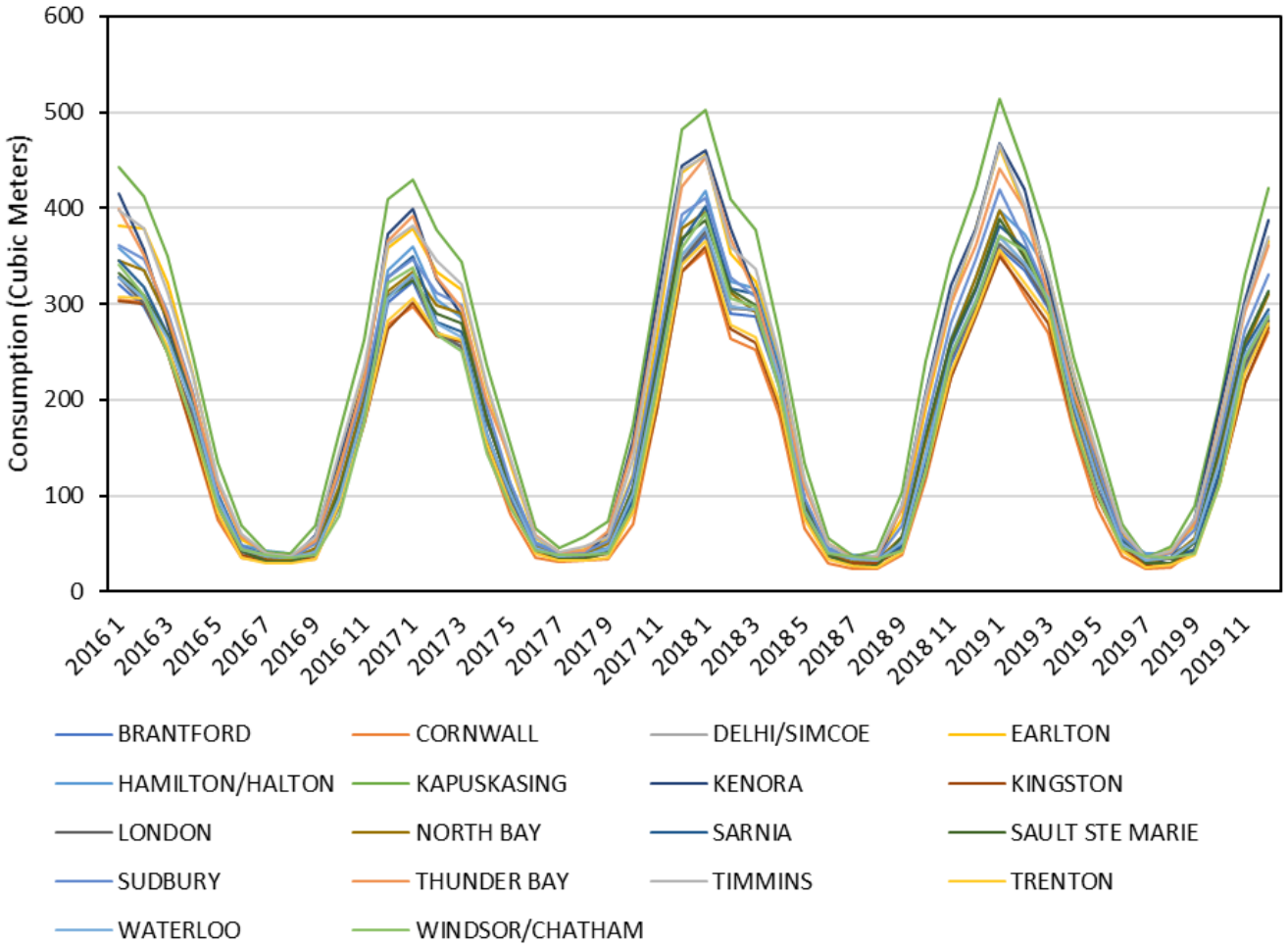
Small Commercial – LEGD & LUG



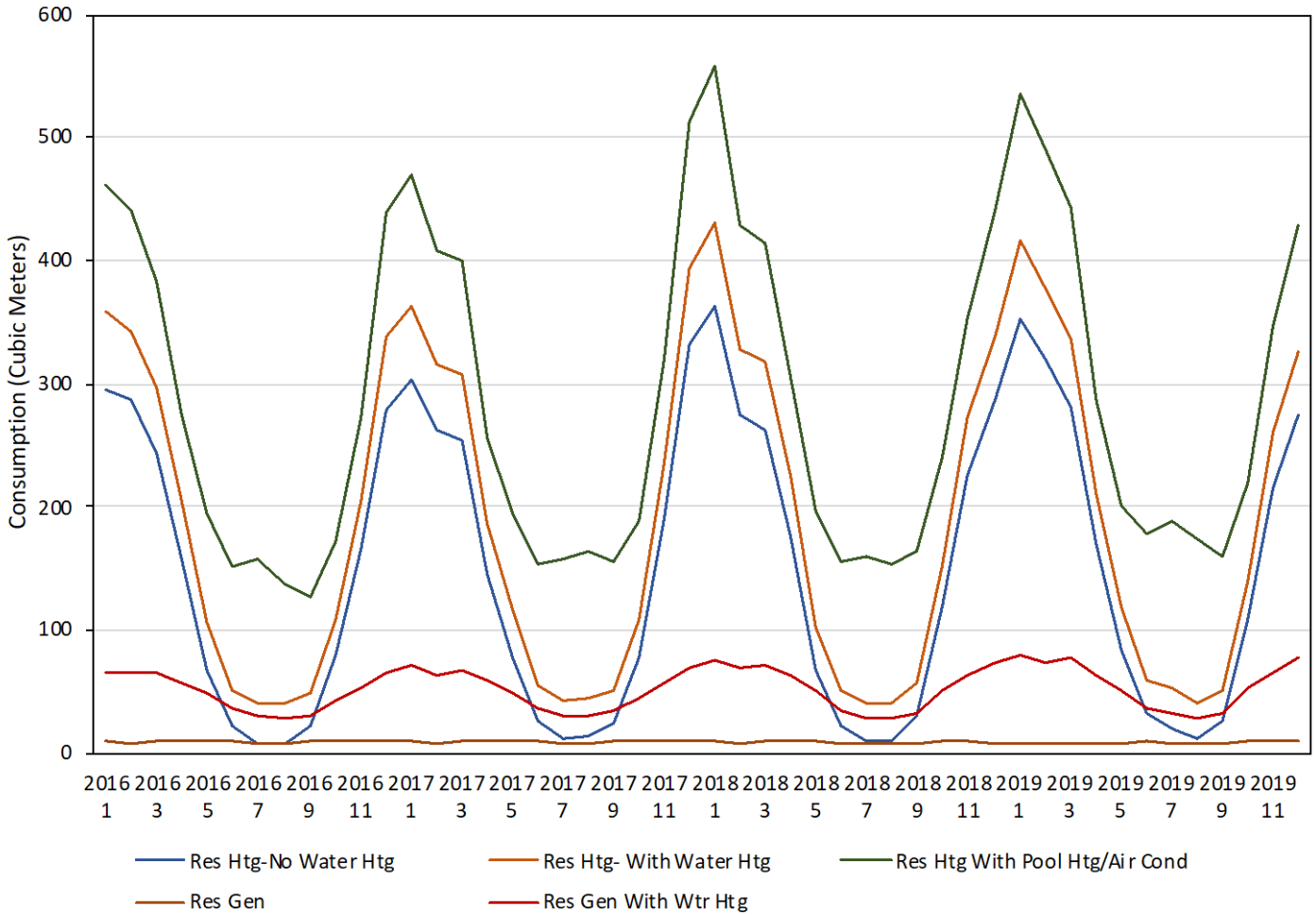
Large Commercial – LEGD & LUG



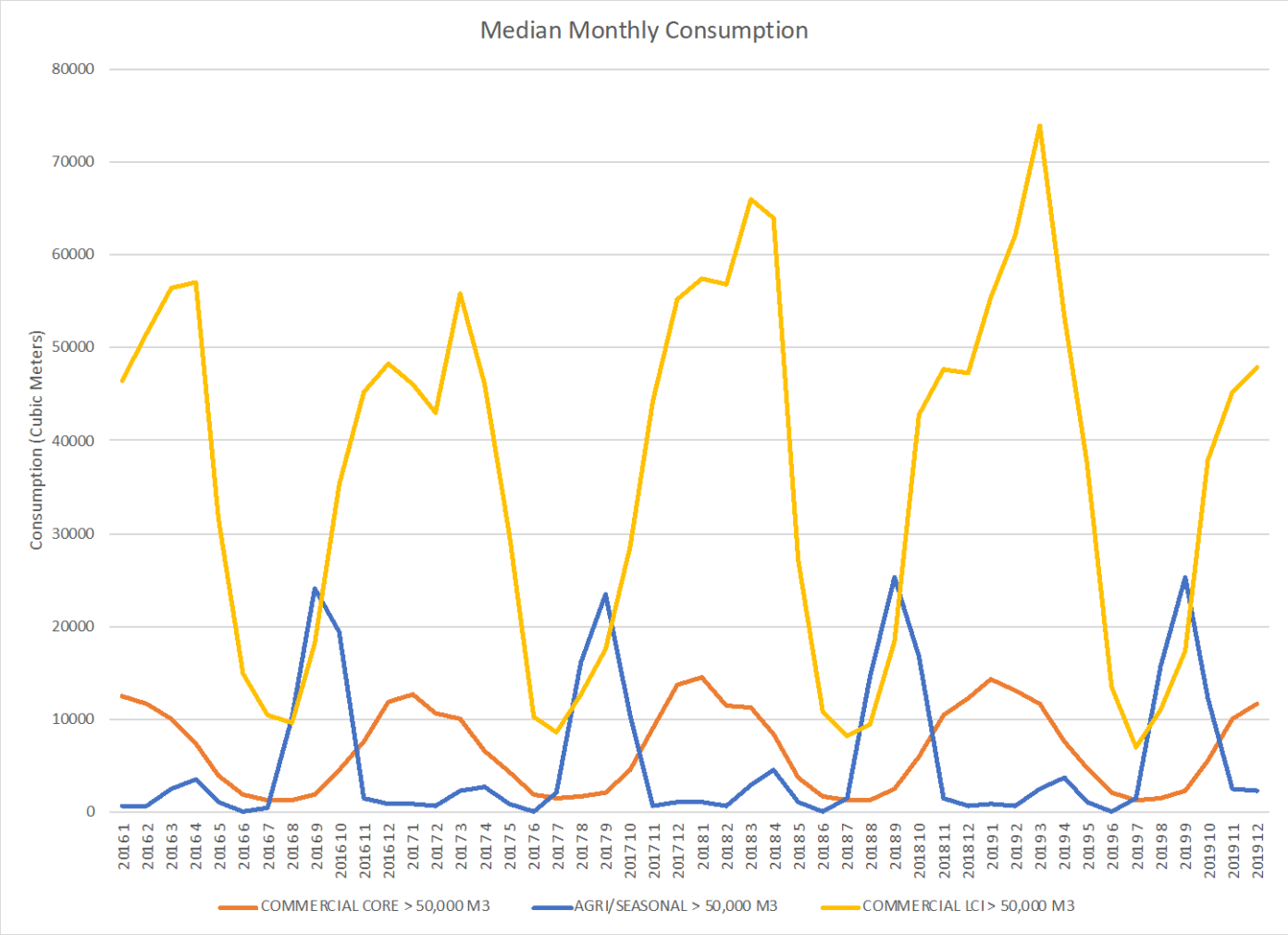
Weather Zone, LUG



Selected Revenue Classes (Residential), LEGD



LUG Profiles – Non-Heating Peak



Weather Sensitivity and Load Factor

- Figures reveal weather sensitivity
- Statistical analysis supports this
- Both LEGD and LUG use Synergi Gas to model customer weather sensitivity
  - Linear regression model of consumption and heating degree days
  - Synergi Gas results broadly reproducible
  - May under-predict peaks in some cases due to (over) emphasis on model fit

Load Factors by Customer Type and Region

	2019 Load Factor (Median) w/ Synergi Gas Peaks		
Account Category	**LEGD**	**LUG South**	**LUG North**
COM below 15,000	0.27	0.29	0.31
COM between 15,000 and 50,000	0.30	0.32	0.33
COM above 50,000	0.33	0.34	0.35
IND below 15,000	0.26	0.27	0.33
IND between 15,000 and 50,000	0.26	0.28	0.33
IND above 50,000	0.28	0.30	0.40
RES below 15,000	0.32	0.32	0.34
RES between 15,000 and 50,000	0.43	0.36	0.35
RES above 50,000	0.37	0.35	0.33

Notes on Load Factor Results

- Median load factors are in relatively narrow range (0.26 - 0.36) across regions with exceptions:
  - Large industrial customers in LUG North (0.40)
  - Mid-size residentials in LEGD (0.43)
  - Higher load factors for LEGD non-heating
- Distribution of load factors within categories reasonable up to upper tail
  - Extreme values of LF due to data mismatches?

Rate Class Options Under Harmonization

Criteria for Rate Class Selection

- Support successful rate design:
  - Cost recovery, fairness, avoidance of discrimination, among other criteria
  - Bill similar customers equally, dissimilar customers differently.
- Two avenues:
  - Group similar customers within class
  - Use rates to capture in-class differences

Information to Support Cost Differentiation

- Consumption levels and patterns [reliable]
  - Measured by totals, load factor
- Connection information (meter, service line size) [dated, error-prone]
- Geography: [postage-stamp rate tradition]
  - Ability to assign costs to different regions
  - Customer position in the system

Rate Class Alternatives

- Status Quo – keep regions separate, maintain existing classes
- Full harmonization:
  - LEGD Approach: Res/Non-Res split
  - LUG Approach: Size-based split
  - Hybrid Approach: Res/Non-Res split with size-based differentiation
    - Size tiers are illustrative

Alternative Customer Counts

Account Category	LEGD	LUG North	LUG South	Total EGI
Residential (LEGD Rate 1)	2,016,663	324,949	1,056,244	3,397,856
Non-Residential (LEGD Rate 6)	164,447	31,005	92,484	287,936
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Hybrid Customer Counts

Account Category	LEGD	LUG North	LUG South	Total EGI
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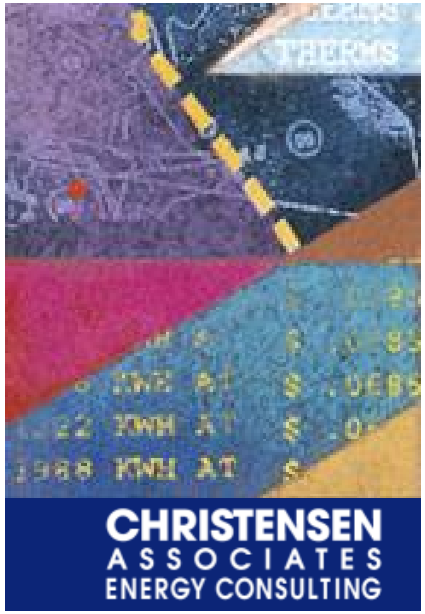
Non-Residential Over 50,000 m^3	20,495	2,139	7,732	30,366
Total	2,181,110	355,954	1,148,728	3,685,792

Additional Segmentation Notes

- Demand:
  - Would separate non-heat customers, but they are a small share of class totals
  - Usable in classification and in GS rate design
- Geography:
  - Technical analysis needed to adjudge degree of distribution system integration, commonality of costs across systems (not discernible from these data)
- Connection data:
  - Service line data are currently insufficient
  - Meter capacity related to consumption levels



Enbridge Gas Inc. Customer Connections to the Gas System

A. Thomas Bozzo
Christensen Associates Energy Consulting

July 22, 2020

- Service lines and meters are sized for expected loads
- Providing higher capacity service is costly
- Likely associated with consumption/demand measures of size
- Will be relatively fixed over time

- Service line diameter
- Meter capacity

- LEGD GIS extract provided 'tap diameter' measure
  - Also other variables related to meter placement
- LUG data from GIS analysis to find diameter of last segment of gas line leading to meter

- No match for 10-20% of active customers
- LEGD data need standardization & cleaning
- LUG analysis generated multiple diameters for many customers
  - Need to validate that analysis picks up intended lines

LUG Service Line Summary

- Most common connection type is 0.5-in/12.7mm line
- Larger diameters more common for commercial and industrial customers
- 0.5-1.25 inch diameters account for >99% of customer connections

Active Accounts by Service Line Diameter

Service Line Diameter (in.)	Commercial	Industrial	Residential	Total	% of Total
0.25	2	1	24	27	0.0%
0.375			3	3	0.0%
0.5	15,656	230	855,710	871,596	57.7%
0.75	18,958	257	310,260	329,475	21.8%
1	13,517	777	61,080	75,374	5.0%
1.25	26,230	1,319	39,744	67,293	4.5%
1.5	21		14	35	0.0%
2	3,213	410	1,158	4,781	0.3%
3	125	46	47	218	0.0%
4	238	63	83	384	0.0%
6	6	4	4	14	0.0%
10			1	1	0.0%
12			2	2	0.0%
Missing	40,722	2,366	118,657	161,745	10.7%
Total	118,688	5,473	1,386,787	1,510,948	100.0%

LEGD Service Line Summary

- Most common connection type is also 0.5-in/12.7mm line, more prevalent than in LUG data
- Lower incidence of >12.7mm lines vs LUG
- Some values are ambiguous w/o units of measure (e.g. "6")

Active Accounts by Service Line Diameter

Service Line (Tap) Diameter	Imperial Equivalent (in.)	Active Accounts	% of Total
6.35*	0.25	48,032	2.2%
6	0.25	31,887	1.5%
6.3	0.25	10,927	0.5%
6.4	0.25	7,370	0.3%
9.525*	0.375	122,036	5.6%
10	0.375	47,561	2.2%
9.5	0.375	23,259	1.1%
12.7*	0.5	1,094,388	49.8%
13	0.5	167,479	7.6%
12.5	0.5	26,752	1.2%
12	0.5	14,644	0.7%
15	0.625	9,081	0.4%
15.875*	0.625	8,308	0.4%
19.05*	0.75	23,723	1.1%
19	0.75	21,314	1.0%
19.1	0.75	17,723	0.8%
20	0.75	8,730	0.4%
25	1	7,185	0.3%
25.4*	1	6,889	0.3%
Missing		425,459	19.4%
Other		73,850	3.4%
Total		2,196,597	100.0%

- LEGD SAP provides meter size code
  - Decoder provides meter model and capacity
- LUG Banner provides make, model, max flow
- Capacity measured in cubic feet/hour

- Comprehensive recording of meter types
  - Accurate meter inventory needed for billing
- Capacity typically listed in meter specs
  - Can depend on service pressure, service line

EGI Accounts by Meter Capacity

	LEGD		LUG		Total EGI	
Capacity	Active Accounts	% of Total	Active Accounts	% of Total	Active Accounts	% of Total
200	2,056,919	93.6%	1,420,143	94.1%	3,477,062	93.8%
400	76,229	3.5%	48,908	3.2%	125,137	3.4%
800	26,971	1.2%	1,134	0.1%	28,105	0.8%
1000		0.0%	23,568	1.6%	23,568	0.6%
2000	11,192	0.5%	4,832	0.3%	16,024	0.4%
3000	10,297	0.5%	5,146	0.3%	15,443	0.4%
5000	7,832	0.4%	3,547	0.2%	11,379	0.3%
7000	4,153	0.2%	1,464	0.1%	5,617	0.2%
11000	2,262	0.1%	867	0.1%	3,129	0.1%
16000	558	0.0%	109	0.0%	667	0.0%
18000	37	0.0%		0.0%	37	0.0%
30000	71	0.0%		0.0%	71	0.0%
60000	18	0.0%		0.0%	18	0.0%
90000	2	0.0%		0.0%	2	0.0%
140000	2	0.0%		0.0%	2	0.0%
Total	**2,196,543**	**100.0%**	**1,509,718**	**100.0%**	**3,706,261**	**100.0%**

LEGD Meter Data

- Nearly all residential accounts @ 200-800 cfh
- Lower capacity meters used for a majority of commercial and many industrial customers
- Long but thin upper tail of high capacity meters

Active Accounts by Meter Capacity

Capacity	Commercial	Industrial	Residential	Total
200	70,973	919	1,985,026	2,056,918
400	35,748	1,003	39,478	76,229
800	21,122	981	4,868	26,971
2000	10,113	420	659	11,192
3000	9,371	805	121	10,297
5000	7,122	697	13	7,832
7000	3,666	486	1	4,153
11000	1,984	278		2,262
16000	451	107		558
18000	17	20		37
30000	43	28		71
60000	11	7		18
90000	2			2
140000	1	1		2
Total	**160,624**	**5,752**	**2,030,166**	**2,196,542**

LUG Meter Data

- Nearly all residential accounts @ 200-1000 cfh
- Higher capacities more common for commercial and industrial, like LEGD
- Very high capacity meters not observed in Banner

Active Accounts by Meter Capacity

Capacity	Commercial	Industrial	Residential	Total
200	58,787	1,234	1,360,122	1,420,143
400	24,353	929	23,625	48,907
800	970	75	89	1,134
1000	19,792	1,157	2,619	23,568
2000	4,329	405	98	4,832
3000	4,631	474	41	5,146
5000	3,101	426	19	3,546
7000	1,217	246	1	1,464
11000	685	179	3	867
16000	88	20	1	109
Total	**117,953**	**5,145**	**1,386,618**	**1,509,716**

Meter Capacity as Size Proxy

- LEGD

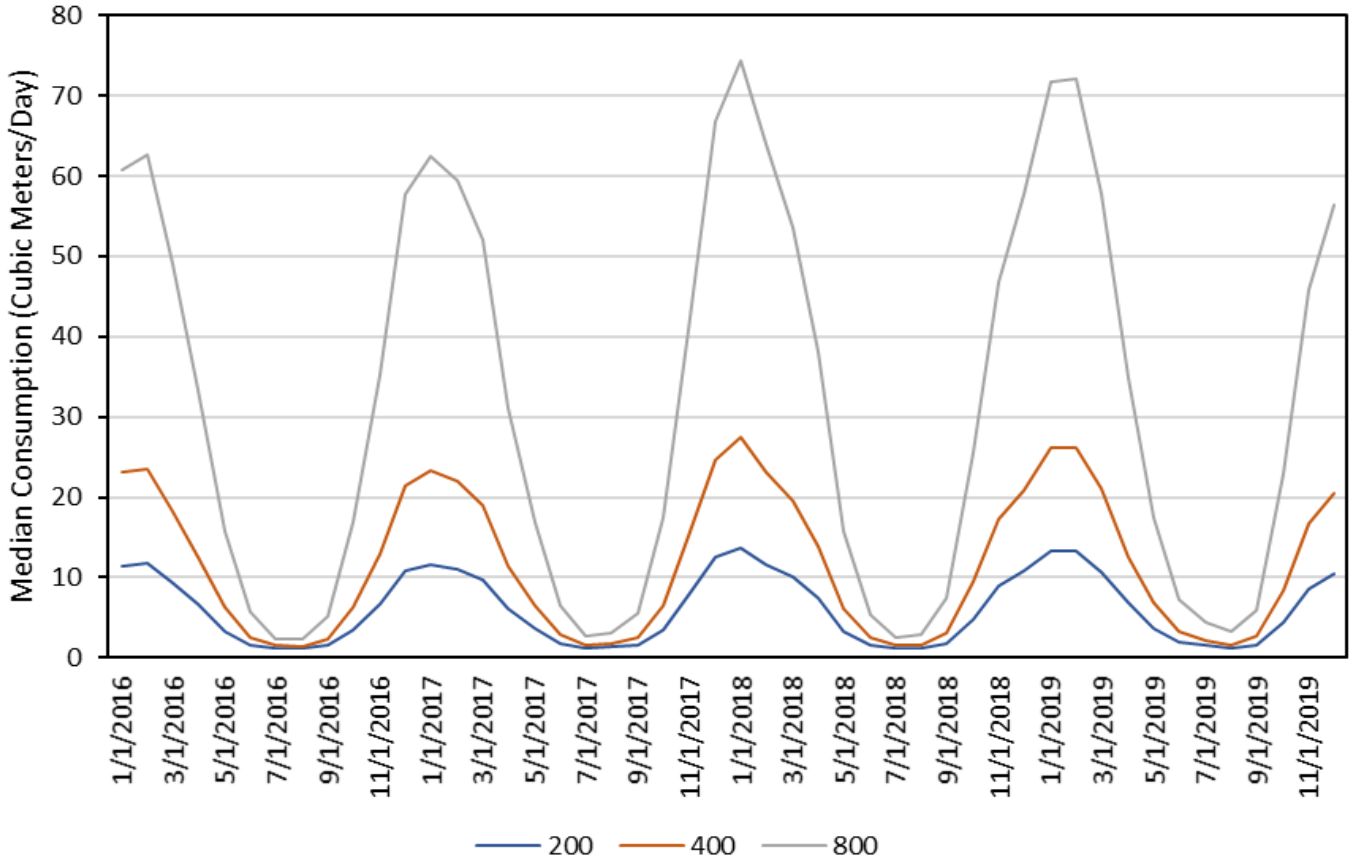
	Annual consumption (cubic meters)	
Capacity	Average	Median
200	2,329	2,220
400	6,275	4,540
800	15,706	11,991
2000	30,764	22,784
3000	62,520	41,751
5000	126,141	78,783
7000	201,862	142,342
11000	279,776	212,197
16000	519,113	338,515
18000	986,940	703,289
30000	1,372,253	1,010,191
60000	4,369,138	3,402,101
90000	143,259	143,259
140000	29,882,058	29,882,059

- LUG

	Annual consumption (cubic meters)	
Capacity	Average	Median
200	2,371	2,182
400	6,714	5,079
800	16,077	12,830
1000	19,611	15,815
2000	39,639	33,446
3000	56,861	46,911
5000	95,305	73,001
7000	164,195	134,589
11000	247,006	199,731
16000	356,225	301,791

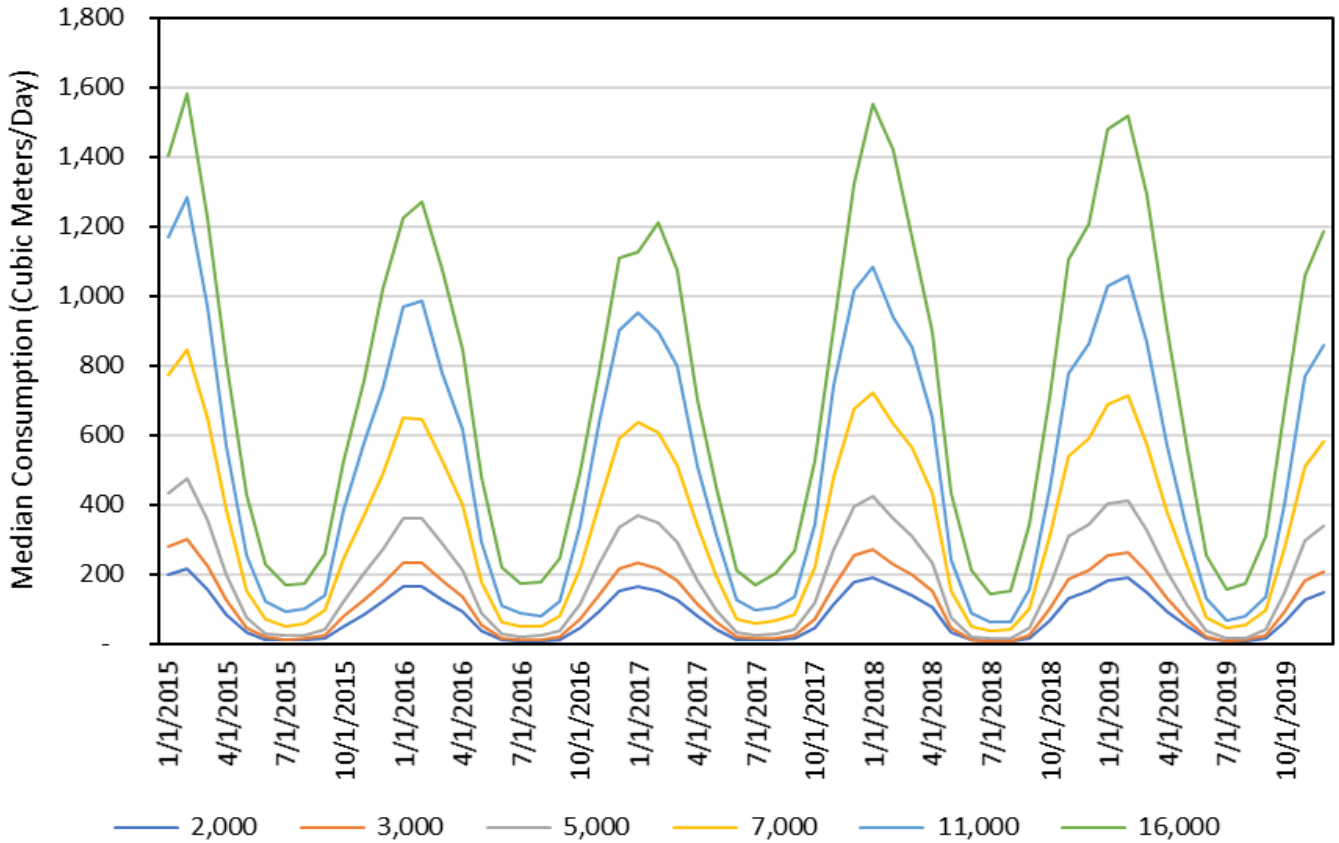
Meter Capacity as Size Proxy

- LEGD consumption profiles, 200-800 cfh

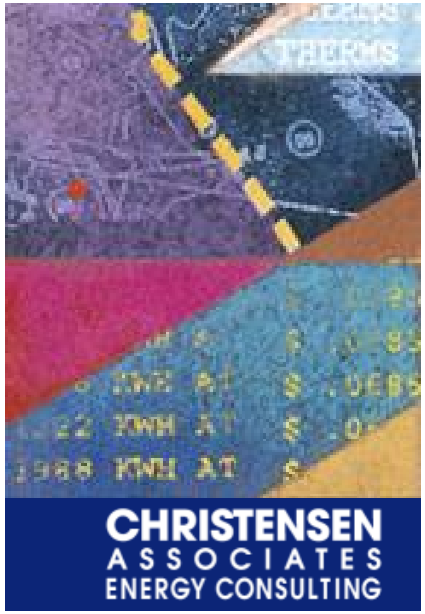


Meter Capacity as Size Proxy

- LUG consumption profiles >2000 cfh



- Median/average consumption and seasonal peaks generally scale with capacity
- Provides a means to ID large residential customers with service provision more like medium-large commercial customers
- Downside: limited resolution of demand differences for small commercial/residential
  - ~94% of customers have 200 cfh meters



Enbridge Gas Inc.'s GS Rate Harmonization: Rate Class and Rate Design Issues

A. Thomas Bozzo and Bruce Chapman
Christensen Associates Energy Consulting

August 24, 2020

Agenda

- Rate Class Segmentation Options
- The Straight Fixed Variable Design
- Determining Peak Demand

Rate Class Segmentation Options

What is Important/Relevant?

- Existing classifications
  - Customer, utility, and regulatory familiarity
- Theory:
  - Customer similarity and equal treatment within class
- Billing data evidence:
  - Heating customers have similar load profiles and load factors.
  - Non-heating and other anomalous customers are demonstrably different.

What is Important/Relevant? (2)

- Connections data evidence:
  - Can data be accurate and timely?
  - Is it cost effective to improve coverage?
  - How do costs differ across equipment and customers?
- Delivery cost differences:
  - Distribution network interconnectedness, current and future
- Ability of rates to reflect differences in cost to serve within class

Rate Classification Issues

- Should residential vs. non-residential be the primary/sole basis of segmentation?
- Would an alternative or additional segmentation be preferable/beneficial?
- What should influence the extent and pace of rate harmonization?

- Status quo: some segmentation by size, some by res/non-res split.

GS Classification Differentiating Residential from Non-Residential

- Pro:
  - Provides flexibility in rate setting if not all customer-related costs can be recovered by a monthly charge.
  - Recognized approach in Ontario and elsewhere.
- Con:
  - Not strongly supported by usage profiles.
  - Customer size, with which connections costs is correlated, appears to be superior if only one segmentation basis is adopted.

Alternative Segmentation Strategies – Customer Size

- Pro:
  - Correlation with distribution connection cost (meter capacity, service line diameter)
- Con:
  - Demand is a better measure than consumption; which may raise measurement issues.

Alternative Segmentation Strategies – Heating Status

- Pro:
  - Likely distinguishes a group with different average load factor and thus cost to serve.
- Con:
  - May not be necessary if include a demand bill component.
  - Non-heating customers are small minority.
- An additional, rather than primary, segmentation basis.

Alternative Segmentation Strategies – Location (Legacy Region)

- Pro:
  - May provide basis to reflect geographical differences in cost to serve.
  - May be useful in transition only or in long term.
- Con:
  - There may be limited cost justification for such segmentation (*i.e.* just as much cost variation within legacy regions as between them).

Extent and Pace of Rate Harmonization

- Objective:
  - Rate simplicity and "fairness" across the company.
  - Reflect cost to serve
- Constraints/factors:
  - Differences in cost to serve across regions.
  - Rate choice – similarity to legacy rates.
  - Bill impacts of full harmonization.

The Straight Fixed Variable Design

SFV Characteristics

- In principle, all fixed costs are recovered via fixed charges; volumetric pricing recovers variable costs only.
- Gas distribution costs are deemed customer-related or demand-related
- SFV alternatives:
  - Customer/monthly fixed charge only
  - Customer and demand charges (SFVD)
- Current rates: customer and tiered consumption charges

Illustrative SFV Structure: Costs and Prices

Charge	Unit Cost	Rate, Price		
		Current	SFV	SFVD
Customer	$ 20.00	$ 20.00	$ 40.00	$ 20.00
Usage	$ -	$ 0.0960		
Demand	$ 1.00			$ 1.00

Illustrative SFV Structure (1): Identical Consumption; Varying LF

	Customer Number			
Bill Quantities	1	2	3	Total
Usage	2,500	2,500	2,500	7,500
Demand	15	20	25	60
Load Factor	45.7%	34.2%	27.4%	34.2%

Bill Amounts	1	2	3	Total
Cost to Serve	$ 420	$ 480	$ 540	$ 1,440
Current	$ 480	$ 480	$ 480	$ 1,440
SFV	$ 480	$ 480	$ 480	$ 1,440
SFVD	$ 420	$ 480	$ 540	$ 1,440

Illustrative SFV Structure (2): Identical LF; Varying Consumption

	Customer Number			
Bill Quantities	1	2	3	Total
Usage	1,000	2,500	4,000	7,500
Demand	8	20	32	60
Load Factor	34.2%	34.2%	34.2%	34.2%

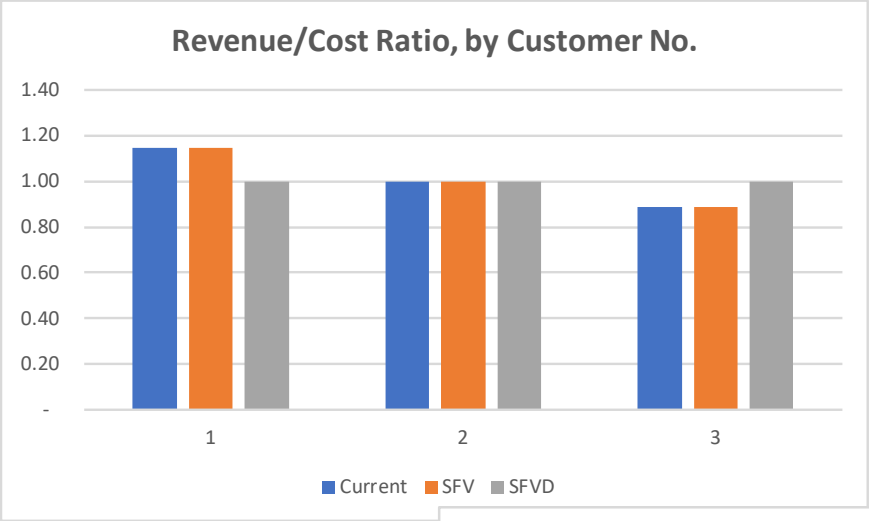
Bill Amounts	1	2	3	Total
Cost to Serve	$ 336	$ 480	$ 624	$ 1,440
Current	$ 336	$ 480	$ 624	$ 1,440
SFV	$ 480	$ 480	$ 480	$ 1,440
SFVD	$ 336	$ 480	$ 624	$ 1,440

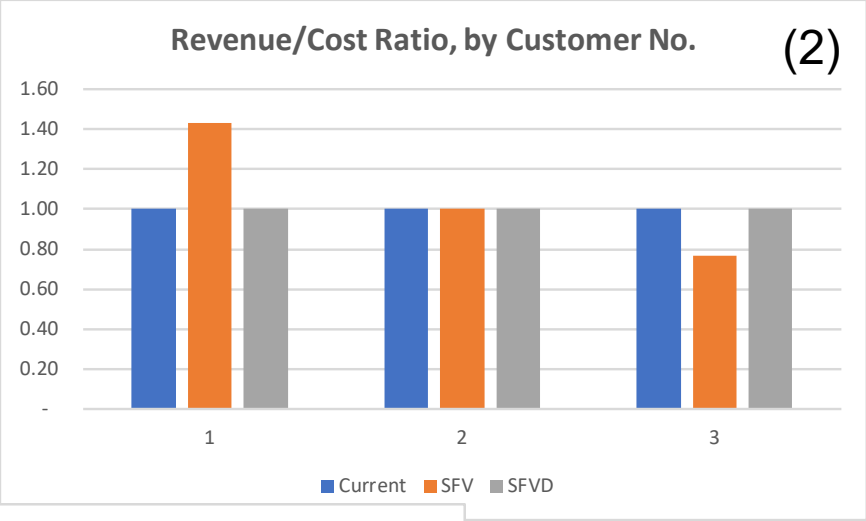
Illustrative SFV Structure (3): Varying Consumption and LF

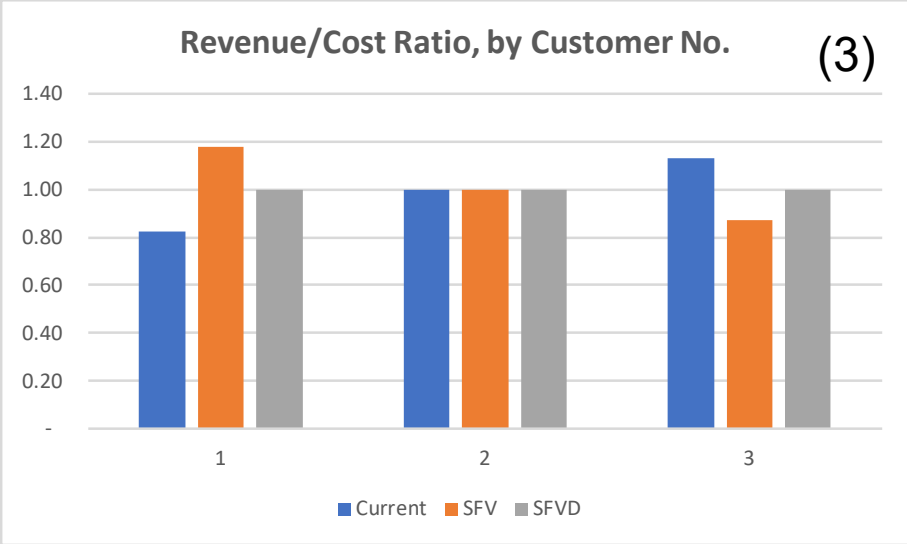
	Customer Number			
Bill Quantities	1	2	3	Total
Usage	1,000	2,500	4,000	7,500
Demand	14	20	26	60
Load Factor	19.6%	34.2%	42.1%	34.2%

Bill Amounts	1	2	3	Total
Cost to Serve	$ 408	$ 480	$ 552	$ 1,440
Current	$ 336	$ 480	$ 624	$ 1,440
SFV	$ 480	$ 480	$ 480	$ 1,440
SFVD	$ 408	$ 480	$ 552	$ 1,440

Illustrative SFV Structure: Outcomes







SFV Summary

- Current rate uses consumption as:
  - A vehicle for recovery of some customer-related costs and
  - A proxy for demand-related costs
- SFV moves fixed cost recovery into fixed charges.
- SFVD allows for customer diversity in size and load factor.
  - Requires a reliable measure of peak demand.

Determining Peak Demand

Demand Approaches: Overview

- "Simple" billing data analytics
  - Consumption in peak month
  - Non-regression methods for heating and base demands
- Synergi Gas demand modeling
  - Mainly based on customer-level regression of daily consumption on HDDs
- Alternative in-house demand model
  - Consumption-HDD regression implemented outside Synergi Gas

General Challenges

- Customers with limited billing history
  - Need reasonable proxy/placeholder demands/Load Factors for a few percent of customers at any time
  - Need ~6 months with bimonthly reads
- Results should be relatively stable
  - But some customers will show changes in behavior or install new end-use equipment
- Handling of edge cases
  - Distinguishing anomalies from errors in data

Billing Data Analytics

- Pro
  - Relatively understandable – customers may be able to read key inputs off their bills
  - Simpler arithmetic for production implementation
  - Stability can be analyzed using existing project data
- Con
  - Methods may not adequately or efficiently distinguish HDD-sensitive and other demand components
  - Can require longer billing history than regressions
  - May be relatively sensitive to billing errors/adjustments
    - Some R&D needed to deal with outliers

Synergi Gas Model

- Pro
  - Currently implemented by both legacy companies
    - Synergi demand estimates may be more salient for costs
  - Regression method is conceptually valid for measuring HDD-related demand ("heat factor") and non-HDD demand ("base factor")
- Con
  - Less understandable to customers
  - Regressions "fail" for some customers w/ enough data
  - Some black-box elements to Synergi modeling
    - Outlier elimination, proxy demands
  - Need additional data to assess stability of results

Alternative In-House Model

- Pro
  - Same conceptual validity as Synergi Gas models
  - Control over details of methods/implementation
  - Can be fully documented for regulatory review
- Con
  - Additional R&D effort to develop a turnkey model
    - Long-term support effort/costs unclear
  - Customer understandability similar to Synergi Gas models

CHRISTENSEN
ASSOCIATES
ENERGY CONSULTING

Rebasing and Harmonization:
General Service Rates
Phase 2

at

Enbridge Gas Inc.

by

Christensen Associates Energy Consulting, LLC
Madison, Wisconsin

September 30, 2021

Table Of Contents

EXECUTIVE SUMMARY **1**

BILL IMPACT ANALYSIS 1
PEAK DEMAND METHODOLOGY 3
SUMMARY 4

1. INTRODUCTION **5**

2. GS CLASS SEGMENTATION AND RATE DESIGN ALTERNATIVES **6**

OVERVIEW OF ALTERNATIVES 6
BILL IMPACT ANALYSIS APPROACH 7
ANALYSIS RESULTS 10
SFV vs. SFVD *10*
SFVD Results *13*
SFVD vs. a Volumetric Alternative *19*
"Upper Tail" Results *24*
SUMMARY 25

3. PEAK DEMAND METHODOLOGY **26**

INDUSTRY USE OF PEAK DEMAND IN GENERAL SERVICE RATE DESIGN 26
APPROACHES TO DEMAND MEASUREMENT 27
Analytical Methods *28*
Regression Methods *30*
Estimated Demands from Analytics and Regression Methods *32*
PRACTICAL ISSUES AND CHALLENGES IN ESTIMATING PEAK DEMAND 34
Selection of Data and Time Period for Estimation *34*
"Bucketing" vs. Customer-Specific Demands *36*
A Deadband Alternative to the Use of Buckets *37*
Treatment of Customers with Uncommon Demand Patterns *38*
Developing Demands for New Customers *41*
Other Procedures for Addressing Anomalous Estimation Results *41*
RECOMMENDED APPROACH 43

4. CONCLUSIONS **44**

Rebasing and Harmonization:
General Service Rates
Phase 2

at

Enbridge Gas Inc.

by

CHRISTENSEN ASSOCIATES ENERGY CONSULTING, LLC

September 30, 2021

EXECUTIVE SUMMARY

This report presents the results of analysis conducted for Enbridge Gas Inc. by Christensen Associates Energy Consulting, whose purpose is to assist the company in revising its rate classification scheme. This scheme is part of rate harmonization efforts aimed at providing unified pricing across all three of the current rate zones. The analysis consists of two components: 1) a review of bill impacts for alternative rate classifications and rate designs; and 2) an investigation of the feasibility of using a demand metric as the basis for billing the full range of General Service customers.

The Phase 2 report is the continuation of work on rate classification issues. Phase 1 explored the availability of various types of data for use in rate classification. Candidates included billing data, customer connections data, and end-use customer-site data. While billing data are universally readily available for at least two years, connections and end-use data proved to be less than complete and of uncertain vintage.

The Phase 1 report also revealed that EGI's customers are relatively homogeneous, with load factor increasing slightly with customer consumption level. Additionally, there are very few customers outside the main homogeneous body, the leading exception being customers who do not use natural gas for space heating. These customers are generally small in size and have relatively high load factors. As a result, EGI has broad discretion in customer class segmentation and has few constraints in determining where class boundaries should lie. In managing exceptions, which are identifiable by differences in load factor from other customers, the use of a demand metric in billing would improve the match between billing and cost to serve.

Bill Impact Analysis

The Phase 1 analysis indicated that EGI can use two alternative methods of customer classification:

- By type, i.e., Residential customers and Other GS customers

- By size, i.e., by some variant of small, medium, and large customers, as measured by total consumption or by some representation of peak demand.

Given the homogeneity of customers, segmentation by size into two classes (small and large) seems feasible. Segmentation by type into two classes is equally simple, and very few customers would present classification issues or be likely to migrate over time. For segmentation by size, a boundary is necessary. Since EGI explored both demand and non-demand rates, the boundary would need to be defined in two ways.

The demand metric indicated by theory is design day demand (DDD), the level of demand for each customer likely to result on a day of the most extreme weather. While not directly observable, the DDD of each customer can be calculated from readily available billing data. Section 3 of this report discusses feasibility of using this metric. CA Energy Consulting calculated DDD for each customer in its sample for purposes of bill impact analysis.

An investigation of sample population DDD values in comparison with available customer connections data revealed that the demand boundary between rate classes ought to be 150 m^3/day. Almost all customers served by ½-inch pipe and the most commonly used meters are beneath this threshold, while higher values begin to incorporate larger and more diverse connections and metering. Further investigation of a consumption-based counterpart resulted in selection of a 15,000 m^3 annual consumption threshold as a reasonable match for the demand boundary.

These rate classifications and boundaries provided the structure for bill impact analysis under three diverse rate designs. Ontario is currently exploring greater use of fixed charges to recover distribution-related utility costs, because these costs are predominantly classified as customer- and demand-related in cost-of-service studies. This analysis investigated 1) a straight-fixed-variable (SFV) design, which charges every customer in a rate class with an identical customer charge; and 2) an SFV with demand (SFVD) design, which utilizes a customer and demand charge to recover distribution costs; and 3) a volumetric rate whose consumption price incorporates demand-related cost recovery and that attempts to mimic, on average, the charges of customers under SFVD.

The analysis computed bill indexes for 1) conversion of customers to the new rate designs; and 2) harmonization of prices across the three rate zones. The bill index analysis computed sample annual bills for all the GS customers in the sample, reporting results by size decile (groups of one-tenth of the customers, ranked by size) and for typical customers of the type used representatively in regulatory submissions. The results for these methods were similar and mutually supportive. The key results can be summarized as follows:

- Results for each rate are similar for both rate classification schemes.
- The SFV design produced a broad range of bill impacts, with small customers in a class experiencing large bill increases and large customers experiencing large bill decreases.

- The SFVD design produced very modest bill impacts in almost all cases. Any large increases arising from rate design change almost invariably resulted from customers being far from the average load factor of the class.
- The alternative volumetric design produced average bill impacts that were close to those of the SFVD design. However, because the volumetric design does not recognize demand and hence load factor, bill impacts that occurred due to recognition of load factor under SFVD were not incorporated here, thus impairing the improvement of the match between billing and cost to serve.
- Bill impacts arising from rate harmonization alone were relatively similar across deciles. Legacy Union Gas North (LUGN) bills were generally reduced; LUG South bills generally rose modestly; and Legacy Enbridge Gas (LEGD) bills either rose or fell slightly.

In summary, the bill impact analysis revealed that the SFVD design's advantages relative to SFV were confirmed: bill impacts were more moderate for SFVD, and this design reduces the need to segment into greater numbers of classes to limit the bill impacts of the SFV design. Additionally, the SFVD design proved superior in bill vs. cost accuracy when compared with the volumetric alternative, since SFVD recognizes load factor variation.

As for rate class selection, Enbridge can choose between size and type as a basis for classification. The size approach requires boundary definition, but that boundary appears readily definable based on available information.

Peak Demand Methodology

CA Energy Consulting's investigation of the use of peak demand in natural gas distribution billing revealed that the process is common only for large customers. However, one utility, Atlanta Gas Light, has been successfully billing all of its customers for over twenty years using a demand metric. Costs of support have clearly been manageable, and the reduced variability of customer bills is a valuable feature of the design.

There are a number of approaches to demand measurement. Two approaches are an analytical method using observed demand values and a statistical or regression approach. The regression method that determines design day demand provides stable demand values that change little over time and do not vary with actual weather conditions, increasing bill stability. Under this approach, DDD is the sum of two components, a base consumption component and a heating-related component that is a function of expected extreme temperature. Statistical analysis of the customer's historical data results in values for each component. A customer whose behavior is stable has stable DDD values over time.

EGI has the capability to calculate DDD values and has been doing analysis quite like this for a number of years using its Synergi Gas software. An extension of its use from forecasting to customer billing appears readily attainable. The process of exceptions management would need to be specified to ensure the completion of a well-defined protocol. Analysis of exception rates among the sample data revealed that the exception rate is likely to be low.

The review of DDD feasibility also examined a range of practical issues associated with the computation of values. One issue concerned length of available data period: the two years of immediately available data appear largely satisfactory but additional data can be used if needed.

Another field of inquiry was the use of customer "buckets", which produces an identical charge for all those in the same DDD bucket. This turns out to increase bill stability for those who tend to remain in their bucket over time, but then increases bill impacts when customers move between buckets. One practical concern is that the customer's bill is no longer directly connected to their DDD but instead to the bucket's DDD, a fact which might complicate bill confirmation by customer support staff and customers themselves.

Another alternative is the use a "deadband", under which the customer's demand charge does not change unless DDD changes by more than a given percentage. This assists in preserving bill stability over time but then increases bill impacts when a change occurs, because several years of small bill impacts can be stored up and imposed in a single larger impact.

Lastly, the investigation reviewed methods for dealing with exceptions and with new customers, proposing ways in which such customers can use proxy information from typical or similar customers.

In summary, the recommended approach is to use regression analysis that makes use of currently available customer data, supported by a defined method for handling exceptions. It would be valuable to develop a standardized method for obtaining consumption data from the billing system and return calculated DDD to that system. This appears to be an incremental change to EGI's current computational and billing capabilities.

Summary

The SFVD rate design appears to offer EGI an improvement in distribution billing by matching fixed costs with fixed charges, and by making use of a demand metric that represents customers' peak usage characteristics. A key consideration is whether this metric can be readily calculated for all customers and supported by EGI's internal capabilities, and be understood by customers. The SFVD rate design offers improved bill stability and better matching between customer bills and cost to serve.

EGI also has discretion in choosing rate class definition methods, as bill impact analyses suggest that SFVD bill impacts are modest in both cases.

Analysis of Atlanta Gas Light's use of demand, and of EGI's capabilities in calculating DDD values for all customers, indicates that an SFVD design based on DDD values for all customers is feasible.

1. INTRODUCTION

The amalgamation in 2019 of Enbridge Gas Distribution with Union Gas Limited created an opportunity to harmonize the rates and rate class definitions of the two service territories (comprising three rate zones) for the successor company Enbridge Gas Inc. (EGI). Each rate zone currently has its own customer classes and rates, and classes are defined in different ways: one by customer type and the two others by customer consumption level. Amalgamation presents an opportunity to review the existing rate class definitions and rate designs and develop a single set of class definitions and rate designs for the future. EGI engaged Christensen Associates Energy Consulting (CA Energy Consulting) to support the company's review of its rate class and rate design alternatives for General Service (GS) customers that might advance the cause of harmonization.

The first phase of that review involved identifying the data that might be available to serve as an objective basis for customer classification and then analyzing the data to explore how best to classify the customers of a combined single rate zone. That investigation revealed broad homogeneity of customers across the three rate zones (Legacy Enbridge Gas Distribution (LEGD) and Legacy Union Gas (LUG) North and South. Customers, regardless of annual consumption volumes, had similar seasonality patterns, arising from the almost universal use of natural gas for space heating. As well, average load factors were quite similar, increasing slightly with customer size. The leading exception to this pattern was the small set of customers who do not use natural gas for space heating. These customers were markedly less seasonal in their consumption than most customers, smaller in total consumption, and had higher load factors, as might be expected.

The investigation of data availability revealed that while billing data are readily available for all customers for recent history (two years or more) other data on customer connections equipment and customer end uses are not always available and tend to be of uncertain vintage. As a result, it appeared that EGI would need to rely on billing data only for customer classification purposes.

The Phase 1 analysis also concluded that EGI has broad discretion in rate class determination due to the absence of clustering of customers on the basis of size, seasonality, or load factor. As well, homogeneity of customer characteristics suggested that EGI can group customers in a relatively small number of classes. From EGI's perspective, broader class definitions simplify rate design and reduce issues of rate class appropriateness and consequent "rate hopping" by customers in search of a minimum bill. Counterbalancing this advantage is the increased diversity of customers as rate classes expand, with a resulting reduction in the match between a customer's bills and their cost to serve.

A corollary to the above conclusion regarding rate class diversity was the observation that the introduction of demand charges would further reduce the need for rate class segmentation by capturing demand-related cost to serve in a demand charge rather than in a volumetric charge proxy. This would obviate the need for, or reduce the value of, class segmentation, including

segmentation to recognize the small number of non-standard customers, such as those not using natural gas for space heating.

This second report (Phase 2) is an extension of previous analysis on the subject of rate harmonization. The new analysis reviews the bill impact implications of various rate class and rate design alternatives that appear best suited to the achievement of rate class harmonization. Understanding bill impacts offers the ability to select from an informed perspective the type of rate structure to utilize and, by implication, the degree of need for rate class segmentation. As well, knowledge of bill impacts, which can often simply reflect the impact of the removal or reduction of existing within-class cross subsidy, can assist EGI to plan a rate phase-in strategy to reduce the adjustment cost for customers that may arise from rate class harmonization.

The bill impact analysis involves two steps: 1) retention of current rate zones and classes and introduction of the new rates; and 2) harmonization of rates across rate zones. This allows the reviewer to distinguish the two components of the full impact.

Additionally, the report presents the results of an investigation of the feasibility of calculating design day demand (DDD) for each customer as the basis for billing via a demand charge. Peak demand, although currently not in use in billing GS customers at EGI, offers an advantage of increasing accuracy in matching bills to cost to serve but bears the disadvantages of additional administrative cost and possibly increased bill complexity. We explore these issues below, in an effort to provide EGI with sufficient information to determine whether such a metering and billing strategy would be cost effective.

In brief, this report reviews bill impact implications that may influence the company's decisions regarding customer class redefinition and rate harmonization and then presents an investigation of the prospects for the use of demand charges. A final section summarizes our findings.

2. GS CLASS SEGMENTATION AND RATE DESIGN ALTERNATIVES

Overview of Alternatives

The Phase 1 Report[1] reviewed issues of data availability and rate design, and recommended that EGI explore two methods of customer classification. The alternative methods of customer classification can be described as:

- By type, i.e., Residential customers and Other GS customers
- By size, i.e., by some variant of small, medium, and large customers, as measured by total consumption or by some representation of peak demand.

The relative homogeneity of the GS customers may suggest rate class simplicity but outcomes for customers under new designs are dependent on the rates under which they take service.

[1] *Rebasing and Harmonization: General Service Rates at Enbridge Gas Inc.*, CA Energy Consulting, June 16, 2021.

EGI needed to test a range of rate designs both to help select rate classes and to evaluate rate design alternatives as vehicles to enable rate harmonization. Three rate designs provide a broad range of outcomes to facilitate review:

- Straight Fixed Variable (SFV)
- Straight Fixed Variable with Demand (SFVD)
- A traditional volumetric design that attempts to approximate an SFVD design.

The SFV design calculates a customer charge per month that collects all distribution-related costs of EGI, eliminating the traditional volumetric charge. The justification for this approach is that distribution costs are almost entirely fixed, and a fixed charge applied equally to all customers would be fair and efficient. The customer's volumetric bill would then reflect the volumetric charges of the commodity only. The virtue of the rate is its simplicity. A challenge of the rate design is the need to segment the customer class by size into relatively homogeneous subclasses meant to reflect each subclass's cost to serve.

The SFVD design relies on a calculated peak demand for each customer and recovers distribution-related costs via a customer and demand charge, with the costs reflecting the customer-related and demand-related cost to serve of the customer class. One strength of the rate is its accuracy of matching revenue with cost to serve, both between classes and among customers within each class, regardless of variation in load factor or seasonality of consumption pattern. Another virtue, shared with the SFV design, is bill stability for customers and revenue stability for the utility. The challenge associated with the design is related to the ability to calculate a design day demand (DDD) (or other demand) for each customer and to achieve acceptance for this method among customers, intervenors, and regulators, and to acquire the capability to reliably compute bills and support customer inquiry. The potential viability of this design is discussed later in this report.

A volumetric alternative (similar to the current design) provides a useful comparison with respect to the impacts of the innovative SFV and SFVD designs. This design's strength is its familiarity to all parties and feasibility of computation. Its weaknesses are the poor correspondence between fixed costs and variable revenues across customers, and the relative variability in customer bills and company revenues imposed by the vagaries of weather when compared with the SFV and SFVD designs.

Bill Impact Analysis Approach

While Phase 1 set out these design alternatives and reviewed their characteristics, there was no opportunity initially to explore the possible bill impacts of the alternative designs to confirm or refute that the claimed theoretical impacts were actually realized. This phase of the analysis undertook such an analysis for the candidate rate alternatives and classifications.

The analysis required decisions about rate class designations, rate designs, and the basis for pricing. While class boundaries defined by customer type (such as Residential and Other GS) may be clear, boundaries defined by customer size offer numerous alternatives including the

choice of size measure and size thresholds for classes.[2] The analysis, based on usage patterns and information about customer connections, resulted in selection of a two-class structure: "Small Demand"/"Small Volume" and "General Demand." (The "Small Volume" designation is used in rate classifications for which a demand value is not available, i.e., the classifications that match an SFV or volumetric design.) While a larger number of classes might have been defined, the examination of load patterns and load factors provided no obvious alternative boundaries, and the relative homogeneity of Small Demand/Small Volume customers suggested no need for further segmentation. Furthermore, in contrast to the small customer groups, larger customers have a variety of connection sizes that provide no obvious consumption or demand boundaries comparable to that between the Small Demand/Small Volume customers and the rest.

The DDD boundary for the Small Demand class, for use with the SFVD rate design, was chosen to be 150 m^3/day. This boundary reflects the fact that small residential and commercial customers are almost exclusively served through ½-inch pipe connections. For that size pipe, the most commonly used meters—in the 200 actual cubic feet per hour (acfh) class—have theoretical capacities under 200 m^3/day. Our analysis of demands for LEGD customers found that the overwhelming majority of customers with meters in the 200 acfh class had estimated DDD under 150 m^3/day.[3] As a result, the selection of 150 m^3/day boundary is likely to include a very high proportion of customers served by ½-inch pipe connections and matching meters. While data on the types of connections for customers are not universally available, there is sufficient information to support a rate class boundary decision based on the information from the large quantity of customer consumption data. In brief, the boundary is not determined by connection information, but is chosen such that customers with common connection types—1/2-inch pipe and 200 or 400 acfh-class meters—generally will be in the Small Demand/Small Volume class using the DDD metric.

There remained the task of designating a volumetric boundary for rate designs that do not make use of DDD information (SFV and the alternative volumetric design). Based on analysis of consumption data, we recommended that EGI select a volumetric counterpart of 15,000 annual m^3 to the 150 m^3/day DDD boundary. The volume boundary results in a somewhat larger share of customers being included in the Small Volume group than in the Small Demand group, but the correspondence is reasonable.

With regard to rate structure and pricing decisions, it appeared that simplicity in design offered the best chance for calculating comprehensible bill impacts. We developed fixed, non-seasonal pricing of customer charges for all design alternatives and a similar demand charge for the SFVD design. In all cases, the price reflected the unit cost and revenue requirements found in the

[2] While most customers can readily be classified as residential or other, there may be some few customers for whom the definition is ambiguous. These customers might be placed in different rates depending on their bill level, creating a "boundary" issue. In fairness, though, the small/large customer approach also produces boundary issues due to change in customer consumption/demand levels over time.

[3] For example, we found that 99.99 percent of LEGD residential customers with 200 acfh class meters had estimated DDD under 154 m^3/day, and 99 percent of commercial customers with 200 acfh class meters had estimated DDD under 159 m^3/day.

cost-of-service studies of the utility for the period 2019-20.[4] These unit costs were calculated based on existing rate designs and then associated with each specific customer in the sample developed in Phase 1.

For the volumetric alternative rate, it was necessary to create declining block volumetric pricing for the GS customers in the analysis by type of customer, and for General Demand customers in the analysis by customer size to constrain the range of bill impacts. In the case of the GS class design, we selected block boundaries of 15,000 and 50,000 m^3. In the analysis of rate class by size, we used the 15,000 m^3 boundary to delimit the Small Volumetric class and retained a block structure for the General Demand group at 50,000 m^3. This complication helped to keep revenues close to cost to serve across the customer sizes and to obtain a better fit with SFVD bill impacts.

It should be noted that the analysis simplified billing by excluding common volumetric items such as riders and the federal carbon charge, and by replicating for the current bill structure items absorbed into the new bill structure. Table 1 summarizes the rate design alternatives.

Table 1. Class and Rate Scenarios for Bill Impact Analysis

Rate Classes	No.	SFV	SFVD	No.	Traditional Volumetric
Residential	1	customer	customer, demand (single price)	3	customer, 1 vol. price
GS					customer, 3 decl. blk. Delivery; boundaries 15, 50k m^3
Small Demand/Vol	2	customer	customer, demand (single price); dem. boundary 150 m^3	4	customer, 1 vol. price; <15k m^3
General Demand					customer, 2 decl. blk. Delivery; boundary 50k m^3
Other Charges		supply transportation load balancing storage		**Excluded Charges**	federal carbon riders, adjustments

For ease of review of results, we number the scenarios 1 to 4. Scenarios 1 and 3 provide analysis of the segmentation by customer type, while Scenarios 2 and 4 provide the analysis of the segmentation by customer size.

The analysis produced two types of bill impacts. One of these is based on the large sample of GS customer data provided by EGI. The sample ordered by size from small to large and is segmented by decile (equal groups, each containing one-tenth of the customers) for each rate class. A second analysis provides results for representative customers regularly found in EGI's rate applications. These latter results provide class averages that supplement the range of bill impacts revealed by the decile analysis.

[4] The costs, rate designs and customer data were thus all for approximately the same time period.

The process of rate harmonization can be conceived of involving two steps: 1) conversion to the illustrative new rates and rate classes but retaining the current rate zones; and 2) the harmonization of rate zones. The first step retains the cost to serve each customer with their current rate zone and does not involve changes in revenue recovery across zones. The second step completes the process of harmonization by sharing costs equally across zones. The analysis accomplishes this by aggregating cost to serve across the customers within each rate class of each scenario and developing shared (harmonized) pricing for all customers in the class.

Analysis Results

SFV vs. SFVD

The simplest possible rate design is SFV, and its design appears to compare favorably with the design of SFVD, which as a customer and a demand charge. The latter charge is a novel approach to collecting revenue from customers other than the largest. We prepared initial bill indexes to compare these designs under the first step only, i.e., conversion to new rates without introducing rate harmonization.

Table 2 depicts bill impacts for a typical LEGD Rate 1 customer under these two alternative designs. The types of charges appear in the rows and the different bills appear in panels: the current rate on the left, the SFV rate in the center and the SFVD rate on the right. For this customer, as might be expected, neither rate produces a significant bill impact. (The bill index in both cases is virtually 1.000.) Under the SFV rate, the customer pays a monthly customer charge of $34.34 for an annual total of $412.05. Adding other charges, including the commodity charge, yields an annual total bill of $795.33, virtually unchanged from the current bill of $794.54.

Under SFVD, the customer pays a customer charge of just $21.31, $258.12 per year, but then also pays a demand charge on design day demand that add $152.23 per year. The total bill, $794.63, is virtually identical to the original and the SFV bills.

Table 2. SFV and SFVD Bill Impacts, LEGD R1 Typical Customer

		Current Rate				SFV Rate				SFVD Rate			
Average Customer		Rate	Distribution Only	Commodity Charge	Total Bill	Rate	Distribution Only	Commodity Charge	Total Bill	Rate	Distribution Only	Commodity Charge	Total Bill
Volume	m^3				2,400								
Daily Demand					24.36								
Customer	$	20.21	242.57	0.00	242.57	34.34	412.05	0.00	412.05	21.51	258.12	0.00	258.12
Distribution	$	0.0669	160.47	44.49	204.95			44.49	44.49	0.52	153.23	44.49	197.71
Load Balancing	$	0.0032	7.65	21.80	29.44			21.80	21.80			21.80	21.80
Transportation	$	0.0002	0.57	101.64	102.21			101.64	101.64			101.64	101.64
Sales - Commodity	$	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36
Total	$		**413.15**	**381.39**	**794.54**		**413.94**	**381.39**	**795.33**		**413.24**	**381.39**	**794.63**
Bill Index vs. Current									**1.001**				**1.000**

As might be expected, the difference between the rate design shows up when customer size is allowed to vary. Table 3 reflects this development. Now the SFV bill impacts for small and large customers (in the middle and bottom panels, respectively) are large: the bill indexes are 1.177

and 0.875 (a bill increase of 17.7% and a decrease of 12.5%). In contrast, the SFVD bill indexes are 1.006 and 0.996 (bill impacts of less than 1%).

(Please see next page.)

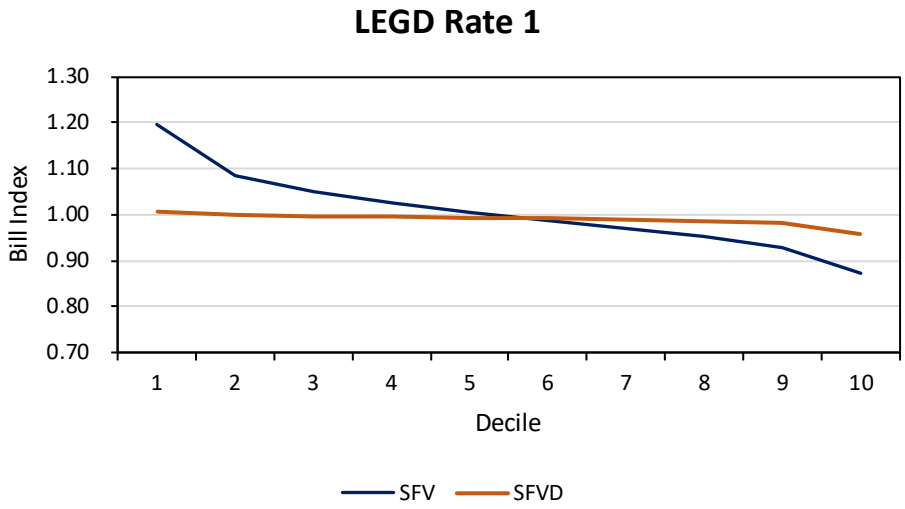
Table 3. SFV and SFVD Bill Impacts, LEGD R1, by Size of Customer

		Current Rate				SFV Rate				SFVD Rate			
Average Customer		Rate	Distribution Only	Commodity Charge	Total Bill	Rate	Distribution Only	Commodity Charge	Total Bill	Rate	Distribution Only	Commodity Charge	Total Bill
Volume	m^3				2,400								
Daily Demand					24.36								
Customer	$	20.21	242.57	0.00	242.57	34.34	412.05	0.00	412.05	21.51	258.12	0.00	258.12
Distribution	$	0.0669	160.47	44.49	204.95			44.49	44.49	0.52	153.23	44.49	197.71
Load Balancing	$	0.0032	7.65	21.80	29.44			21.80	21.80			21.80	21.80
Transportation	$	0.0002	0.57	101.64	102.21			101.64	101.64			101.64	101.64
Sales - Commodity	$	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36
Total	$		**413.15**	**381.39**	**794.54**		**413.94**	**381.39**	**795.33**		**413.24**	**381.39**	**794.63**
Bill Index vs. Current									**1.001**				**1.000**
Small Customer													
Volume	m^3				1,081								
Daily Demand					10.97								
Customer	$	20.21	242.57	0.00	242.57	34.34	412.05	0.00	412.05	21.51	258.12	0.00	258.12
Distribution	$	0.0719	77.68	19.94	97.62			19.94	19.94	0.52	69.02	19.94	88.95
Load Balancing	$	0.0032	3.44	9.82	13.26			9.82	9.82			9.82	9.82
Transportation	$	0.0002	0.26	45.78	46.04			45.78	45.78			45.78	45.78
Sales - Commodity	$	0.0008	0.85	96.15	97.00	0.0008	0.85	96.15	97.00	0.0008	0.85	96.15	97.00
Total	$		**324.80**	**171.68**	**496.49**		**412.90**	**171.68**	**584.58**		**327.99**	**171.68**	**499.67**
Bill Index vs. Current									**1.177**				**1.006**
Large Customer													
Volume	m^3				5,048								
Daily Demand					51.24								
Customer	$	20.21	242.57	0.00	242.57	34.34	412.05	0.00	412.05	21.51	258.12	0.00	258.12
Distribution	$	0.0647	326.82	93.77	420.58			93.77	93.77	0.52	322.28	93.77	416.05
Load Balancing	$	0.0032	16.08	45.84	61.93			45.84	45.84			45.84	45.84
Transportation	$	0.0002	1.20	213.79	214.99			213.79	213.79			213.79	213.79
Sales - Commodity	$	0.0008	3.98	449.00	452.98	0.0008	3.98	449.00	452.98	0.0008	3.98	449.00	452.98
Total	$		**590.65**	**802.40**	**1,393.05**		**416.03**	**802.40**	**1,218.43**		**584.39**	**802.40**	**1,386.79**
Bill Index vs. Current									**0.875**				**0.996**

These results are general. Figure 1 depicts the pattern of bill indexes by customer decile, from the smallest (Decile 1) to the largest (Decile 10) in the case of LEGD R1. While bill indexes for SFVD are uniformly modest, those for SFV are large (20%) for the smallest customers and decline sharply as size increases, to a bill reduction of about 12% for Decile 10. The result suggests the need for segmentation of the class, or graduated customer charges to implement SFV.

(Please see next page.)

Figure 1. SFV vs. SFVD, LEGD R1, Bill Impacts by Decile



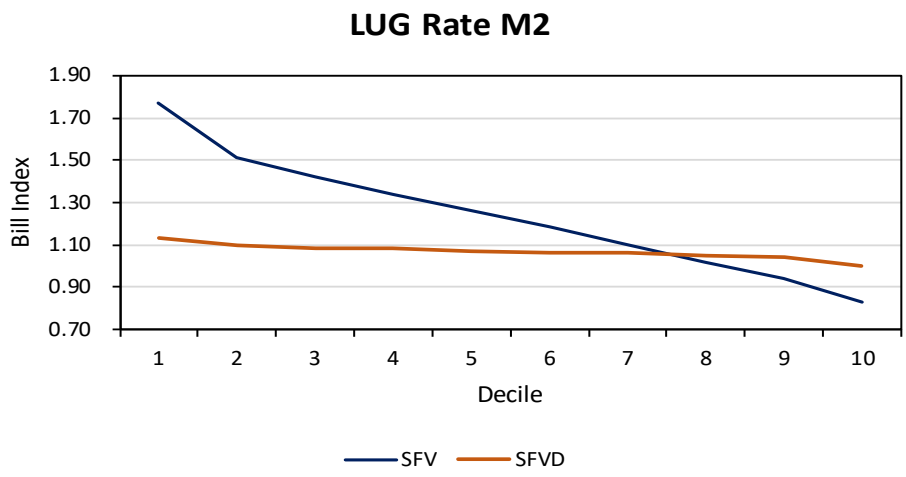
The same type of outcome appears for large customers, illustrated below with LUG M2 customers in Table 4. Here, the SFVD bill impacts display more variation than is the case for LEGD R1, as seen in the rightmost panel. However, the bill impacts are again much larger for SFV in the middle panel, with bill increases of 47.5%, 34.3% and a decrease of 3.1% for the small, medium, and large customers respectively (in the middle, top, and bottom panels).

Table 4. SFVD and SFV Bill Impacts, LUG M2, by Size of Customer

		Current Rate				SFV Rate				SFVD Rate			
Average Customer		Rate	Distribution Only	Commodity Charge	Total Bill	Rate	Distribution Only	Commodity Charge	Total Bill	Rate	Distribution Only	Commodity Charge	Total Bill
VOLUME	m^3				73,000								
DAILY DEMAND					746								
Monthly Charge	$	71.75	861.00	0.00	861.00	780.54	9,366.45	-	9,366.45	131.65	1,579.85	-	1,579.85
Delivery	$	0.0481	3,514.61	0.00	3,514.61			-	-	0.47	4,189.27	-	4,189.27
Storage	$	0.0067	491.29	0.00	491.29			-	-			-	-
Commodity	$	(0.0009)	(65.77)	8,314.70	8,248.93	(0.0009)	(65.77)	8,314.70	8,248.93	(0.0009)	(65.77)	8,314.70	8,248.93
Total	**$**		**4,801.13**	**8,314.70**	**13,115.83**		**9,300.68**	**8,314.70**	**17,615.38**		**5,703.34**	**8,314.70**	**14,018.04**
									1.343				**1.069**
Small Customer													
VOLUME	m^3				60,000								
DAILY DEMAND					613								
Monthly Charge	$	71.75	861.00	-	861.00	780.54	9,366.45	-	9,366.45	131.65	1,579.85	-	1,579.85
Delivery	$	0.0484	2,902.64	-	2,902.64			-	-	0.47	3,443.23	-	3,443.23
Storage	$	0.0067	403.80	-	403.80			-	-			-	-
Commodity	$	(0.0009)	(54.06)	6,834.00	6,779.94	(0.0009)	(54.06)	6,834.00	6,779.94	(0.0009)	(54.06)	6,834.00	6,779.94
Total	**$**		**4,113.38**	**6,834.00**	**10,947.38**		**9,312.39**	**6,834.00**	**16,146.39**		**4,969.02**	**6,834.00**	**11,803.02**
									1.475				**1.078**
Large Customer													
VOLUME	m^3				250,000								
DAILY DEMAND					2,556								
Monthly Charge	$	71.75	861.00	-	861.00	780.54	9,366.45	-	9,366.45	131.65	1,579.85	-	1,579.85
Delivery	$	0.0459	11,475.07	-	8,026.45			-	-	0.47	14,346.80	-	14,346.80
Storage	$	0.0067	1,682.50	-	1,682.50			-	-			-	-
Commodity	$	(0.0009)	(225.25)	28,475.00	28,249.75	(0.0009)	(225.25)	28,475.00	28,249.75	(0.0009)	(225.25)	28,475.00	28,249.75
Total	**$**		**13,793.32**	**28,475.00**	**38,819.70**		**9,141.20**	**28,475.00**	**37,616.20**		**15,701.40**	**28,475.00**	**44,176.40**
									0.969				**1.138**

A general result, similar to that of LEGD R1, can be seen for the larger customers in LUG on Rate M2. Figure 2 indicates that small customers experience bill increases of up to 70% while Decile 10 customers appear to experience bill reductions of 20%. The greater size diversity of large customers explains this result.

Figure 2. SFV vs. SFVD, LUG M2, Bill Impacts by Decile



SFVD Results

Consider now the bill impacts associated with LEGD Rate 1 customers under Scenario 1, where Residential customers are retained as a class. The typical customer, with consumption of 2,400 m^3, experiences virtually no bill impact as a result of conversion to SFVD service as long as their rate zone remains separate from the others. (The bill index is 1.000 since the bill goes up from $794.54 in the leftmost panel to $794.63 in the center panel.) When harmonization occurs across rate zones, the bill increases very slightly to $801.55 (resulting in a bill index of 1.009, i.e., a bill increase of 0.9%, as seen in the rightmost panel).

Table 5. Scenario 1, LEGD R1 SFVD Bill Impacts, Typical Customer

		Current Rate				SFVD Rate							
			Current Rate Zone				Current Rate Zone				Harmonized Rate Zone		
Average Customer		Rate	Distribution Only	Commodity Charge	Total Bill	Rate	Distribution Only	Commodity Charge	Total Bill	Rate	Distribution Only	Commodity Charge	Total Bill
Volume	m^3				2,400								
Daily Demand					24.36								
Customer	$	20.21	242.57	0.00	242.57	21.51	258.12	0.00	258.12	22.24	266.91	0.00	266.91
Distribution	$	0.0669	160.47	44.49	204.95	0.52	153.23	44.49	197.71	0.52	151.35	44.49	195.83
Load Balancing	$	0.0032	7.65	21.80	29.44			21.80	21.80			21.80	21.80
Transportation	$	0.0002	0.57	101.64	102.21			101.64	101.64			101.64	101.64
Sales - Commodity	$	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36
Total	$		**413.15**	**381.39**	**794.54**		**413.24**	**381.39**	**794.63**		**420.15**	**381.39**	**801.55**
Bill Index vs. Current									**1.000**				**1.009**

This mild bill impact from SFVD rate design applies to other customers as well, as Table 6 shows. The top panel replicates Table 5, while the middle and lower panels present results for a small and large representative customer, respectively. In each case, the bill impacts, both while retaining the current rate zones and after rate harmonization, are small. The small customer's

bill indexes are 1.006 and 1.022 and the large customer's are 0.996 and 0.999. The first impression, then, of SFVD bill impacts, at least for Residential LEGD customers, is that they are negligible.

Table 6. Scenario 1, LEGD R1 SFVD Bill Impacts, Varying Customer Size

		Current Rate				SFVD Rate							
			Current Rate Zone				Current Rate Zone				Harmonized Rate Zone		
Average Customer		Rate	Distribution Only	Commodity Charge	Total Bill	Rate	Distribution Only	Commodity Charge	Total Bill	Rate	Distribution Only	Commodity Charge	Total Bill
Volume	m^3				2,400								
Daily Demand					24.36								
Customer	$	20.21	242.57	0.00	242.57	21.51	258.12	0.00	258.12	22.24	266.91	0.00	266.91
Distribution	$	0.0669	160.47	44.49	204.95	0.52	153.23	44.49	197.71	0.52	151.35	44.49	195.83
Load Balancing	$	0.0032	7.65	21.80	29.44			21.80	21.80			21.80	21.80
Transportation	$	0.0002	0.57	101.64	102.21			101.64	101.64			101.64	101.64
Sales - Commodity	$	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36
Total	$		**413.15**	**381.39**	**794.54**		**413.24**	**381.39**	**794.63**		**420.15**	**381.39**	**801.55**
Bill Index vs. Current									**1.000**				**1.009**
Small Customer													
Volume	m^3				1,081								
Daily Demand					10.97								
Customer	$	20.21	242.57	0.00	242.57	21.51	258.12	0.00	258.12	22.24	266.91	0.00	266.91
Distribution	$	0.0719	77.68	19.94	97.62	0.52	69.02	19.94	88.95	0.52	68.17	19.94	88.11
Load Balancing	$	0.0032	3.44	9.82	13.26			9.82	9.82			9.82	9.82
Transportation	$	0.0002	0.26	45.78	46.04			45.78	45.78			45.78	45.78
Sales - Commodity	$	0.0008	0.85	96.15	97.00	0.0008	0.85	96.15	97.00	0.0008	0.85	96.15	97.00
Total	$		**324.80**	**171.68**	**496.49**		**327.99**	**171.68**	**499.67**		**335.93**	**171.68**	**507.62**
Bill Index vs. Current									**1.006**				**1.022**
Large Customer													
Volume	m^3				5,048								
Daily Demand					51.24								
Customer	$	20.21	242.57	0.00	242.57	21.51	258.12	0.00	258.12	22.24	266.91	0.00	266.91
Distribution	$	0.0647	326.82	93.77	420.58	0.52	322.28	93.77	416.05	0.52	318.34	93.77	412.11
Load Balancing	$	0.0032	16.08	45.84	61.93			45.84	45.84			45.84	45.84
Transportation	$	0.0002	1.20	213.79	214.99			213.79	213.79			213.79	213.79
Sales - Commodity	$	0.0008	3.98	449.00	452.98	0.0008	3.98	449.00	452.98	0.0008	3.98	449.00	452.98
Total	$		**590.65**	**802.40**	**1,393.05**		**584.39**	**802.40**	**1,386.79**		**589.23**	**802.40**	**1,391.63**
Bill Index vs. Current									**0.996**				**0.999**

The decile analysis provides a more comprehensive picture of bill impacts across the customer population. Figure 1 reveals that bill impacts from harmonization vary systematically across rate zone but relatively little by size of Residential customer. Decile 1 depicts the smallest customers while Decile 10 provides results for the largest within the class. Regardless of decile, bill impacts are modest, except that customers in LUG North enjoy a bill reduction from rate harmonization while others incur small bill increases or reductions, with a slight trend toward bill reductions as size increases.

This outcome appears sensible, as load factor rises slightly with customer size, implying that peak demand does not rise as rapidly as consumption, which is the basis for billing under current volumetric rates.

These patterns are replicated, except with greater bill impact variation, among larger customers. Table 7 presents results for representative LUG M2 customers who convert to SFVD. Again, bill impacts are modest, both within the current rate zone (middle panel) and as a result of rate harmonization (right panel).

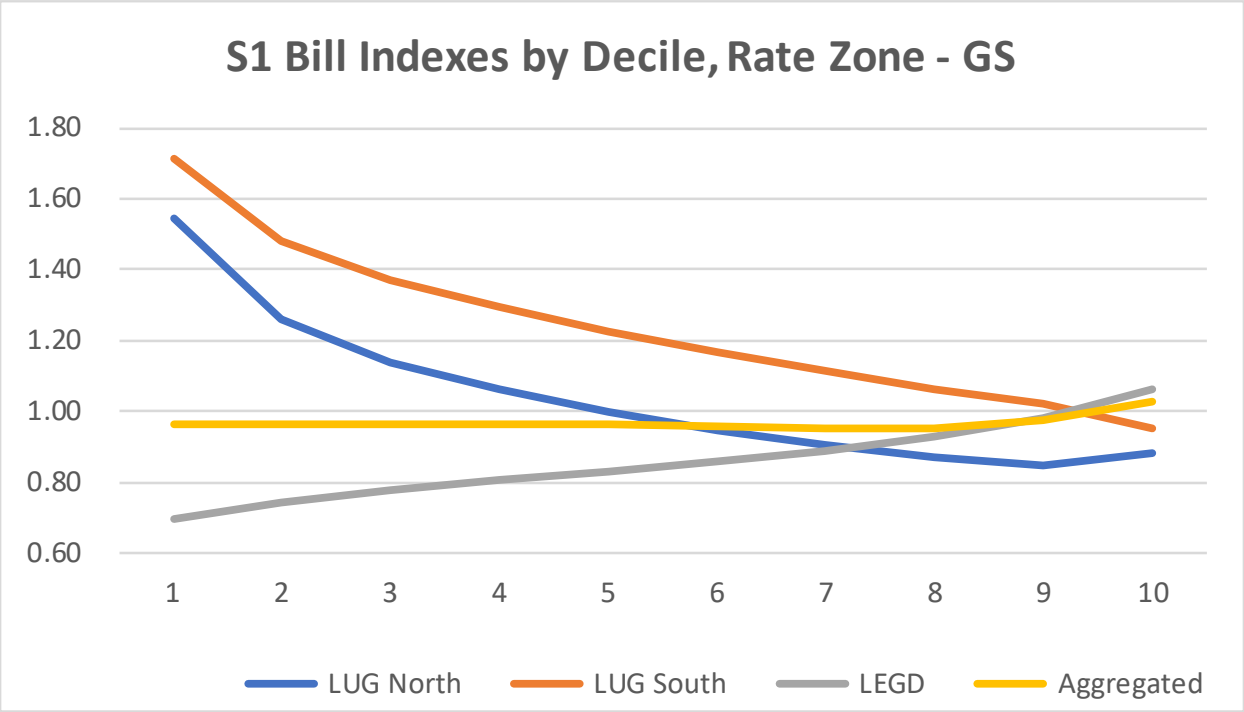
Table 7. Scenario 1, LUG M2 Customers, SFVD Bill Impacts

		Current Rate				SFVD Rate							
			Current Rate Zone				Current Rate Zone				Harmonized Rate Zone		
Average Customer		Rate	Distribution Only	Commodity Charge	Total Bill	Rate	Distribution Only	Commodity Charge	Total Bill	Rate	Distribution Only	Commodity Charge	Total Bill
VOLUME	m³				73,000								
DAILY DEMAND					746								
Monthly Charge	$	71.75	861.00	0.00	861.00	131.65	1,579.85	0.00	1,579.85	45.78	549.33	0.00	549.33
Delivery	$	0.0481	3,514.61	0.00	3,514.61	0.47	4,189.27	0.00	4,189.27	0.43	3,874.02	0.00	3,874.02
Storage	$	0.0067	491.29	0.00	491.29			0.00	0.00		0.00	0.00	0.00
Commodity	$	(0.0009)	(65.77)	8,314.70	8,248.93	(0.0009)	(65.77)	8,314.70	8,248.93	(0.0009)	(65.77)	8,314.70	8,248.93
Total	**$**		**4,801.13**	**8,314.70**	**13,115.83**		**5,703.34**	**8,314.70**	**14,018.04**		**4,357.58**	**8,314.70**	**12,672.28**
Bill Index vs. Current									**1.069**				**0.966**
Small Customer													
VOLUME	m³				60,000								
DAILY DEMAND					613								
Monthly Charge	$	71.75	861.00	0.00	861.00	131.65	1,579.85	0.00	1,579.85	45.78	549.33	0.00	549.33
Delivery	$	0.0484	2,902.64	0.00	2,902.64	0.47	3,443.23	0.00	3,443.23	0.43	3,184.13	0.00	3,184.13
Storage	$	0.0067	403.80	0.00	403.80			0.00	0.00			0.00	0.00
Commodity	$	(0.0009)	(54.06)	6,834.00	6,779.94	(0.0009)	(54.06)	6,834.00	6,779.94	(0.0009)	(54.06)	6,834.00	6,779.94
Total	**$**		**4,113.38**	**6,834.00**	**10,947.38**		**4,969.02**	**6,834.00**	**11,803.02**		**3,679.40**	**6,834.00**	**10,513.40**
Bill Index vs. Current									**1.078**				**0.960**
Large Customer													
VOLUME	m³				250,000								
DAILY DEMAND					2,556								
Monthly Charge	$	71.75	861.00	0.00	861.00	131.65	1,579.85	0.00	1,579.85	45.78	549.33	0.00	549.33
Delivery	$	0.0459	11,475.07	0.00	8,026.45	0.47	14,346.80	0.00	14,346.80	0.43	13,267.20	0.00	13,267.20
Storage	$	0.0067	1,682.50	0.00	1,682.50			0.00	0.00			0.00	0.00
Commodity	$	(0.0009)	(225.25)	28,475.00	28,249.75	(0.0009)	(225.25)	28,475.00	28,249.75	(0.0009)	(225.25)	28,475.00	28,249.75
Total	**$**		**13,793.32**	**28,475.00**	**38,819.70**		**15,701.40**	**28,475.00**	**44,176.40**		**13,591.29**	**28,475.00**	**42,066.29**
Bill Index vs. Current									**1.138**				**1.084**

Again, the more comprehensive impression can be gained from the decile analysis, as shown in Figure 3. The picture is more complicated than that of the Residential customers. It turns out that the typical customers of the previous table are all drawn from the higher deciles on the right of the figure. For the smallest customers, the bill impacts for the LUG customers involve large increases of more than 50% (a bill index of 1.5). In contrast, small LEGD customers experience large bill decreases. Differences in current rates explain these small-customer impacts. Note that the aggregated bill impact shows modest bill impacts for all deciles.

(Please see next page.)

Figure 3. Scenario 1, GS Demand Customers, SFVD Bill Impacts



The picture with respect to SFVD bill impacts in Scenario 2 is quite similar to that of Scenario 1: bill impacts are limited. Table 8 provides parallel LEGD R1 results for the same customer sizes as in Scenario 1, and the bill indexes are similarly close to 1.000.

(Please see next page.)

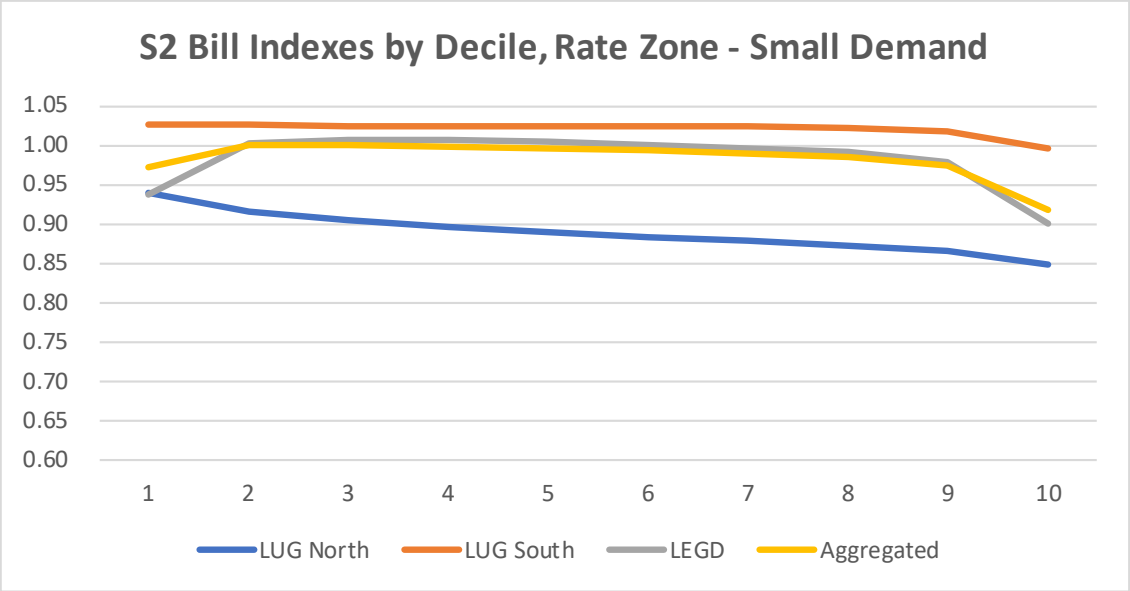
Table 8. Scenario 2, LEGD R1 Typical Customer Bill Impacts

		Current Rate				SFVD Rate							
			Current Rate Zone				Current Rate Zone				Harmonized Rate Zone		
Average Customer		Rate	Distribution Only	Commodity Charge	Total Bill	Rate	Distribution Only	Commodity Charge	Total Bill	Rate	Distribution Only	Commodity Charge	Total Bill
Volume	m³				2,400								
Daily Demand					24.36								
Customer	$	20.21	242.57	0.00	242.57	21.51	258.12	0.00	258.12	23.26	279.08	0.00	279.08
Distribution	$	0.0669	160.47	44.49	204.95	0.52	153.23	44.49	197.71	0.51	148.54	44.49	193.02
Load Balancing	$	0.0032	7.65	21.80	29.44			21.80	21.80			21.80	21.80
Transportation	$	0.0002	0.57	101.64	102.21			101.64	101.64			101.64	101.64
Sales - Commodity	$	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36
Total	$		**413.15**	**381.39**	**794.54**		**413.24**	**381.39**	**794.63**		**429.52**	**381.39**	**810.91**
Bill Index vs. Current									**1.000**				**1.021**
Small Customer													
Volume	m³				1,081								
Daily Demand					10.97								
Customer	$	20.21	242.57	0.00	242.57	21.51	258.12	0.00	258.12	23.26	279.08	0.00	279.08
Distribution	$	0.0719	77.68	19.94	97.62	0.52	69.02	19.94	88.95	0.51	66.90	19.94	86.84
Load Balancing	$	0.0032	3.44	9.82	13.26			9.82	9.82			9.82	9.82
Transportation	$	0.0002	0.26	45.78	46.04			45.78	45.78			45.78	45.78
Sales - Commodity	$	0.0008	0.85	96.15	97.00	0.0008	0.85	96.15	97.00	0.0008	0.85	96.15	97.00
Total	$		**324.80**	**171.68**	**496.49**		**327.99**	**171.68**	**499.67**		**346.84**	**171.68**	**518.53**
Bill Index vs. Current									**1.006**				**1.044**
Large Customer													
Volume	m³				5,048								
Daily Demand					51.24								
Customer	$	20.21	242.57	0.00	242.57	21.51	258.12	0.00	258.12	23.26	279.08	0.00	279.08
Distribution	$	0.0647	326.82	93.77	420.58	0.52	322.28	93.77	416.05	0.51	312.43	93.77	406.20
Load Balancing	$	0.0032	16.08	45.84	61.93			45.84	45.84			45.84	45.84
Transportation	$	0.0002	1.20	213.79	214.99			213.79	213.79			213.79	213.79
Sales - Commodity	$	0.0008	3.98	449.00	452.98	0.0008	3.98	449.00	452.98	0.0008	3.98	449.00	452.98
Total	$		**590.65**	**802.40**	**1,393.05**		**584.39**	**802.40**	**1,386.79**		**595.50**	**802.40**	**1,397.89**
Bill Index vs. Current									**0.996**				**1.003**

A glance at the decile analysis in Figure 4 for Small Demand customers (which includes Residential customers) produces a similar result: bill impacts are modest for all customer deciles from smallest to largest. Again, customers in LUG North enjoy a bill reduction (in this case of between 5 and 15%) while all other customers in the new class experience modest bill impacts as a result of rate harmonization.

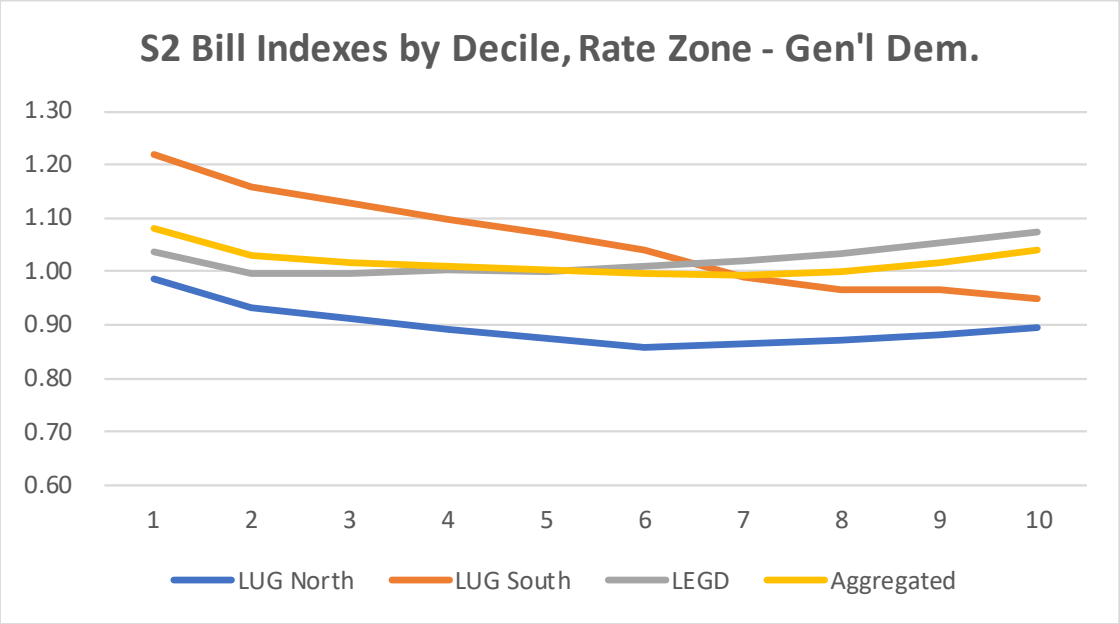
(Please see next page.)

Figure 4. Scenario 2, Small Demand Bill Impacts



The pattern for GS Demand customers under Scenario 2 also is similar to that of Scenario 1, but the bill impacts are more muted. Figure 5 indicates that the smallest decile customers experience bill increases of between 5 and 25%, with the exception of LUG North, where small bill reductions occur. The aggregate outcome does not vary much with size, peaking at less than a 10% increase for the smallest decile.

Figure 5. Scenario 2, GS Demand Bill Impacts



SFVD vs. a Volumetric Alternative

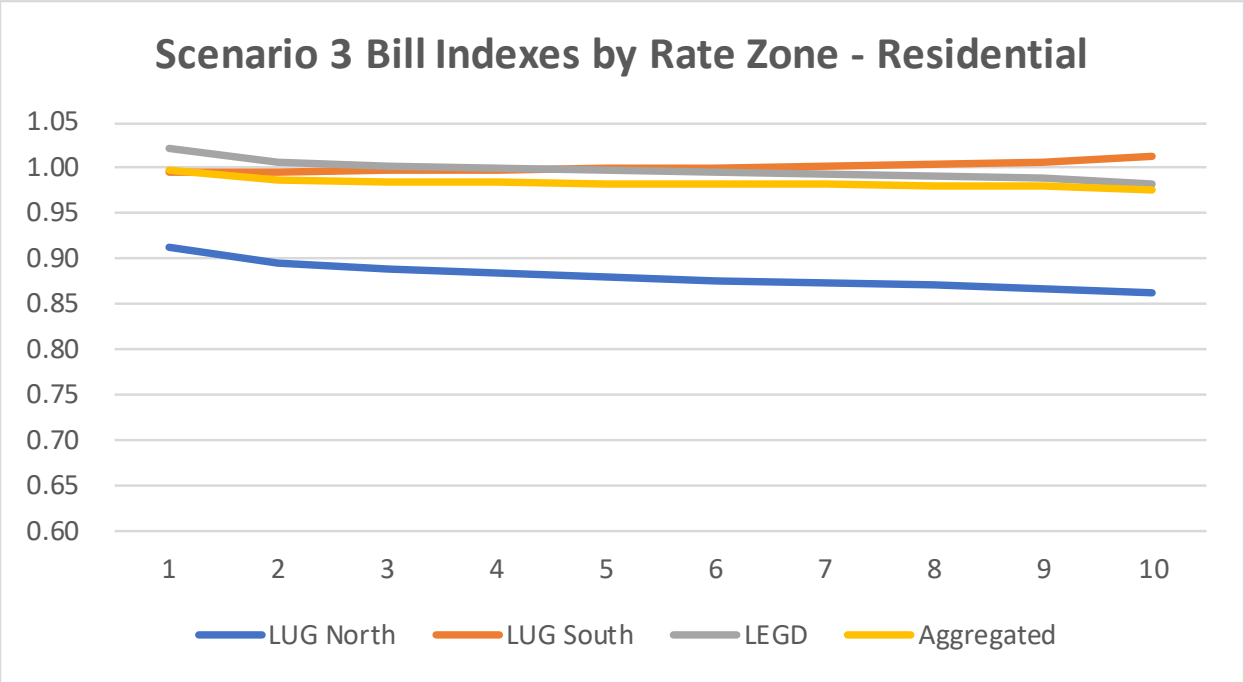
Scenario 3 involves retention of a volumetric rate similar to the current rate designs, including declining block pricing of distribution meant to approximate the effect of an SFVD design while avoiding its use of peak demand. Table 9 provides results for our typical LEGD R1 customers, reproducing SFVD results for the harmonized rate zone, now in the middle panel, and the volumetric alternative results of Scenario 3 in the rightmost panel. For each of the typical customers, the bill impact is quite small in each scenario.

Table 9. Scenario 1 vs. Scenario 3, LEGD R1 Customers

		Current Rate				SFVD Rate				Volumetric Rate			
			Current Rate Zone				Harmonized Rate Zone				Harmonized Rate Zone		
Average Customer		Rate	Distribution Only	Commodity Charge	Total Bill	Rate	Distribution Only	Commodity Charge	Total Bill	Rate	Distribution Only	Commodity Charge	Total Bill
Volume	m^3				2,400								
Daily Demand					24.36								
Customer	$	20.21	242.57	0.00	242.57	22.24	266.91	0.00	266.91	22.32	267.84	0.00	267.84
Distribution	$	0.0669	160.47	44.49	204.95	0.52	151.35	44.49	195.83	0.0580	139.20	44.49	183.69
Load Balancing	$	0.0032	7.65	21.80	29.44			21.80	21.80			21.80	21.80
Transportation	$	0.0002	0.57	101.64	102.21			101.64	101.64			101.64	101.64
Sales - Commodity	$	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36
Total	$		**413.15**	**381.39**	**794.54**		**420.15**	**381.39**	**801.55**		**408.93**	**381.39**	**790.33**
Bill Index vs. Current									**1.009**				**0.995**
Small Customer													
Volume	m^3				1,081								
Daily Demand					10.97								
Customer	$	20.21	242.57	0.00	242.57	22.24	266.91	0.00	266.91	22.32	267.84	0.00	267.84
Distribution	$	0.0719	77.68	19.94	97.62	0.52	68.17	19.94	88.11	0.0580	62.70	19.94	82.63
Load Balancing	$	0.0032	3.44	9.82	13.26			9.82	9.82			9.82	9.82
Transportation	$	0.0002	0.26	45.78	46.04			45.78	45.78			45.78	45.78
Sales - Commodity	$	0.0008	0.85	96.15	97.00	0.0008	0.85	96.15	97.00	0.0008	0.85	96.15	97.00
Total	$		**324.80**	**171.68**	**496.49**		**335.93**	**171.68**	**507.62**		**331.39**	**171.68**	**503.08**
Bill Index vs. Current									**1.022**				**1.013**
Large Customer													
Volume	m^3				5,048								
Daily Demand					51.24								
Customer	$	20.21	242.57	0.00	242.57	22.24	266.91	0.00	266.91	22.32	267.84	0.00	267.84
Distribution	$	0.0647	326.82	93.77	420.58	0.52	318.34	93.77	412.11	0.0580	292.78	93.77	386.55
Load Balancing	$	0.0032	16.08	45.84	61.93			45.84	45.84			45.84	45.84
Transportation	$	0.0002	1.20	213.79	214.99			213.79	213.79			213.79	213.79
Sales - Commodity	$	0.0008	3.98	449.00	452.98	0.0008	3.98	449.00	452.98	0.0008	3.98	449.00	452.98
Total	$		**590.65**	**802.40**	**1,393.05**		**589.23**	**802.40**	**1,391.63**		**564.61**	**802.40**	**1,367.01**
Bill Index vs. Current									**0.999**				**0.981**

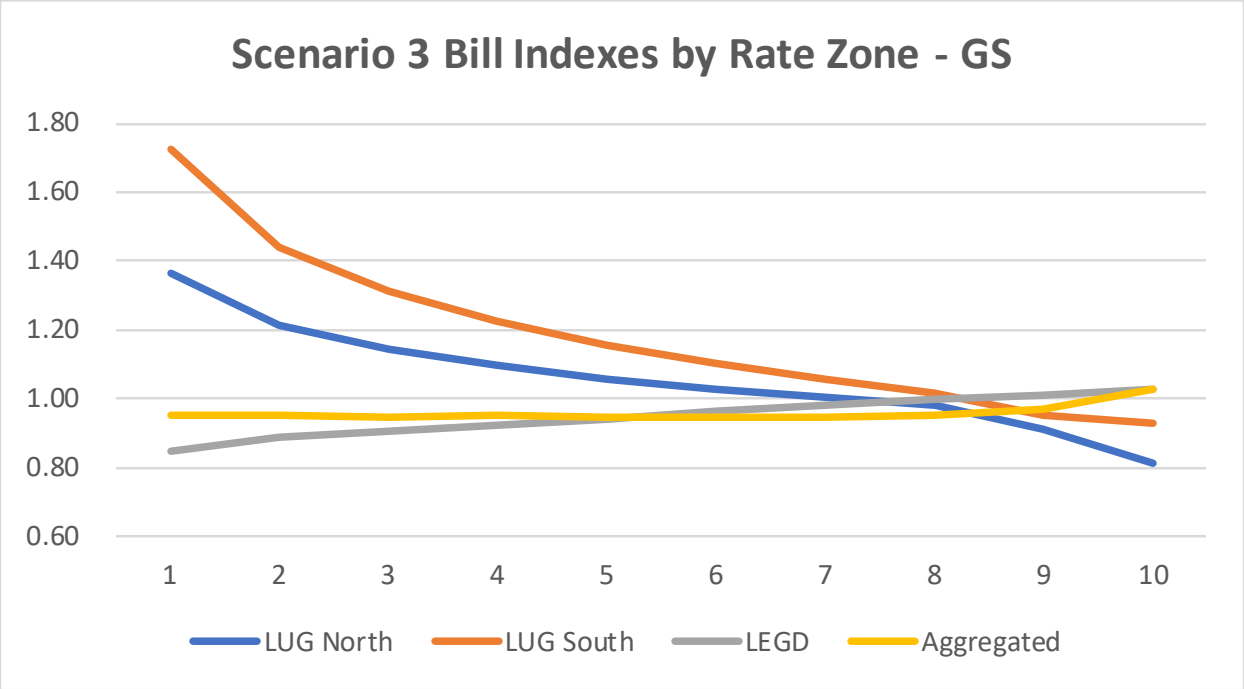
Similarly, Figure 6 shows that Scenario 3's volumetric pricing produces uniformly small impacts for Residential customers, with the familiar rate harmonization effect of reducing LUG North customer bills by 10 to 15% in this case.

Figure 6. Scenario 3 Residential Customer Bill Impacts by Decile



Interestingly, Scenario 3 also produces the large bill impacts for General Service customers in the smaller deciles. Figure 7 depicts the range of the larger GS customer bill impacts by decile under this scenario.

Figure 7. Scenario 3 General Service Customer Bill Impacts by Decile



Recall that load factor is not recognized by Scenario 3, resulting in the retention of any cross subsidy within the class due to variation in load factor. Table 10 presents the contrast for representative customers of the same size, 2,400 m^3, but varying load factor. In the rightmost panel the bill indexes are identical, while in the middle panel, the bill indexes vary considerably. The low load factor customer under SFVD loses the implicit discount of the volumetric alternative while the high load factor customer experiences a bill reduction (bill index of 0.944 or decrease of 5.6%).

Table 10. Scenarios 1 and 3: Bill Impact Differences for Varying Load Factor

		Current Rate Current Rate Zone				SFVD Rate (Scenario 1) Harmonized Rate Zone				Volumetric Rate (Scenario 3) Harmonized Rate Zone			
Average Customer, Average Load Factor		Rate	Distribution Only	Commodity Charge	Total Bill	Rate	Distribution Only	Commodity Charge	Total Bill	Rate	Distribution Only	Commodity Charge	Total Bill
Volume	m^3				2,400								
Daily Demand					24.36								
Customer	$	20.21	242.57	0.00	242.57	22.24	266.91	0.00	266.91	22.32	267.84	0.00	267.84
Distribution	$	0.0669	160.47	44.49	204.95	0.52	151.35	44.49	195.83	0.0580	139.20	44.49	183.69
Load Balancing	$	0.0032	7.65	21.80	29.44			21.80	21.80			21.80	21.80
Transportation	$	0.0002	0.57	101.64	102.21			101.64	101.64			101.64	101.64
Sales - Commodity	$	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36
Total	$		**413.15**	**381.39**	**794.54**		**420.15**	**381.39**	**801.55**		**408.93**	**381.39**	**790.33**
Bill Index vs. Current									**1.009**				**0.995**
Average Customer, Low Load Factor													
Volume	m^3				2,400								
Daily Demand					50.62								
Customer	$	20.21	242.57	0.00	242.57	22.24	266.91	0.00	266.91	22.32	267.84	0.00	267.84
Distribution	$	0.1484	160.47	44.49	204.95	0.52	314.47	44.49	358.96	0.0580	139.20	44.49	183.69
Load Balancing	$	0.0071	7.65	21.80	29.44			21.80	21.80			21.80	21.80
Transportation	$	0.0005	0.57	101.64	102.21			101.64	101.64			101.64	101.64
Sales - Commodity	$	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36
Total	$		**413.15**	**381.39**	**794.54**		**583.28**	**381.39**	**964.67**		**408.93**	**381.39**	**790.33**
Bill Index vs. Current									**1.214**				**0.995**
Average Customer, High Load Factor													
Volume	m^3				2,400								
Daily Demand					16.04								
Customer	$	20.21	242.57	0.00	242.57	22.24	266.91	0.00	266.91	22.32	267.84	0.00	267.84
Distribution	$	0.0318	160.47	44.49	204.95	0.52	99.66	44.49	144.14	0.0580	139.20	44.49	183.69
Load Balancing	$	0.0015	7.65	21.80	29.44			21.80	21.80			21.80	21.80
Transportation	$	0.0001	0.57	101.64	102.21			101.64	101.64			101.64	101.64
Sales - Commodity	$	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36
Total	$		**413.15**	**381.39**	**794.54**		**368.46**	**381.39**	**749.85**		**408.93**	**381.39**	**790.33**
Bill Index vs. Current									**0.944**				**0.995**

Scenario 4, with a volumetric alternative price to Scenario 2 (rate class determined by size) produces results similar to those of Scenario 2. Table 11 presents similar bill impacts for representative LEGD R1 customers, with Scenario 2 in the middle panel and Scenario 4 on the right.

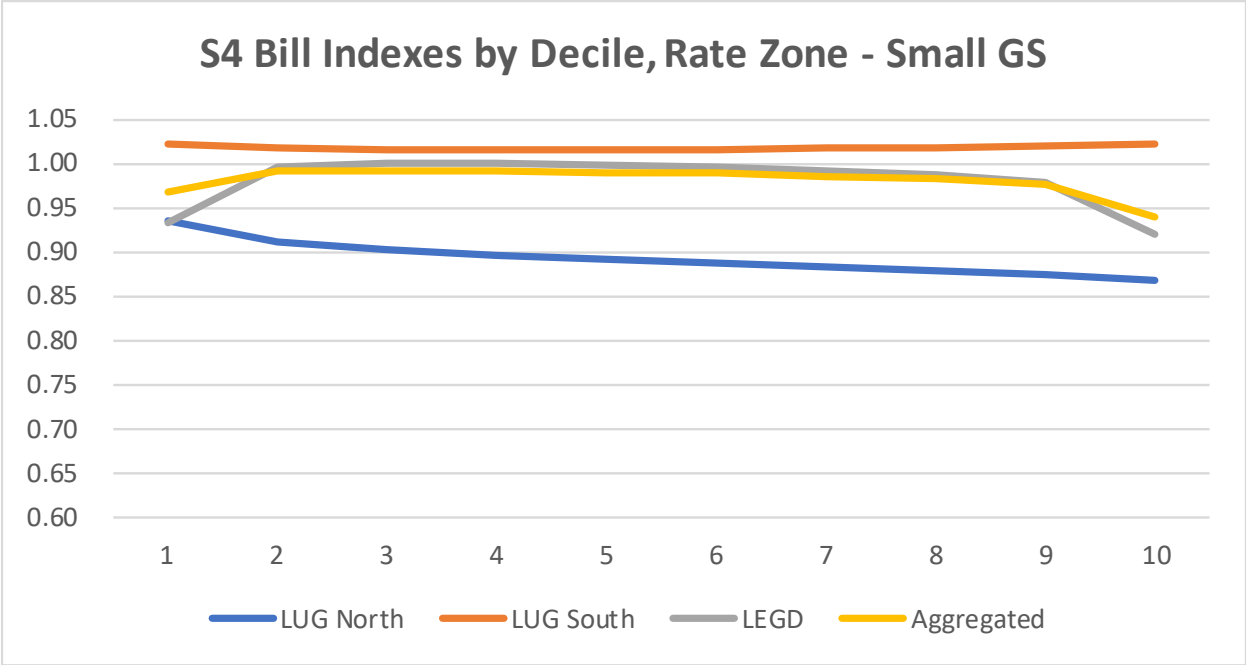
Table 11. Scenario 2 vs. Scenario 4, LEGD R1 Customers

		Current Rate				SFVD Rate				Volumetric Rate			
			Current Rate Zone				Harmonized Rate Zone				Harmonized Rate Zone		
Average Customer		Rate	Distribution Only	Commodity Charge	Total Bill	Rate	Distribution Only	Commodity Charge	Total Bill	Rate	Distribution Only	Commodity Charge	Total Bill
Volume	m^3				2,400								
Daily Demand					24.36								
Customer	$	20.21	242.57	0.00	242.57	23.26	279.08	0.00	279.08	23.10	277.20	0.00	277.20
Distribution	$	0.0669	160.47	44.49	204.95	0.51	148.54	44.49	193.02	0.0580	139.20	44.49	183.69
Load Balancing	$	0.0032	7.65	21.80	29.44			21.80	21.80			21.80	21.80
Transportation	$	0.0002	0.57	101.64	102.21			101.64	101.64			101.64	101.64
Sales - Commodity	$	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36
Total	$		**413.15**	**381.39**	**794.54**		**429.52**	**381.39**	**810.91**		**418.29**	**381.39**	**799.69**
Bill Index vs. Current									**1.021**				**1.006**
Small Customer													
Volume	m^3				1,081								
Daily Demand					10.97								
Customer	$	20.21	242.57	0.00	242.57	23.26	279.08	0.00	279.08	23.10	277.20	0.00	277.20
Distribution	$	0.0719	77.68	19.94	97.62	0.51	66.90	19.94	86.84	0.0580	62.70	19.94	82.63
Load Balancing	$	0.0032	3.44	9.82	13.26			9.82	9.82			9.82	9.82
Transportation	$	0.0002	0.26	45.78	46.04			45.78	45.78			45.78	45.78
Sales - Commodity	$	0.0008	0.85	96.15	97.00	0.0008	0.85	96.15	97.00	0.0008	0.85	96.15	97.00
Total	$		**324.80**	**171.68**	**496.49**		**346.84**	**171.68**	**518.53**		**340.75**	**171.68**	**512.44**
Bill Index vs. Current									**1.044**				**1.032**
Large Customer													
Volume	m^3				5,048								
Daily Demand					51.24								
Customer	$	20.21	242.57	0.00	242.57	23.26	279.08	0.00	279.08	23.10	277.20	0.00	277.20
Distribution	$	0.0647	326.82	93.77	420.58	0.51	312.43	93.77	406.20	0.0580	292.78	93.77	386.55
Load Balancing	$	0.0032	16.08	45.84	61.93			45.84	45.84			45.84	45.84
Transportation	$	0.0002	1.20	213.79	214.99			213.79	213.79			213.79	213.79
Sales - Commodity	$	0.0008	3.98	449.00	452.98	0.0008	3.98	449.00	452.98	0.0008	3.98	449.00	452.98
Total	$		**590.65**	**802.40**	**1,393.05**		**595.50**	**802.40**	**1,397.89**		**573.97**	**802.40**	**1,376.37**
Bill Index vs. Current									**1.003**				**0.988**

Turning to the decile results, Scenario 4 reveals modest bill impacts for Small General Service customers of all sizes, with LUG North customers again experiencing bill reductions, offset by small bill increases among some other customers, in this case LUG South. All bill impacts are modest, as seen in Figure 8.

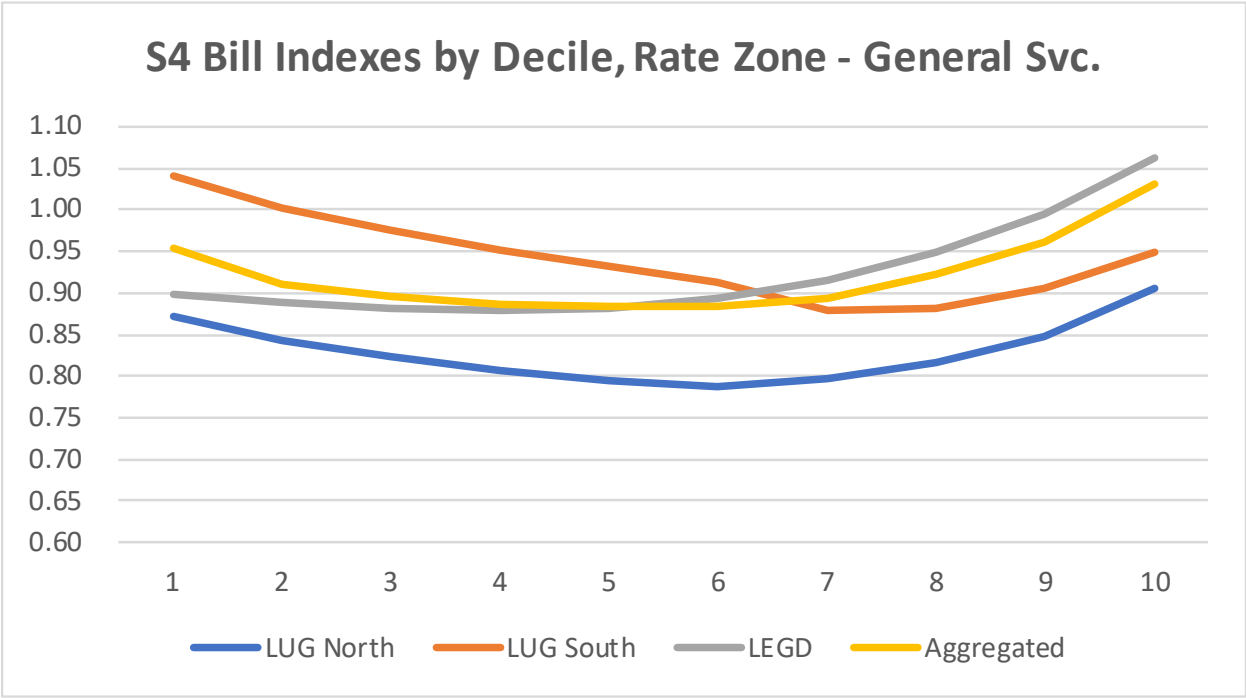
(Please see next page.)

Figure 8. Scenario 4, Small General Service Bill Impacts



For larger customers, the General Service class, bill impacts are similar to those of Scenario 2, but more modest. Figure 9 presents these results by decile.

Figure 9. Scenario 4, General Service Class Bill Impacts



"Upper Tail" Results

An ongoing concern of utilities, stakeholders, and regulators is the avoidance of extreme bill increases. We identified the number of customers and percentage of consumption experiencing bill increases of 10, 20, and 30%, for each current rate zone and class. Table 12 reports that numbers of customers experiencing significant bill increases are larger for the SFV rates (Scenarios 1 and 2) than for the SFVD rates (Scenarios 1 and 2), which in turn are larger than for the volumetric alternatives (Scenarios 3 and 4). Aside from the large numbers and percentages of SFV customers experiencing large bill increases, the Rate 6 LV customers of LEGD have a particularly larger share of customers experiencing SFVD bill increases exceeding 10%. However, in most cases, the share of customers experiencing large bill increases is small. In the case of the SFVD rates, the better match of price to cost suggests that this design reveals a greater extent of discount in current rates than the SFV or alternative volumetric rates can.

Table 12. "Upper Tail" Bill Impacts

Customers and Percentage of Customers with Bill Increases Exceeding 10%

	No. of Customers						Percentage of Rate Class					
Scenario	**1**		**2**		**3**	**4**	**1**		**2**		**3**	**4**
	SFV	**SFVD**	**SFV**	**SFVD**			**SFV**	**SFVD**	**SFV**	**SFVD**		
LEGD												
Rate 1	281,398	5,227	590,755	15,896	758	10,279	17.7%	0.3%	37.1%	1.0%	0.0%	0.6%
Rate 6 LV	396	1,714	393	1,934	48	10	4.2%	18.1%	4.2%	20.5%	0.5%	0.1%
Rate 6	66,011	900	10,982	1,277	-	-	58.7%	0.8%	9.8%	1.1%	0.0%	0.0%
LUG												
Rate 1	33,725	7,805	37,939	130	7,538	-	10.3%	2.4%	11.6%	0.0%	2.3%	0.0%
Rate 10	9	4	2	4	-	-	0.5%	0.2%	0.1%	0.2%	0.0%	0.0%
Rate M1	341,642	64,037	589,988	22,785	56,563	150	32.5%	6.1%	56.1%	2.2%	5.4%	0.0%
Rate M2	341,642	146	48	179	-	-	0.5%	2.0%	0.7%	2.5%	0.0%	0.0%

Customers and Percentage of Customers with Bill Increases Exceeding 20%

	No. of Customers						Percentage of Rate Class					
Scenario	**1**		**2**		**3**	**4**	**1**		**2**		**3**	**4**
	SFV	**SFVD**	**SFV**	**SFVD**			**SFV**	**SFVD**	**SFV**	**SFVD**		
LEGD												
Rate 1	80,600	713	193,083	879	5	-	5.1%	0.0%	0.1%	0.1%	0.0%	0.0%
Rate 6 LV	295	61	153	67	-	-	3.1%	0.6%	0.7%	0.7%	0.0%	0.0%
Rate 6	53,886	131	5,172	162	-	-	48.0%	0.1%	0.1%	0.1%	0.0%	0.0%
LUG												
Rate 1	22,976	4,743	14,521	49	4,589	-	7.0%	1.5%	0.0%	0.0%	1.4%	0.0%
Rate 10	5	1	-	1	-	-	0.3%	0.1%	0.1%	0.1%	0.0%	0.0%
Rate M1	133,561	44,574	227,892	2,476	40,340	3	12.7%	4.2%	0.2%	0.2%	3.8%	0.0%
Rate M2	21	43	28	49	-	-	0.3%	0.6%	0.7%	0.7%	0.0%	0.0%

Customers and Percentage of Customers with Bill Increases Exceeding 30%

	No. of Customers						Percentage of Rate Class					
Scenario	**1**		**2**		**3**	**4**	**1**		**2**		**3**	**4**
	SFV	**SFVD**	**SFV**	**SFVD**			**SFV**	**SFVD**	**SFV**	**SFVD**		
LEGD												
Rate 1	36,131	317	71,131	358	5	-	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Rate 6 LV	247	18	34	19	-	-	2.6%	0.2%	0.2%	0.2%	0.0%	0.0%
Rate 6	42,491	67	996	75	-	-	37.8%	0.1%	0.1%	0.1%	0.0%	0.0%
LUG												
Rate 1	18,124	3,013	6,953	24	2,912	-	5.6%	0.9%	0.0%	0.0%	0.9%	0.0%
Rate 10	4	-	-	-	-	-	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Rate M1	82,312	30,457	81,065	437	27,018	3	7.8%	2.9%	0.0%	0.0%	2.6%	0.0%
Rate M2	20	18	13	22	-	-	0.3%	0.3%	0.3%	0.3%	0.0%	0.0%

Summary

The investigation of rate classification alternatives revealed that EGI would be able to segment the GS customers of a single unified service territory into just two groups, and that this segmentation could take place in two ways. Two groups appear to be sufficient due to the relative homogeneity of the customers and the absence of readily discernible subgroups with significant numbers. Segmentation based on customer type (residential and non-residential) and based on customer size (as reflected by annual consumption or DDD seemed to be eligible candidates.

The boundaries between rate classes for size-based classification were not obvious, based on consumption or other billing data. However, customer connections information, even though it is not universally available, suggested boundaries on the basis of connection equipment that could be translated into a DDD metric in such a way that most customers in the "small" category, however defined, would share very similar connections and meter configurations. (The remaining customers, being more diverse in size, generally have more diverse connections equipment and metering.) In case a DDD metric is not available, we recommended a volumetric alternative that approximates the customer division provided by DDD.

The segmentation investigation also indicated that other considerations merited review. First, customer rate classes could be broader if the rate design chosen provided a good match between customer bills and cost to serve, not just on average, but customer-by-customer. The reason for this is that customers not close to average load factor or seasonality would be identified not only by total consumption but also by peak demand. This fact gave a theoretical advantage to the SFVD rate design, as it is the only one to make use of peak demand information.

Second, decisions about number of classes and rate boundaries have a role to play in determining customer movement from current to new rates. The number of rates selected, and the position of the boundaries have the effect of causing customers on current small-customer rates to move mostly to new small-customer rates. The absence of more complicated movement might serve to simplify the transition and reduce its costs to customers and the utility.

Third, it became clear that the expectations as to rate class selection would benefit from clarification via the calculation of bill impacts for the sample of customers available and for the candidate rates under consideration.

The bill impact computations confirm the general expectations associated with the SFV, SFVD, and alternative volumetric rates. The SFV design proves to have challenges of large bill impacts offsetting its virtue of simplicity. Segmentation of the rate classes or resorting to graduated customer charges appears to be necessary to reduce these impacts.

In contrast, the SFVD design appears to produce very limited bill impacts, with the exception being cases in which the current match between price and cost is poor. In particular, cases of

load factor variation are handled properly from a cost coverage standpoint, yielding an advantage over the volumetric alternative.

That alternative appears to do a reasonable job of mimicking the SFVD design for the average customer, but at the price of requiring a declining block structure for distribution cost recovery that may not be well matched to cost to serve.

The challenge of bill impact minimization arising from rate harmonization appears to be met well by the SFVD design. The "upper tails" analysis reveals that there are relatively few customers experiencing large bill increases, and these customers are likely those experiencing low revenue/cost ratios at present, since the illustrative rates of the analysis are tied directly to cost to serve.

3. PEAK DEMAND METHODOLOGY

Industry Use of Peak Demand in General Service Rate Design

Our review of rate designs for North American gas utilities found limited use of demand charges for GS rate classes, although many utilities make use of demand measurement and pricing for larger customers. We investigated the use of demand charges by the leading Canadian natural gas distribution utilities and twenty large U.S. utilities. We selected the latter on the basis of size, focusing on large utilities in an effort to reflect the size of EGI, believing that size might help to reflect customer size and diversity, and the internal capabilities of the utilities.

Table 13 presents the short list of Canadian natural gas utilities using demand for billing, and the rates to which demand applies.

Table 13. Canadian Utilities Using Demand Charges

Company	Province	Rate/Class
Fortis BC	BC	General Firm (Rate 5)
		Lg. Vol. Transptn. (Rate 22)
Atco Gas	AB	High Use
Centra Gas	MB	High Volume Firm
		Mainline Firm

Table 14 provides a similar table for the ten utilities of the twenty reviewed in the U.S. where demand charges can be found.

Table 14. U.S. Utilities Using Demand Charges

Company	State	Rate/Class
Nicor Gas	IL	Large Volume
Peoples Gas Light and Coke Company	IL	Large Volume Demand (SC 4)
Atlanta Gas Lt Co	GA	**All**
Spire Missouri Inc	MO	Large Volume (LVS)
Pub Service Co of Colorado	CO	Commercial Large (CGL)
		Firm Transportation Large (TFL)
Centerpoint Energy	MN	Large General Firm
		Large Volume Firm/Interruptible AND Large Volume Firm Transportation (2 rates)
Centerpoint Energy Entex	TX	Transportation
Questar Gas Company	UT	Transportation Bypass Firm Service
Boston Gas Co dba National Grid	MA	Low and High Load Factor General Service, Extra Large
Northern Indiana Public Service Co	IN	Large Transportation and Balancing (LT&BS-Rate 128)

One utility, Atlanta Gas Light (AGL), applies a Design Day Demand Charge (DDDC) to all of its residential and commercial customers. In contrast, other utilities' demand charges, are limited to commercial (and typically large commercial) customers and tend to be based on actual, rather than design day demands. We provide detailed discussion of the AGL case below, as it appears to be most closely related to the question of how to apply demand charge pricing to the GS customers in EGI's harmonized rate zones.

In a few cases, utilities appear to have the ability to measure daily demand, and make use of actual demand as the basis for pricing. However, absence of such data is not treated as a barrier. In some cases, the utility uses a rule of thumb that causes peak demand to be estimated as thirty-day metered demand divided by 20 or 21. (People's Gas Light and Spire Missouri use this approach.) Elsewhere, monthly consumption and average load factor provide estimates of peak demand. (Public Service of Colorado).

Additionally, the use of a ratchet can occur. For example, National Grid (Boston Gas Co.) calculates seasonal peak demands from the highest usage month in each season, then applies the 30/21 days rule described above. People's Gas uses the highest winter month's usage in the past twelve-month period to prepare similar calculations.

Approaches to Demand Measurement

Potential approaches to demand measurement depend on the demand concept and the available metering technology. In gas utility ratemaking, potentially relevant demand concepts

include actual (peak) demands and design day demands. Actual peak demands represent customers' actual service requirements for a given interval, typically a peak hour or peak day. Coincident peak demand is a customer's demand coinciding with the system peak interval; non-coincident peak demand is the customer's maximum demand irrespective of system demand. Design day demand is the customer's demand under hypothetical conditions that system engineers consider to be the most extreme, reflecting a certain extremely low probability of occurrence.[5] In planning and building its system, EGI incurs demand-related costs to meet system demand at design day conditions, and customers' design day demands represent customers' contribution to those costs.

Customers' actual demands can be measured directly if they are equipped with meters capable of recording consumption at high-frequency intervals (e.g., 15-minute, hourly, or daily), or that otherwise record peak gas flow through the meter. Actual coincident and/or non-coincident peak demands can be observed directly (retrospectively) up to the meters' recording frequency. For instance, hourly interval metering allows measurement of actual hourly (average) demands as well as demands at lower frequency such as daily.

In the absence of interval or other demand metering, actual daily (and/or hourly) peak demands would need to be estimated from lower-frequency consumption data derived from meter readings. Measuring design day peak demands inherently requires estimation or forecasting procedures, regardless of metering technology, insofar as the design day conditions reflect a worst-case scenario for weather or other conditions that are not actually experienced by customers in the observed data.

Neither LEGD nor LUG employs meters capable of recording interval use or peak demand quantities for GS customers. Thus, implementing any demand-based rate design for EGI would require estimating demands from lower-frequency billing data on consumption quantities. While customers are billed monthly, actual meter reads are nominally every other month for both legacy operating entities. Demand estimation or forecasting may use regression analysis or similar statistical techniques, or other methods employing billing data that do not employ a formal statistical demand model. We call the latter "analytics methods." Notably, AGL's design day demands use analytics methods. Both LEGD and LUG currently use regression-based methods implemented in the Synergi Gas software package to estimate GS customers' design day demands for network planning purposes, although we did not find any cases of regression-based demands in current use for ratemaking.

Analytical Methods

The simplest analytics methods in use for billing demands are based on consumption in a specified peak period, such as average daily consumption in the peak (winter) month of a calendar year. In some cases, the demand calculation effectively applies a load factor to convert the customer's average daily demand in the peak month to a peak-day demand. Obtaining the

[5] The American Gas Association defines "Design Day" in its glossary as: "A 24-hour period of demand which is used as a basis for planning gas capacity requirements." Source: https://www.aga.org/natural-gas/glossary/d/.

annual peak of average daily consumption can be obtained relatively straightforwardly from billing databases without complex auxiliary calculations. For example, several utilities use daily consumption in the peak month to compute consumption for a standardized 30-day billing period, then divide the 30-day consumption by 20 or 21 to obtain the peak day demand.[6] The utilities that employ simple analytics for demand calculations generally do so as a backup method for customers without suitable data from demand or interval meters rather than as a primary method for estimating customer demands.

The AGL design day demand is based on an underlying model where customer demand is a function of a "base" component of demand that is implicitly assumed to be constant throughout the year, plus a "heat" component that is a linear function of heating degree days. Both the base and heat components are customer-specific.

The base component is calculated as the average daily consumption during a summer (non-heating) billing period:

$$base_per_day = summer_cons/summer_days.$$

The heat component of demand is the difference between the peak-period daily consumption and the base demand per day:

$$heat_per_day = winter_cons/winter_days - base_per_day.$$

The per-day heat component is then divided by the peak-period heating degree days (HDDs) to obtain heating demand per HDD:

$$heat_per_HDD = heat_per_day/winter_hdds.$$

Finally, the design day demand is obtained by multiplying the heating demand per HDD by the design HDDs to obtain the design day heating demand forecast, and adding the base component to obtain total design day demand:

$$design_day_demand = heat_per_HDD \times design_hdds + base_per_day.$$

While the base and heat calculations could be based on observations of peak and off-peak consumption over multiple years, AGL updates design day demands annually (during the off-peak season) for all customers using peak-season and off-peak billing data from the most recent available year of billing data.

While AGL computes customer-specific design day demands for all of its residential and nonresidential general service customers, it uses the customer-specific values only for

[6] In principle, the load factor(s) could vary by customer groups to allow for systematic differences in load factors within rate classes Such differences may arise due to customer variability in the presence of heating and non-heating end uses. Determining and applying more refined load factors could be a substantial undertaking, and in practice the load factors represent simple rules of thumb.

customers with relatively large demands—greater than 10 dekatherms (Dt; ~285 m^3) for residential customers and greater than 60 Dt for nonresidential customers. Other customers are assigned a design day demand based on the average for the demand interval or "bucket" where the customer-specific demand falls. Since bucket average demands are stable, billed demands for customers subject to bucketing will only change from year to year if their computed design day demand changes enough to move them from their current demand bucket to another.

Regression Methods

The regression methods that we studied, including the Synergi Gas customer demand model, are conceptually like the AGL analytics method in that they model a customer's observed monthly consumption (expressed as a daily average) and daily demands as the sum of a heat component linear in HDDs and a base component that is not HDD-sensitive. As in the AGL method, both the heat and base components are customer-specific. If customers' base demands and heating demands per HDD are constant over the period covered by the data, the numerical calculations to generate the regression estimates of the base and heat components are greatly simplified and allow for fast computation of customer-specific estimates for large populations such as EGI's customer base.[7] The estimating equation is:

$$cons_per_day_t = base_per_day + heat_per_HDD \times HDDs_t + e_t.$$

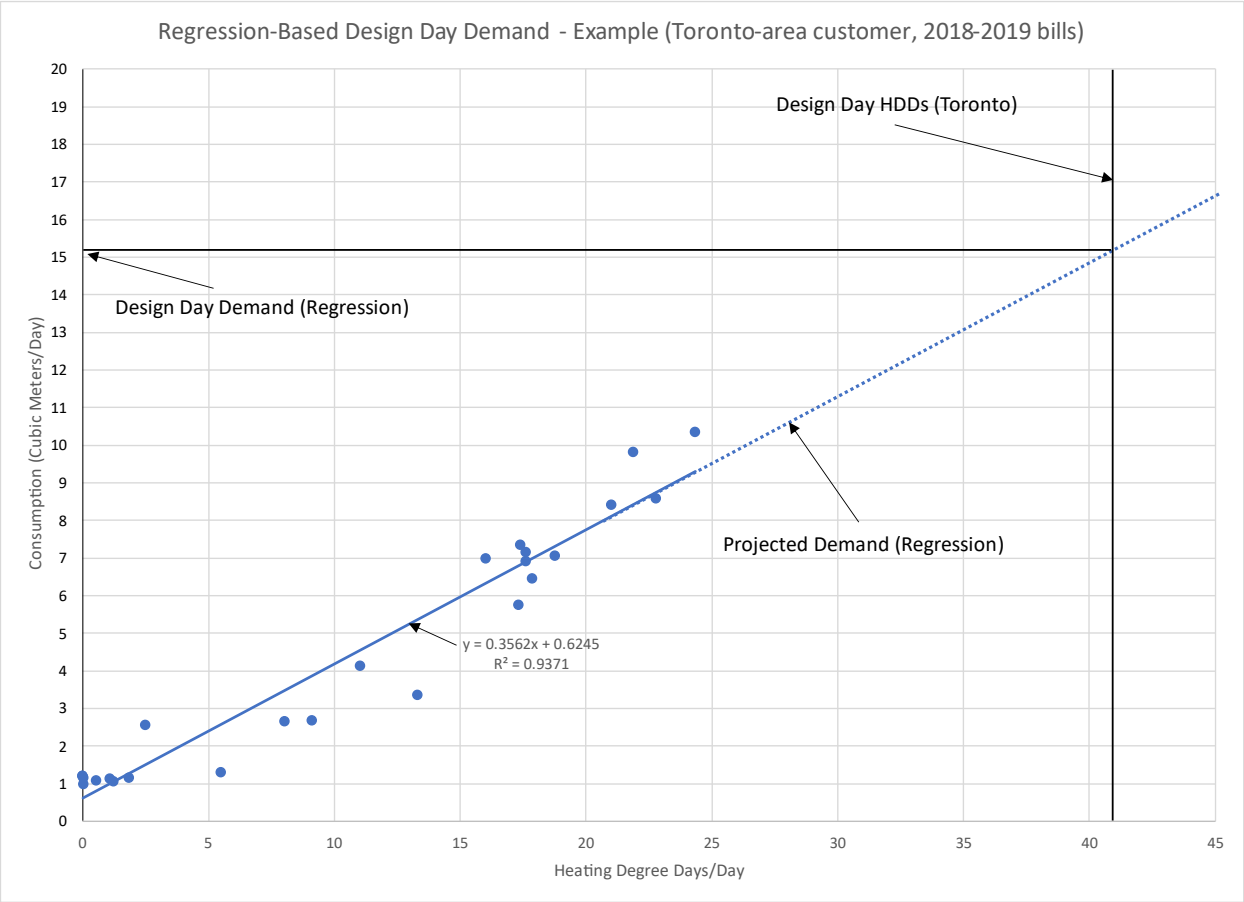
The variables *cons_per_day* and *HDDs* are observed per billing period (indexed by *t*), and *base_per_day* and *heat_per_HDD* are parameters to be estimated; e_t is a residual component of consumption assumed to have zero mean. Using estimated values of *base_per_day* and *heat_per_HDD* (denoted by hats below), the predicted design day demand is:

$$design_day_demand = base\widehat{_per}_day + heat\widehat{_per}_HDD \times design_HDDs$$

Figure 10 shows a graphical example of the derivation of regression-based design day demand for a customer with a typical HDD-sensitive consumption pattern. The intercept of the regression line provides the estimated daily base consumption (0.6245 m^3/day) and the slope of the line is the estimated heat factor (0.3562 m^3/HDD). The estimated design day demand is obtained by extrapolating the regression line to the design day HDDs for the customer's weather zone (41 degrees for the Toronto zone), for an estimated design day demand of 15.23 m^3 (=0.6245+0.3562×41).

[7] Seasonal non-heating end uses, such as outdoor pool heating, would violate the assumptions underlying the Synergi Gas model.

Figure 10. Example of Design Day Demand, Regression Method



While similar in concept to the AGL analytics approach, the regression method has several desirable features of note. First, given that the estimating equation is correctly specified, the regression method produces statistically efficient and unbiased estimates of the base and heat components of demand.[8] The regression method also allows the incorporation of widely used statistics to characterize how well the model fits the data for each customer and on the statistical precision of the parameter estimates.

Second, the regression method is not dependent on the availability of data from any specific billing period(s) to identify the base and/or heat components of demand. In contrast, the AGL calculations depend on the availability of data from off-peak periods with no heating demand to identify the base component. The regression model can generate statistically valid estimates of the base (and peak) demand component from peak and shoulder season observations, as necessary.

Third, while the assumption of constant base and heat factors over the sample period is computationally convenient for the regression approach, it is not a fundamental limitation of

[8] An unbiased estimate of a parameter has a mathematical expectation equal to the parameter's true value. The regression estimates are efficient in the sense of minimizing the variance of the coefficient estimator.

the method and can be relaxed if necessary. Significantly, the regression method can (with sufficient data and/or additional calculations) allow for cases where the base demand component varies seasonally. In our analysis, we found that both simple regression models and the AGL analytics method tended to underestimate the heat component and overestimate winter base consumption for customers with significant summer consumption for seasonal non-space heating end uses such as pool heating. To the extent such customers can be identified by revenue class or other end-use indicators, extended regression models may be applied (only) to them without requiring more time-consuming calculations for the much larger set of customers whose non-space heating gas uses would not be expected to exhibit significant seasonal variability.

Estimated Demands from Analytics and Regression Methods

Tables 15 and 16 compare mean and median design day demands by rate for LEGD Rates 1 and 6. In these tables, the regression results by year are based on rolling two-year periods of consumption data, the length of history used by Synergi Gas—the 2017 results are based on consumption data from 2016-2017, with the two-year period rolled forward by one year for subsequent years. The two-year period was chosen to maximize the number of demand updates given the four years of consumption data we obtained for the study. The analytics results are based on one-year data as in the AGL implementation.

Table 15. Comparison of Mean Design Day Demands by Method and Rate – LEGD

Year	Rate 1 Regression	Rate 1 Analytics		Rate 6 Regression	Rate 6 Analytics
2017	24.4	24.7		294.9	301.0
2018	24.6	24.8		292.7	298.7
2019	24.5	24.4		293.3	300.3

Table 16. Comparison of Median Design Day Demands by Method and Rate – LEGD

Year	Rate 1 Regression	Rate 1 Analytics		Rate 6 Regression	Rate 6 Analytics
2017	23.0	23.1		59.8	63.6
2018	23.1	23.2		61.1	64.7
2019	22.9	22.9		61.7	64.7

The tables show that both the mean and median design day demands are similar for LEGD Rate 1 (residential) customers in both the regression and analytics methods, and both methods produce relatively stable average demands over time. We observed slightly larger relative differences between the methods for LEGD Rate 6 (nonresidential) customers, although they remain relatively consistent across methods. The differences may arise in part from differences

in the sets of customers for which demand estimates could be generated in conjunction with the greater skew of the distribution of nonresidential demand.

Due to data limitations, we did not produce rolling-sample regression-based demands for LUG. However, LUG demands by year using the AGL/analytics method show similar behavior to the LEGD demands, with generally consistent mean and median demands over time for the LUG North and LUG South rates. See Table 17, below. We also observed that other percentiles of the demand distribution were consistent over time for both methods for LEGD (and for the analytics method for LUG).

Table 17. Mean and Median Design Day Demands by Rate and Year, LUG (Analytics Method)

	LUG North				LUG South			
	Rate 1		Rate 10		Rate M1		Rate M2	
Year	Mean	Median	Mean	Median	Mean	Median	Mean	Median
2016	28.1	21.5	1209.6	754.9	27.2	21.4	1290.8	831.7
2017	27.4	21.2	1159.6	746.6	27.5	21.6	1295.0	842.9
2018	28.3	21.4	1127.6	751.0	28.0	21.6	1284.1	845.5
2019	27.9	21.1	1152.6	765.0	28.0	21.5	1318.2	872.3

While the distributions of estimated demands are stable over time, individual customers' measured demands are subject to change as consumption data and the demand models are updated. If the measured demand changes are sufficiently large, they may result in bill shocks for customers and adversely affect customer acceptance of demand charges.[9] For its part, AGL is required by the Georgia PSC to manually review several categories of "exceptions" mainly involving relatively large year-over-year demand changes. The AGL exception categories are asymmetric in that they are more tolerant of large decreases in estimated demands than large increases and allow larger demand changes for commercial customers relative to residential customers.

We examined exception frequency under demand updating for LEGD under both analytics and regression methods using criteria similar to AGL's. Tables 18 and 19 show comparative exception rates for analytics and regression-based demands using AGL-type criteria for LEGD Rate 1 and Rate 6 customers, respectively.[10] In this case, we computed demands based on rolling two-year consumption histories for both methods.

[9] It should be noted that recovery of distribution costs through consumption-based charges also is subject to potentially considerable year-to-year changes due to variability of consumption at the customer level.
[10] We converted AGL exception criteria expressed in dekatherms to rounded values in cubic meters. Customers with large measured demands are not unusual *per se*; AGL is required to review them as exceptions.

Table 18. Comparison of AGL-Type Exception Rates by Demand Method, LEGD Rate 1

	Percent of Customers	
Exception	Analytics %	Regression %
None	95.8%	96.3%
Design Day Demand (D) >150 m^3	0.1%	0.1%
D<150 m^3, change > +20%	2.8%	2.5%
D<150 m^3, change < -40%	0.6%	0.6%
D<7.5 m^3, change > +20%	0.7%	0.5%

Table 19. Comparison of AGL-Type Exception Rates by Demand Method, LEGD Rate 6

	Percent of Customers	
Exception	Analytics %	Regression %
None	95.5%	95.9%
D>5000 m^3	0.6%	0.6%
D<200 m^3, change >+30 m^3	1.8%	1.4%
D<200 m^3, change <-60 m^3	0.7%	0.7%
D 200-5000 m^3, change > +25%	1.4%	1.3%
D 200-5000 m^3, change <-50%	0.1%	0.0%

While exception rates are not dramatically different between the analytics and regression methods when using the same length of history, the regression method yields lower exception rates for both residential and non-residential customers. Exception rates for non-residential customers are higher than those for residential customers despite the larger demand changes needed to trigger exceptions in the AGL non-residential criteria. In large part, higher exception rates for non-residential customers reflect greater underlying consumption variability relative to residential customers. We found that exception rates can be mitigated by using longer consumption histories, which we discuss further below. If utilized, we would expect rates of AGL-type exceptions to be relatively low—on the order of two percent or less—for both residential and non-residential customers in a production system.

Practical Issues and Challenges in Estimating Peak Demand

Selection of Data and Time Period for Estimation

Implementing both the analytics and regression methods for estimating design day demands requires choices for the type of billing data and the length of bill history to be employed in the calculations.

The amount of bill history that is used involves a tradeoff involving benefits of increased regression sample size, which will tend to reduce the statistical variance of the base and heat coefficient estimates other things equal, and the potential violation of the demand model's implicit assumption of constant customer behavior (and other demand-related conditions) over longer time periods. Notably, longer data periods will increase the time required for the effects of factors such as customers' investments in energy efficiency to be reflected in their measured demands.

The AGL and Synergi Gas design day demands both opt for relatively short periods of data for their respective analyses. AGL uses billing data from the previous year, whereas Synergi Gas uses rolling two-year periods of consumption data. We found that using longer periods of data (three or four years), using either the AGL/analytics or regression methods, had little effect on estimated demands overall (at the average and/or median). Using longer billing histories also generally reduced the year-to-year variability of estimated demands using either the analytics or regression approach.

Given EGI's nominal meter reading frequency for most of its general service customers, consumption data reflecting only actual reads normally are available at a bimonthly frequency.[11] Monthly billing data reflect estimated consumption in months between actual reads, which introduces measurement error into monthly billed consumption. The Synergi Gas demand estimation system avoids the estimation error issue by using only data on consumption between actual reads. However, the presence of measurement error does not itself render estimated consumption data unusable for either the analytics or regression methods. If estimated consumption is not systematically inaccurate (i.e., the measurement error can be assumed to have zero mean), then using estimated consumption data will not introduce systematic errors into demand estimates.

For the regression approach, using the highest available data frequency maximizes the regression sample size given the amount of billing history incorporated in the analysis. Other things equal, increasing sample size reduces the statistical variance of the base and heat coefficient estimates. However, benefits of the increased sample size could be at least partly offset by the measurement error from the estimation process. We compared rates of large changes in regression-based demands for LEGD residential and non-residential customers using data from actual reads only and all bills, based on AGL criteria for identifying "exceptions." We found that the inclusion of estimated bills reduced the frequency of most exception categories while the increased sample size allowed demands to be estimated for more customers using all billed consumption. See Tables 20 and 21, below. The improved exception rates compared to Tables 18 and 19, above, reflect the inclusion of a third year of billing history in the analysis to increase regression sample sizes where possible.

[11] Large Volume Billing customers on LEGD Rate 6 have monthly reads. LUG conducted monthly reads for its general service customers until late 2019, at which point it switched to bimonthly reads.

Table 20. LEGD Residential Demand Exception Rates, Actual Reads vs. Estimated Bills

LEGD Rate 1	Frequency		Percent of Customers	
Exception	Monthly	Actual Reads	Monthly %	Act. Read %
None	1,827,371	1,805,572	98.3%	97.7%
D>150 m^3	1,106	1,193	0.1%	0.1%
D<150 m^3, change >+20%	18,062	26,950	1.0%	1.5%
D<150 m^3, change <-40%	4,196	6,204	0.2%	0.3%
D<7.5 m^3, change >+20%	7,847	7,682	0.4%	0.4%

Table 21. LEGD Non-residential Demand Exception Rates, Actual Reads vs. Estimated Bills

LEGD Rate 6	Frequency		Percent of Customers	
Exception	Monthly	Actual Reads	Monthly %	Act. Read %
None	144,186	141,594	97.9%	97.3%
D>5000 m^3	923	931	0.6%	0.6%
D<200 m^3, change >+30 m^3	928	1,297	0.6%	0.9%
D<200 m^3, change <-60 m^3	450	578	0.3%	0.4%
D 200-5000 m^3, change >25%	772	1,071	0.5%	0.7%
D 200-5000 m^3, change <-50%	19	26	0.0%	0.0%

"Bucketing" vs. Customer-Specific Demands

As we noted above, most AGL general service customers are billed based on "bucket" (interval) demands rather than customer-specific design day demand estimates. For customers within demand ranges subject to bucketing (up to 10 Dt for residential and 60 Dt for non-residential customers), the billed demand is set at the average demand for customers in the bucket where the customer-specific demand falls.

AGL specifies bucket widths in levels (dekatherms or fractions thereof), with bucket widths increasing with measured demands. AGL's bucket widths are 0.1 Dt (~2.85 m^3) up to 3 Dt and 0.5 Dt from 3-10 Dt for both residential and nonresidential customers, with an additional seven buckets of varying widths for nonresidential customers with demands between 10 and 60 Dt. Customers outside the bucket ranges are billed on their customer-specific demands. The bucket widths generally allow customers with relatively small demands to stay in the same bucket in the presence of larger percentage changes in the customer-specific demands than customers with larger demands.

The effects of bucketing on the stability of customers' billed demands over time are ambiguous. The bucket demands themselves are stable provided that the buckets have a sufficiently large population of associated customers, which can be assured by specifying sufficiently wide buckets. The stability of the bucket demands reduces year-to-year variability in billed demands for customers that remain in the same bucket when the demand estimates are updated.

However, customers that move from one bucket to another may experience larger changes in billed demand than with a customer-specific measure, particularly if the customer's demand measure was close to the limits of their assigned bucket's range. Bucketing also makes little difference for customers with large enough changes in measured demand as to move the customer to a non-adjacent bucket. Increasing bucket widths will increase the fraction of customers who remain within a given bucket from year to year, but will result in larger demand changes for customers who move to another bucket.

Since bucketing involves combining data from groups of customers, an issue with bucketing is that bucket demands are not directly verifiable by customers. Customers can, in principle, verify the basis for their assignment to a bucket but not the bucket demand from their own consumption data. This may require additional regulatory review to validate bucket demands. AGL is required to make an annual regulatory filing with the Georgia PSC to establish its bucket demand values.

A Deadband Alternative to the Use of Buckets

The problem of relatively small changes to demands shifting customers across bucket boundaries can be addressed by reverting to customer-specific demand changes but using a billing technique called "deadbanding". With deadbanding, the customer's billed demand only changes if the change in the underlying demand estimate exceeds a specified threshold, where the threshold could be expressed in levels (cubic meters), as a percentage, or a combination. In effect, deadbanding treats all customers as if they are located at the midpoint of a bucket. Unlike bucketing, deadbanding depends only on customer-specific data and thus demands with deadbanding are potentially customer-verifiable.

We examined the effects of bucketing on billed demands for EGI customers by running an update of regression-based demands using regression methods. We computed starting demands using 2016-2018 billing data, which we rolled forward to the 2017-2019 period for the update. We assigned customers to buckets with 2.5 m^3 width in the lower range of demands. For residential customers under 12.5 m^3 demand based on the 2016-2018 data (approximately 10 percent of the residential population), we found that 75 percent remained in the same bucket after the update, and 98 percent were within +/- 1 bucket. Nonresidential customers exhibit more variable customer-specific demands and were less likely to remain in the same bucket or to move only to an adjacent bucket.

We also examined deadbanding scenarios covering LEGD GS customers. Similar to the bucketing analysis, we examined demand changes using rolling three-year regression periods. For residential customers, the deadband scenarios were +/- 1.25 m^3 up to 25 m^3 demand and +/- 5% above 25 m^3, and +/- 2.5 m^3 up to 25 m^3 and +/- 10% above 25 m^3.[12] With these deadbands, the relative deadband width declines in percentage terms until the 25 m^3 breakpoint, then remains a constant percentage above the breakpoint. We found that residential customers' billed demands would be unchanged for 84 percent using the narrower

[12] The 25 m^3 breakpoint is close to the median residential demand.

deadband range and 96 percent using the wider range. As with bucketing, deadbanding results in fewer nonresidential customers with unchanged billed demands due to greater variability of the nonresidential demand estimates. The deadbands also result in somewhat narrower ranges of year-over-year demand changes between the outer 1% tails. See Table 22, below.

Table 22. Effects of Deadband Scenarios on Exception Rates, LEGD Residential Customers

	Deadband Range		
Exception	None	+/- 1.25/5%	+/- 2.5/10%
None	98.32%	98.70%	98.96%
D>150 m^3	0.06%	0.06%	0.06%
7.5 m^3<=D<150 m^3, change > +20%	0.97%	0.97%	0.83%
D<150 m^3, change <-40%	0.23%	0.15%	0.13%
D<7.5 m^3, change >+20%	0.42%	0.11%	0.02%
D percent change, 1% low cutoff	-18.3%	-16.2%	-14.9%
D percent change, 99% high cutoff	24.5%	21.0%	17.9%
% D Unchanged	n/a	84%	96%

Bucketing and deadbanding tend to be less effective at mitigating billed demand variability for customers who exhibit large percentage changes in relatively large demands. A possible mitigation approach for bill shock in such cases may be to explicitly limit the passthrough of changes in the underlying customer-specific demands to the billed demand. To the extent that a large change in measured demand were found to be permanent, the passthrough limitation would serve to phase in changes in measured demand.

Treatment of Customers with Uncommon Demand Patterns

Most of EGI's GS customers exhibit a common pattern of HDD-sensitive heating demand and relatively constant base demand, which is explained well by the basic linear HDD model underlying both the analytics (AGL) and regression methods for demand estimation. However, some types of customers have demands that do not conform to assumptions of the HDD model, including non-heating customers, heating customers with seasonal non-heating demands (e.g., pool heating), and customers with seasonal demands that are not related to heating (e.g., grain dryers).

Figures 11 and 12 illustrate the problem caused by the introduction of a seasonal base demand for a residential customer that apparently installed a heated pool during the period covered by the billing data we collected. Figure 11 shows a typical HDD-sensitive consumption pattern qualitatively similar to that of the example customer in Figure 10, above.

Figure 11

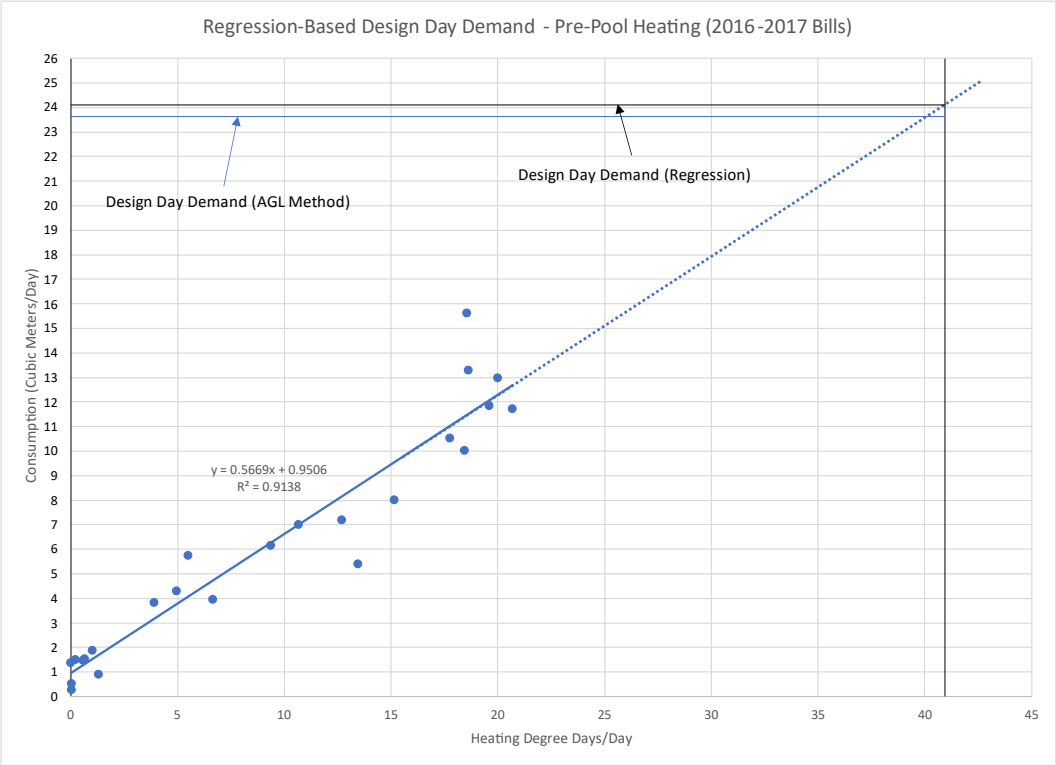
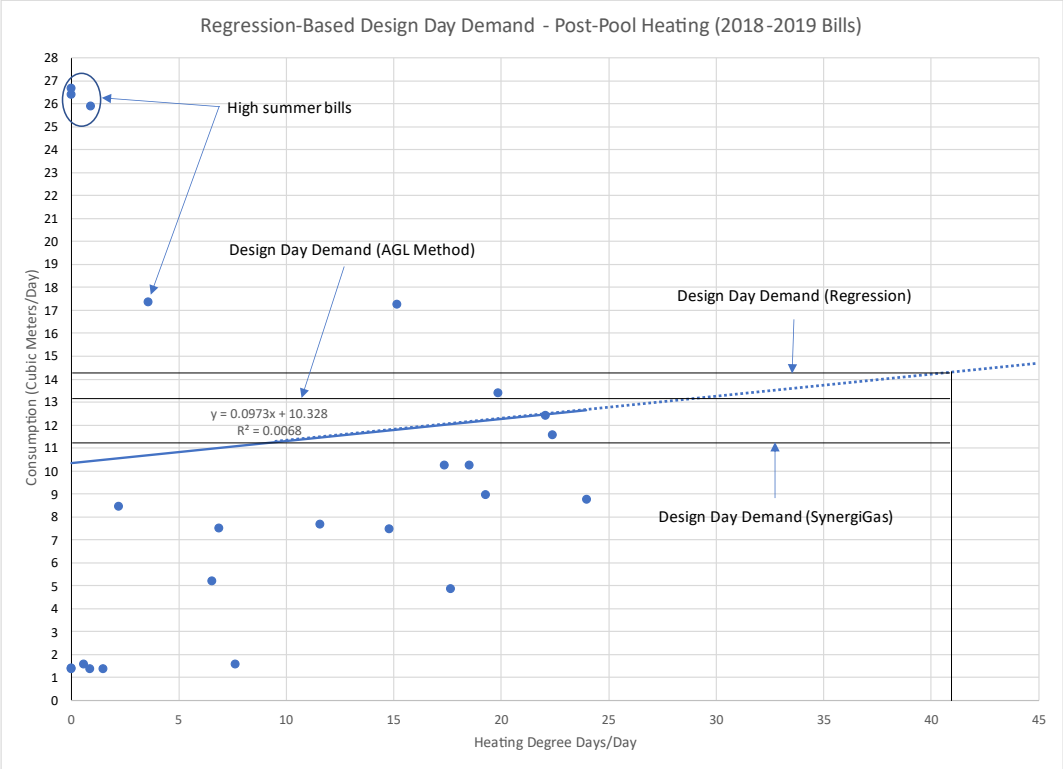


Figure 12



In Figure 11, both the analytics and regression approaches yield design day demand estimates in the vicinity of 24 m^3. Figure 12 shows the customer's billing data after the installation of the pool. The observations of high billed consumption in low-HDD summer months distort the estimates of the base and heat demand factors in the regression method—the linear model cannot fit these data well, as the line cannot fit both the high and low consumption amounts in the summer (low HDD) months.[13] The estimated base factor increases by a factor of more than 10, while the heat factor decreases from 0.567 m^3/HDD to 0.097 m^3/HDD, resulting in a drop in the design day demand estimate to 13-14 m^3. The high average consumption in the summer months compared to the period in Figure 11 also raises the estimated base factor and lowers the heat factor in the AGL/analytics method, producing a comparable decrease in estimated demand for the design day.[14] In all likelihood, the customer's true heating-related demand was little changed between the two periods, so the effect of the base consumption seasonality serves to understate their design day demand.

In cases such as the pool heating customer, the regression method can be modified to account for demand from the pool heating end use. One alternative is to drop the customer's billing data from summer months affected by pool heating use and to estimate the base and heat demand components using only winter and shoulder-season consumption data. For LEGD, it is possible to identify potentially affected customers using the customer's "revenue class," which identifies pool heating customers among other less common end-use categories (such as non-heating general service customers). Alternatively, it is possible to add a binary indicator variable for summer months to the regression to allow the base consumption to vary, although this is more computationally intensive. For LUG, some data on customers' end uses are available but not integrated with the legacy billing systems. It may be desirable to assign LEGD-style revenue classes to LUG customers to allow demand models to be adjusted as necessary for certain categories of customers.

The analytics/AGL method is fundamentally less suited to measuring demand in these cases, as there generally will not be observations of consumption available to identify the base consumption level. The main mitigating factor is that most general service customers (residential and non-residential) do follow the HDD-sensitive consumption pattern assumed by the analytics model.

Other customers with seasonal but non-heat-related demands (grain dryers, etc.) could be converted to other non-general service rates. We note that applying the linear HDD model to such customers will tend to result in heat factors that are (statistically) close to zero and base factors close to average consumption. While average consumption may be a reasonable design

[13] The clusters of high consumption and low consumption observations in the upper and lower left corners of the graph are a byproduct of a pattern of alternating bills where a low-consumption estimated month is followed by a high-consumption month involving an actual read. The basic result would still hold if the data used only consumption between actual reads.

[14] As shown in the figure, the Synergi Gas model also produces a low demand estimate under these circumstances. The reported Factor Quality Code indicates that the customer's average consumption was used for the demand estimate as a result of the poor linear model fit.

day demand estimate for a non-heating customer with relatively constant base demand, it may not be a good estimate of either design day or non-coincident peak demand for seasonal customers.

Developing Demands for New Customers

The AGL and regression methods for demand estimation both require some billing data history for implementation. The AGL method requires observations of consumption in both the heating and non-heating seasons to develop estimates of the base and heat components of demand. The linear HDD regression technically can be estimated with as few as three observations, but in practice the regression estimates of the base and heat parameters will be improved by additional observations of consumption covering a wide range of consumption-HDD combinations. Given these requirements, some new customers as well as existing customers with data problems will lack sufficient billing history to support reliable estimation of design day demands. Potential solutions depend in part on whether the new customer is occupying existing or new premises.

For new customers at existing premises, it is possible to use consumption data from previous occupants to provide sufficient additional consumption observations for the demand measurement. Notably, AGL generates its design day demands from data by premise rather than at the customer-premise level. It is reasonable to assume that durable gas-using equipment and other relevant physical characteristics of the premise will be carried over between successive customers, at least in the short term. However, the approach of using premise-level data will be more reliable to the extent that the turnover does not result in a material change in customer behavior. Use of a rolling period of billing data for demand estimation will ensure that the data eventually reflect the new customer provided the customer's tenure is sufficiently long. However, it is possible that some premises with higher customer turnover—such as certain rented residences and commercial spaces—could routinely require combining data across customers to provide sufficient consumption data.

For new customers at new premises, initial design day demands will need to be assigned using standard factors applied to premise characteristics—e.g., occupied area, installed heating and non-heating end uses, type of establishment for non-residential customers. This approach could also serve as an alternative method for establishing initial demand values in cases where customer turnover at nonresidential premises involves a change in the type of establishment. For example, if a commercial space converts from retail to restaurant use, changes in hours of operation and end uses may render previous occupants' data less valid for demand estimation than a prediction based on the premise characteristics. We did not have access to relevant customer or premise characteristics to develop or evaluate such factors as part of our analysis.

Other Procedures for Addressing Anomalous Estimation Results

Generating demand estimates for EGI's general service customer population requires automated procedures for addressing a variety of anomalous results of the demand modeling

process, both as a matter of administrative feasibility and to ensure that procedures are documented and standardized for purposes of corporate accounting controls. Anomalous results requiring or potentially requiring backup estimation procedures include negative estimates of base and/or heat factors, high relative variance of the estimated heat factor, prediction errors, and weak overall fit of the linear HDD models to the customers' billing data.

In principle, both the base and heat parameters of the linear demand model should be non-negative for all customers. However, the true values of the base and/or heat components may be small (relative to the sampling standard error of the estimates) for some customers. For instance, heating customers without additional gas end-uses may have small or zero base demand. Conversely, general non-heating customers may have little or no heating demand. Particularly (but not necessarily only) in such cases, the estimated values of either factor may be negative due to sampling variability of the estimates, measurement issues with consumption and/or HDDs, or customer behavior differing from the linear HDD model assumptions. Negative estimates of the base factor are not uncommon, and both the Synergi Gas demand model and the regression-based models developed by CA Energy Consulting for this study restrict the estimated base factor to be non-negative.[15] Negative estimated base factors are the most common estimation anomaly for the regression approach.

In the case of a negative estimated heat factor, Synergi Gas sets its heat factor to zero and sets the base factor to the customer's average daily consumption, treating affected customers as having non-HDD sensitive demands. Our models took a broadly similar approach, though we used the greater of the customer's overall average daily consumption and average daily consumption in the coldest month. This avoids a result where the customer's overall average daily consumption underpredicts the customer's actual heating season peak daily usage.

Where the linear model fits the data poorly and/or the relative standard error of the estimated heat parameter is high, Synergi Gas applies an outlier elimination procedure to attempt to improve the model fit. This procedure is not documented in sufficient detail to have allowed us to evaluate it. If outlier elimination does not improve the model fit and/or reduce the heat factor standard error sufficiently, Synergi Gas treats the customer's demand as non-HDD sensitive by zeroing the heat factor and assigning average consumption as the base (similar to the treatment of negative estimated base factors). Applied to heating customers, this procedure is likely to underestimate customer demands, as the true heat factor likely is positive notwithstanding the relatively poor fit of the model to the data, and we did not impose a similar substitution in our regression models.[16] Alternatively, a suitable load factor for a similar group of customers (e.g., same rate, weather zone, and revenue class) could be applied to the

[15] Our model forces the regression line through the origin if the intercept (base parameter) is negative. The Synergi Gas model forces the regression line through both the origin and the predicted design day demand based on the unconstrained regression.

[16] This behavior may be user-adjustable in the Synergi Gas software. The Synergi Gas demand estimates that we reviewed contained result codes indicating that zeroing the heat factor for poor model fit was more common (in percentage terms) for LUG than LEGD; conversely, the LEGD results had a higher percentage of customers with a result code indicating lower model fit but also low relative standard error for the heat coefficient. While these outcomes are relatively rare (~1.5% of customers), the absolute number of affected customers is not trivial.

customer's average daily consumption, particularly to avoid treating heating customers as having non-HDD sensitive demand due to weak model fit.

Recommended Approach

We found that both the AGL/analytics and regression methods for estimating design day demands are feasible for most of EGI's General Service customers. Both methods have similar conceptual underpinnings and produce qualitatively similar results for the bulk of customers with typical HDD-sensitive consumption and demand patterns resulting from space heating, with or without other gas end uses (water heating, cooking, clothes drying, etc.) that tend to be non-HDD sensitive and non-seasonal. Despite the overall similarities, we conclude that several factors favor the regression method if EGI pursues straight fixed variable (SFV) rates with a design day demand component.

As a theoretical matter, the regression approach makes more efficient use of EGI's available consumption data, and in particular is not reliant on the availability of consumption data free of heating demand to measure the base demand component. Given a period of consumption data to be used in the demand calculation, we found that the regression method systematically produced fewer "exceptions" involving large percentage demand changes than the analytics method. While these differences are not large in some respects, the improvement in model performance may nevertheless be valuable given EGI's large GS customer population.

Regression methods also are more easily adapted to produce reliable demand estimates for cases of customers with less common seasonal consumption patterns, including general non-heating, pool heating, and seasonal non-residential customers. Insofar as alternative regression models to address such cases are more computationally intensive than the simple linear HDD model, it may be desirable for EGI to maintain records to allow customers of those types to be separated from the bulk of the GS population.

A challenge for implementing regression-based design day demand will be developing a turnkey system to obtain consumption data from EGI's billing systems and to return design day demand estimates to those systems. Currently, EGI has two regression-based systems that potentially could be adapted to produce demand estimates for use in billing. Both LEGD and LUG use a module of the Synergi Gas software to estimate design day demands for their customer populations for non-ratemaking purposes. Synergi Gas implements a regression analysis using the linear HDD model described above, along with data cleaning steps and a set of procedures to assign proxy demands to customers with insufficient data or results with low statistical quality. As we did not obtain results from consecutive updates of demands from Synergi Gas, we were unable to examine the variability of its estimated demands over time directly, although we would expect it to perform similarly to our research regression models. We also understand that EGI's billing system uses regression models to estimate consumption for estimated bills. Estimating demand at design day conditions is a logical extension of estimating consumption at observed HDDs; furthermore, the related data processing would take place within the billing system. We have not, however, reviewed documentation of the bill estimation

models or related data processing procedures. It is unclear whether either system has (or could have) sufficient flexibility to estimate demands reliably for customers whose consumption patterns deviate from the linear HDD model, and documentation of some of the details of the Synergi Gas processing procedures was insufficient to allow replication of its results.

Both the analytics and regression methods would require some communications effort to build customer acceptance and understanding of the billing demands. Some basic concepts—notably the decomposition of consumption into base and heat components—are common. The analytics method is arithmetically somewhat simpler than the regression approach, although both methods may be perceived as complex by non-expert customers. Nevertheless, it is possible for customers to validate measured demands from their consumption data in either method. The derivation of the design day demand from customers' data can be represented graphically from the customer's consumption data as in Figures 1, 2, and 3, above.[17] Not all customers' demands will necessarily be verifiable from their data, notably if the customer is assigned a proxy demand due to limited billing history or other data issues that affect the quality of the customer-specific demand estimate.

4. CONCLUSIONS

The analysis of Phase 2 has revealed that, while EGI has broad discretion in rate class determination, a relatively simple two-class structure appears sensible, given the homogeneity of the class. This conclusion is reinforced if the SFVD rate design is chosen, as it offers a superior match between bills and cost to serve within each class. The SFV design would require some means of narrowing rate classes, and this conclusion is reinforced by the bill impact analysis.

Additionally, EGI appears to have a choice between class definition by size and customer type. If size is chosen as the criterion, then a methodology for choosing a size boundary is needed. It appears that the methodology used here – a demand boundary based on connections and metering information (or a volumetric parallel) – is viable in that the boundary appears to be stable and readily applicable to all customers.[18]

The bill impact analysis conducted here demonstrates that bill impacts from SFVD are likely to be moderate and thus unlikely to form a barrier to acceptance. Consequently, the SFVD design appears well suited to facilitate rate harmonization. In contrast, the SFV approach results in widespread large bill impacts that would be troublesome in gaining acceptance for rate harmonization. The volumetric option is a reasonable substitute for SFVD, but it would fail to achieve other design objectives. These include matching the incremental cost of gas to the incremental price (including the commodity price), the loss of the opportunity to offer

[17] A tabular representation of a design day demand calculation appears in the appendix.

[18] The DDD boundary is less likely than a volumetric boundary to result in customer shifts across boundaries, as the DDD metric is much less susceptible to variation due to weather. A year of extreme cold under the volumetric measure might push customers close to the boundary up into the larger class.

customers bills that do not fluctuate with weather, and potential simplification of the distribution bill to two lines (a customer and a demand charge).

Additionally, it appears that the use of demand as a basis for billing is desirable from the point of view of theory and feasible in practice. The conclusion of feasibility derives from 1) the existence of a large natural gas distributor having used design day demand for billing all customers for twenty years (Atlanta Gas Light); and 2) EGI's own experience of estimating weather sensitivity of individual customers in a manner that is quite close to what would be needed to support the calculation of DDDs for all customers under the SFVD design at EGI. The utility would need to evaluate the internal preparation necessary to implement the concept and explore customer and regulatory acceptance issues.

Enbridge Gas Inc.'s GS Rate Harmonization: Classification and Rate Design Alternatives for a Combined Rate Zone

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Christensen Associates Energy Consulting

May 10, 2021

Agenda

- Harmonization Research
- Bill Impacts for Harmonized Rate Zones
- Additional Peak Demand Research
- Project Conclusions and Recommendations

Harmonization Research

Phase 1

- Objectives
  - Identify data usable for customer classification within a single combined rate zone.
  - Analyze data to determine how to classify customers.
- Findings
  - GS customers are homogeneous over the full range of sizes
    - Few identifiable subgroups; none of significant size
  - Connection equipment information falls short of serving as a basis for classification

Phase 2

- Objective
  - Evaluate impact of alternative rates as a guide to classification and harmonization planning
- Approach
  - Compute bill impacts for SFV, SFVD rate designs assuming retention of *current* rate zones.
  - Compute bill impacts for SFVD and alternative rate designs for a single combined rate zone, using *harmonized* rates
    - SFV, SFVD
    - Alternative traditional volumetric rates, based on total consumption

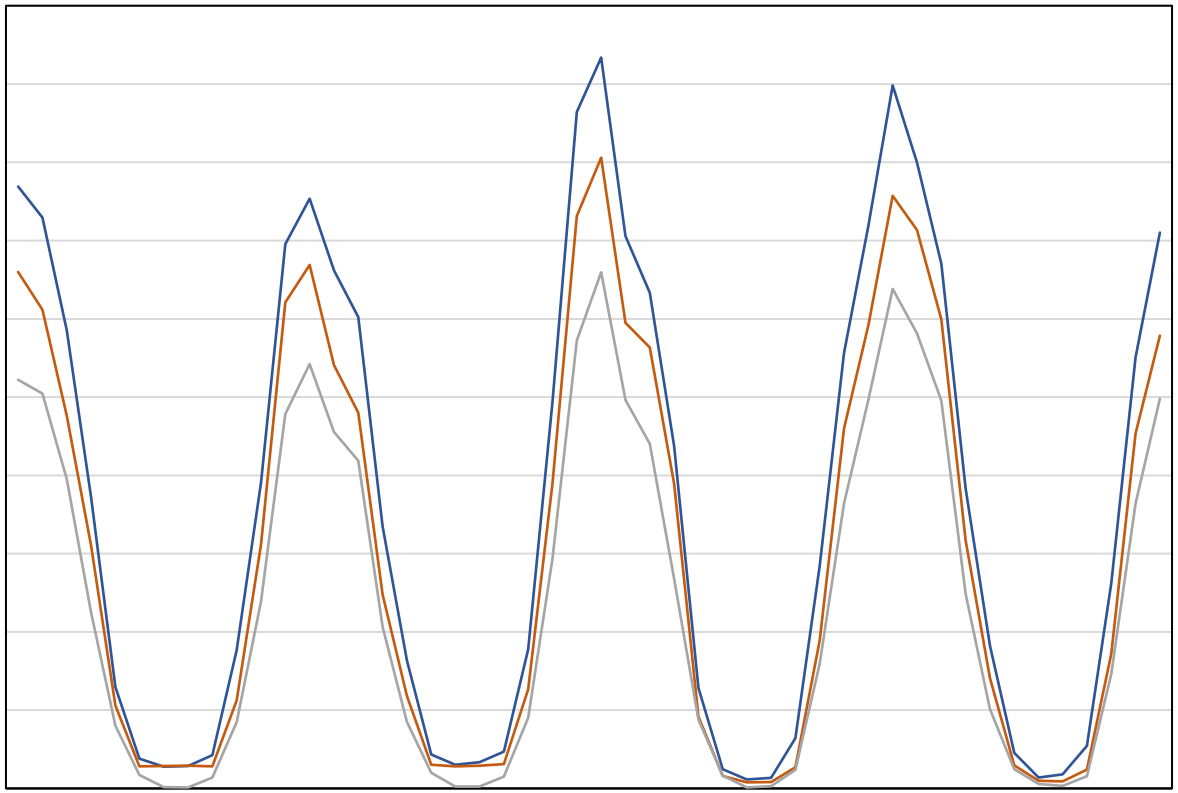
Motivations for Harmonization

	Small Customers					Medium to Large Customers			
Rate Code		R1	1		M1	R6	10		M2
Rate Name		Residential	(General Service)		(General Service)	General Service	Large Volume General Firm Service		Large Volume General Service
Rate Zone	Unit	LEGD	LUG-NE	LUG-NW	LUG-S	LEGD	LUG-NE	LUG-NW	LUG-S
Customer	$/mo	21.83	22.87	22.87	22.87	73.89	73.90	73.90	73.90
Delivery	$/m^3	0.1000	0.0900	0.0900	0.0540	0.0750	0.0580	0.0580	0.0480
Transportation	$/m^3	0.0412	0.0229	0.0462	-	0.0412	0.0209	0.0404	-
Storage	$/m^3	0.0097	0.0582	0.0206	0.0080	0.0097	0.0400	0.0150	0.0070
Supply	$/m^3	0.1142	0.1376	0.1225	0.1348	0.1144	0.1376	0.1225	0.1348
Total Volumetric	$/m^3	**0.2651**	**0.3087**	**0.2793**	**0.1968**	**0.2403**	**0.2565**	**0.2359**	**0.1898**

How Similar are Customers?

- Available information:
  - Billing data – available for virtually all customers
  - Customer type – available for most customers
  - Customer connection – available for some but not all customers; accuracy problematic

What Customers Are These?



Phase 1 Research Indications

- Customer characteristics vary relatively little with size or type of customer.
  - Average load factors are relatively similar.
  - Exceptions are few in number.
  - Connections are homogeneous among small customers, variable among larger customers.
- EGI thus has flexibility in selecting rate class numbers and boundaries.
  - Similarities suggest few classes are needed.
- Harmonization may depend on bill impacts by class for alternative designs

Considerations in Class Definition

- Broader definitions reduces issues of rate class appropriateness and shifting.
- Broader definitions increase need for a rate design to match revenue to cost for diverse customers.

Candidates for Bill Impact Investigation

- Customer class:
  - By type: Residential, other General Service
  - By size: Small, Medium-Large
- Type of Rate:
  - Fixed cost recovery via fixed charges:
    - Straight-Fixed-Variable (SFV)
    - SFV with demand (SFVD)
  - Traditional volumetric (with customer charge)

Class and Rate Scenarios

Rate Classes	No.	SFV	SFVD	No.	Traditional Volumetric
Residential	1	customer	customer, demand (single price)	3	customer, 1 vol. price
GS					customer, 3 decl. blk. Delivery; boundaries 15, 50k m^3
Small Demand/Vol	2	customer	customer, demand (single price); dem. boundary 150 m^3	4	customer, 1 vol. price; <15k m^3
General Demand					customer, 2 decl. blk. Delivery; boundary 50k m^3

Other Charges supply, transportation, load balancing, storage

Excluded Charges federal carbon, riders, adjustments

Bill Impacts for Harmonized Rate Zones

Scenario 1, LEGD R1 SFVD Bill Impacts Current and Harmonized Rate Zone Pricing

		Current Rate				SFVD Rate							
		Current Rate Zone				Current Rate Zone				Harmonized Rate Zone			
Average Customer		Margin Unit Rate	Approved Margin Bill	Approved Energy Bill	**Nov 2019 Approved Total Rates**	Margin Unit Rates	SFVD Margin Bill	Approved Energy Bill	**Total SFVD + Energy Bill**	Margin Unit Rates	SFVD Margin Bill	Approved Energy Bill	**Total SFVD + Energy Bill**
Volume	m^3				**2,400**								
Daily Demand					**24.36**								
Customer	$	20.21	242.57	0.00	242.57	**21.51**	**258.12**	0.00	258.12	**22.24**	**266.91**	0.00	266.91
Distribution	$	0.0669	160.47	44.49	204.95	**0.52**	**153.23**	44.49	197.71	**0.52**	**151.35**	44.49	195.83
Load Balancing	$	0.0032	7.65	21.80	29.44			21.80	21.80			21.80	21.80
Transportation	$	0.0002	0.57	101.64	102.21			101.64	101.64			101.64	101.64
Sales - Commodity	$	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36
Total	$		**413.15**	**381.39**	**794.54**		**413.24**	**381.39**	**794.63**		**420.15**	**381.39**	**801.55**
Bill Index vs. Current									**1.000**				**1.009**

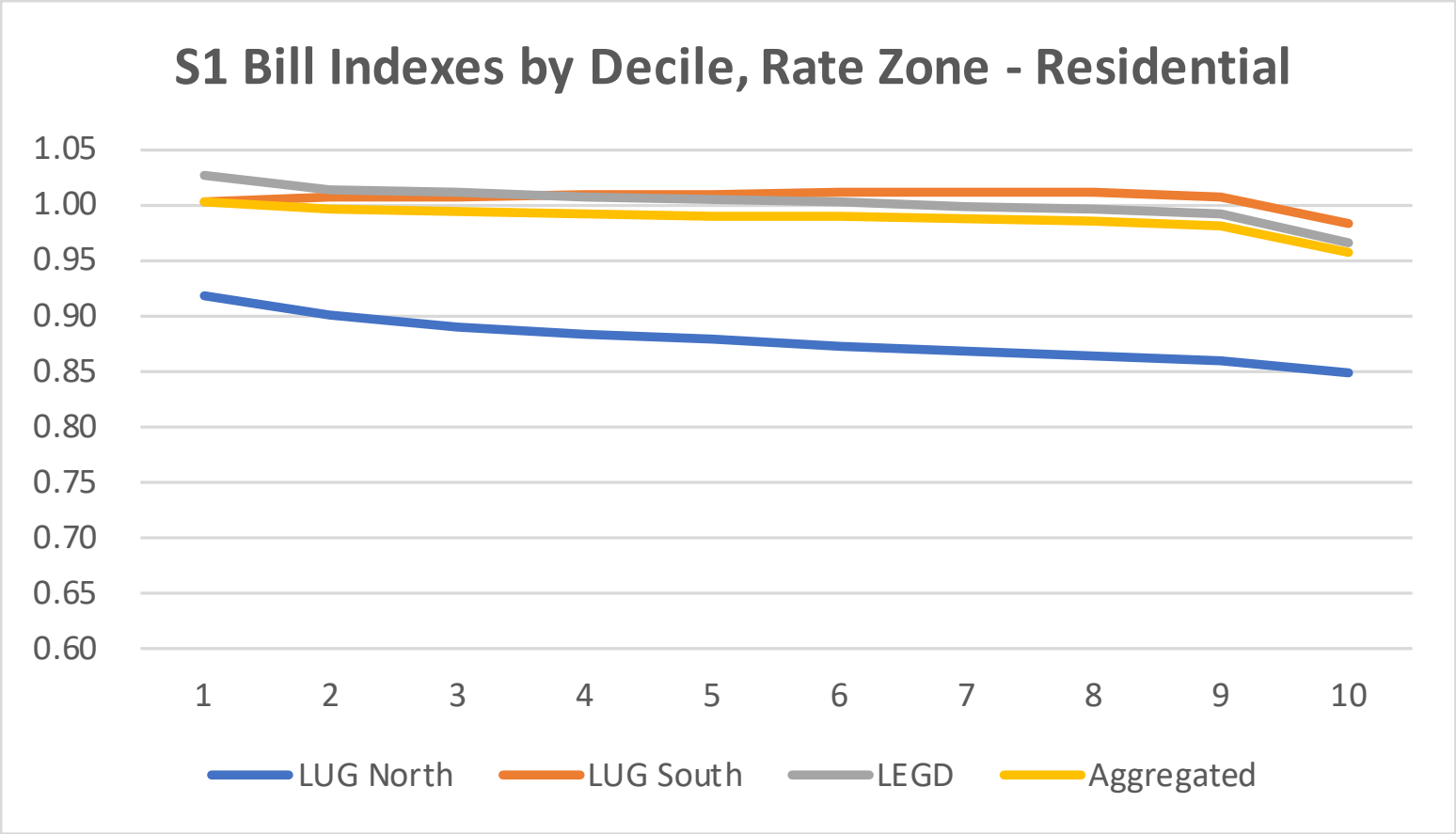
Scenario 1, LEGD R1: Harmonized SFVD Bill Impacts Vary Little with Cust. Size

		Current Rate				SFVD Rate							
		Current Rate Zone				Current Rate Zone				Harmonized Rate Zone			
Average Customer		Margin Unit Rate	Approved Margin Bill	Approved Energy Bill	**Nov 2019 Approved Total Rates**	Margin Unit Rates	SFVD Margin Bill	Approved Energy Bill	**Total SFVD + Energy Bill**	Margin Unit Rates	SFVD Margin Bill	Approved Energy Bill	**Total SFVD + Energy Bill**
Volume	m^3				2,400								
Daily Demand					24.36								
Customer	$	20.21	242.57	0.00	242.57	21.51	258.12	0.00	258.12	22.24	266.91	0.00	266.91
Distribution	$	0.0669	160.47	44.49	204.95	0.52	153.23	44.49	197.71	0.52	151.35	44.49	195.83
Load Balancing	$	0.0032	7.65	21.80	29.44			21.80	21.80			21.80	21.80
Transportation	$	0.0002	0.57	101.64	102.21			101.64	101.64			101.64	101.64
Sales - Commodity	$	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36
Total	$		**413.15**	**381.39**	**794.54**		**413.24**	**381.39**	**794.63**		**420.15**	**381.39**	**801.55**
Bill Index vs. Current									**1.000**				**1.009**

Small Customer													
Volume	m^3				1,081								
Daily Demand					10.97								
Customer	$	20.21	242.57	0.00	242.57	21.51	258.12	0.00	258.12	22.24	266.91	0.00	266.91
Distribution	$	0.0719	77.68	19.94	97.62	0.52	69.02	19.94	88.95	0.52	68.17	19.94	88.11
Load Balancing	$	0.0032	3.44	9.82	13.26			9.82	9.82			9.82	9.82
Transportation	$	0.0002	0.26	45.78	46.04			45.78	45.78			45.78	45.78
Sales - Commodity	$	0.0008	0.85	96.15	97.00	0.0008	0.85	96.15	97.00	0.0008	0.85	96.15	97.00
Total	$		**324.80**	**171.68**	**496.49**		**327.99**	**171.68**	**499.67**		**335.93**	**171.68**	**507.62**
Bill Index vs. Current									**1.006**				**1.022**

Large Customer													
Volume	m^3				5,048								
Daily Demand					51.24								
Customer	$	20.21	242.57	0.00	242.57	21.51	258.12	0.00	258.12	22.24	266.91	0.00	266.91
Distribution	$	0.0647	326.82	93.77	420.58	0.52	322.28	93.77	416.05	0.52	318.34	93.77	412.11
Load Balancing	$	0.0032	16.08	45.84	61.93			45.84	45.84			45.84	45.84
Transportation	$	0.0002	1.20	213.79	214.99			213.79	213.79			213.79	213.79
Sales - Commodity	$	0.0008	3.98	449.00	452.98	0.0008	3.98	449.00	452.98	0.0008	3.98	449.00	452.98
Total	$		**590.65**	**802.40**	**1,393.05**		**584.39**	**802.40**	**1,386.79**		**589.23**	**802.40**	**1,391.63**
Bill Index vs. Current									**0.996**				**0.999**

Scenario 1 Residential Bill Indexes



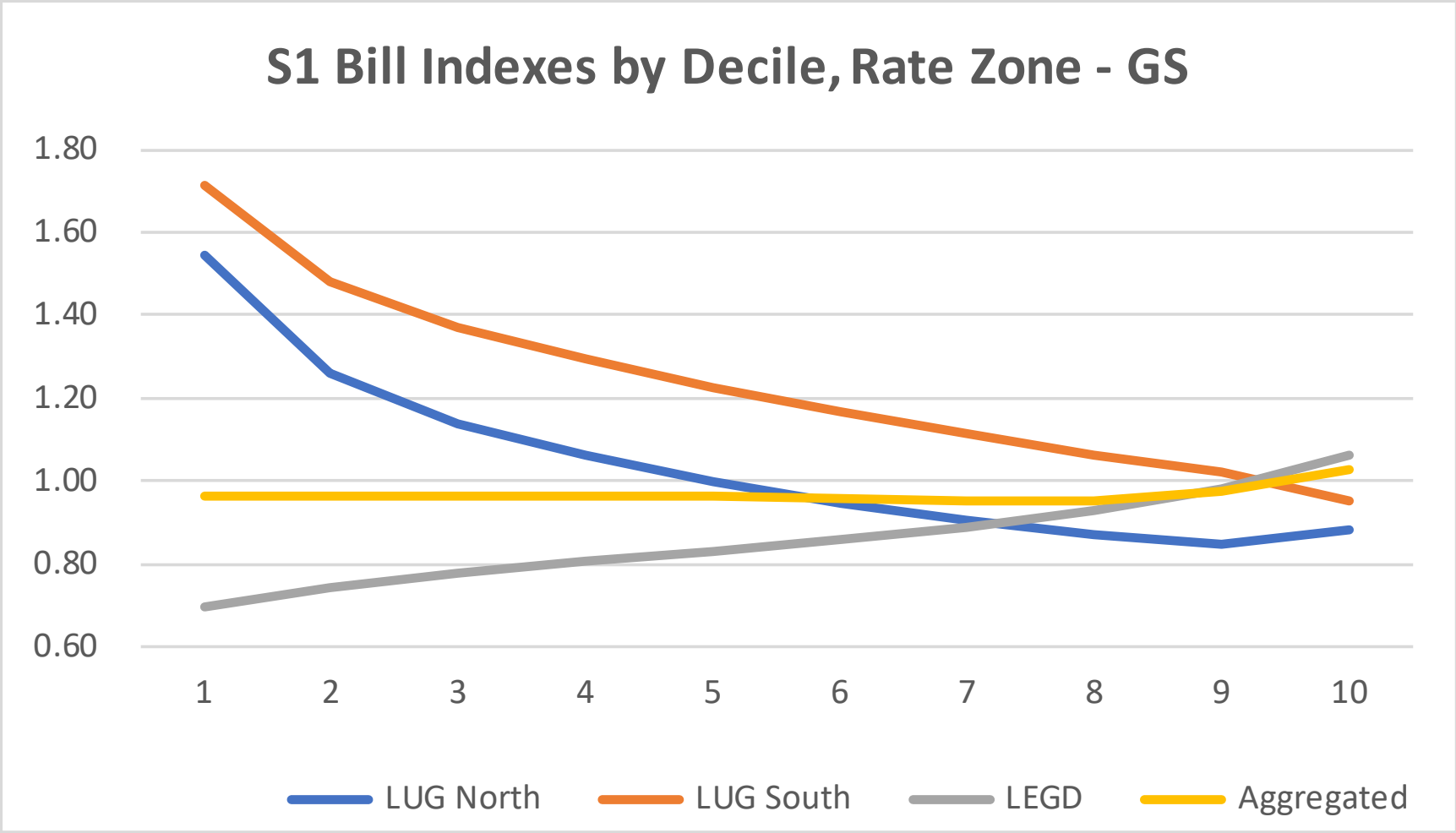
Scenario 1, LUG M2: Harmonized SFVD Bill Impacts Vary Slightly with Cust. Size

		Current Rate				SFVD Rate							
		Current Rate Zone				Current Rate Zone				Harmonized Rate Zone			
Average Customer		Margin Unit Rate	Approved Margin Bill	Approved Energy Bill	**Nov 2019 Approved Total Rates**	Margin Unit Rates	SFVD Margin Bill	Approved Energy Bill	**Total SFVD + Energy Bill**	Margin Unit Rates	SFVD Margin Bill	Approved Energy Bill	**Total SFVD + Energy Bill**
VOLUME	m^3				**73,000**								
DAILY DEMAND					**746**								
Monthly Charge	$	71.75	861.00	0.00	861.00	131.65	1,579.85	0.00	1,579.85	45.78	549.33	0.00	549.33
Delivery	$	0.0481	3,514.61	0.00	3,514.61	0.47	4,189.27	0.00	4,189.27	0.43	3,874.02	0.00	3,874.02
Storage	$	0.0067	491.29	0.00	491.29			0.00	0.00		0.00	0.00	0.00
Commodity	$	(0.0009)	(65.77)	8,314.70	8,248.93	(0.0009)	(65.77)	8,314.70	8,248.93	(0.0009)	(65.77)	8,314.70	8,248.93
Total	**$**		**4,801.13**	**8,314.70**	**13,115.83**		**5,703.34**	**8,314.70**	**14,018.04**		**4,357.58**	**8,314.70**	**12,672.28**
Bill Index vs. Current									**1.069**				**0.966**

Small Customer													
VOLUME	m^3				**60,000**								
DAILY DEMAND					**613**								
Monthly Charge	$	71.75	861.00	0.00	861.00	131.65	1,579.85	0.00	1,579.85	45.78	549.33	0.00	549.33
Delivery	$	0.0484	2,902.64	0.00	2,902.64	0.47	3,443.23	0.00	3,443.23	0.43	3,184.13	0.00	3,184.13
Storage	$	0.0067	403.80	0.00	403.80			0.00	0.00			0.00	0.00
Commodity	$	(0.0009)	(54.06)	6,834.00	6,779.94	(0.0009)	(54.06)	6,834.00	6,779.94	(0.0009)	(54.06)	6,834.00	6,779.94
Total	**$**		**4,113.38**	**6,834.00**	**10,947.38**		**4,969.02**	**6,834.00**	**11,803.02**		**3,679.40**	**6,834.00**	**10,513.40**
Bill Index vs. Current									**1.078**				**0.960**

Large Customer													
VOLUME	m^3				**250,000**								
DAILY DEMAND					**2,285**								
Monthly Charge	$	71.75	861.00	0.00	861.00	131.65	1,579.85	0.00	1,579.85	45.78	549.33	0.00	549.33
Delivery	$	0.0459	11,475.07	0.00	8,026.45	0.47	14,346.80	0.00	14,346.80	0.43	13,267.20	0.00	13,267.20
Storage	$	0.0067	1,682.50	0.00	1,682.50			0.00	0.00			0.00	0.00
Commodity	$	(0.0009)	(225.25)	28,475.00	28,249.75	(0.0009)	(225.25)	28,475.00	28,249.75	(0.0009)	(225.25)	28,475.00	28,249.75
Total	**$**		**13,793.32**	**28,475.00**	**38,819.70**		**15,701.40**	**28,475.00**	**44,176.40**		**13,591.29**	**28,475.00**	**42,066.29**
Bill Index vs. Current									**1.138**				**1.084**

Scenario 1 GS Demand Bill Indexes



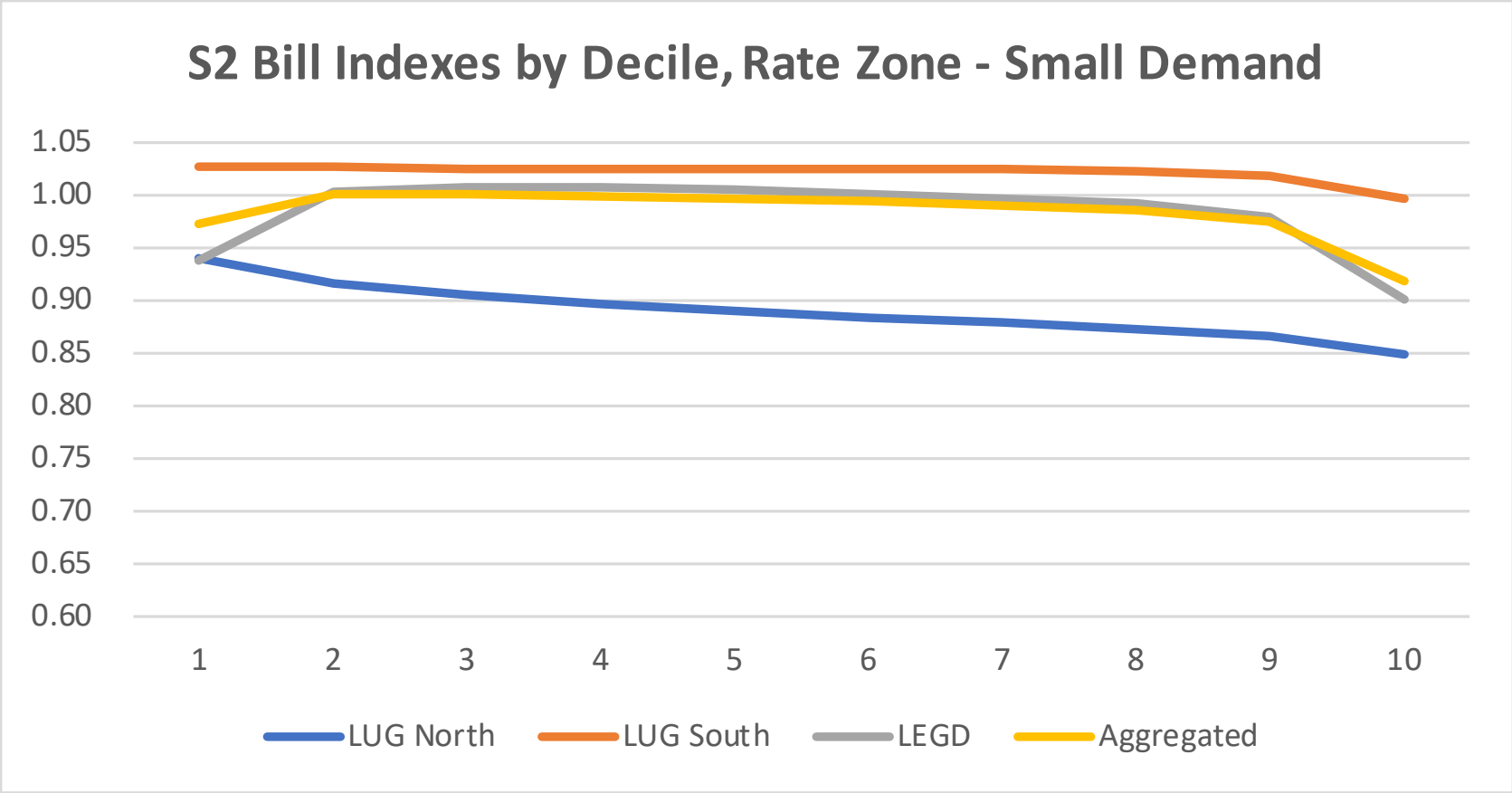
Scenario 2, LEGD R1 SFVD: SFVD Bill Impacts are Small

		Current Rate				SFVD Rate							
		Current Rate Zone				Current Rate Zone				Harmonized Rate Zone			
Average Customer		Margin Unit Rate	Approved Margin Bill	Approved Energy Bill	**Nov 2019 Approved Total Rates**	Margin Unit Rates	SFVD Margin Bill	Approved Energy Bill	**Total SFVD + Energy Bill**	Margin Unit Rates	SFVD Margin Bill	Approved Energy Bill	**Total SFVD + Energy Bill**
Volume	m^3				**2,400**								
Daily Demand					**24.36**								
Customer	$	20.21	242.57	0.00	242.57	21.51	258.12	0.00	258.12	23.26	279.08	0.00	279.08
Distribution	$	0.0669	160.47	44.49	204.95	0.52	153.23	44.49	197.71	0.51	148.54	44.49	193.02
Load Balancing	$	0.0032	7.65	21.80	29.44			21.80	21.80			21.80	21.80
Transportation	$	0.0002	0.57	101.64	102.21			101.64	101.64			101.64	101.64
Sales - Commodity	$	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36
Total	$		**413.15**	**381.39**	**794.54**		**413.24**	**381.39**	**794.63**		**429.52**	**381.39**	**810.91**
Bill Index vs. Current									**1.000**				**1.021**

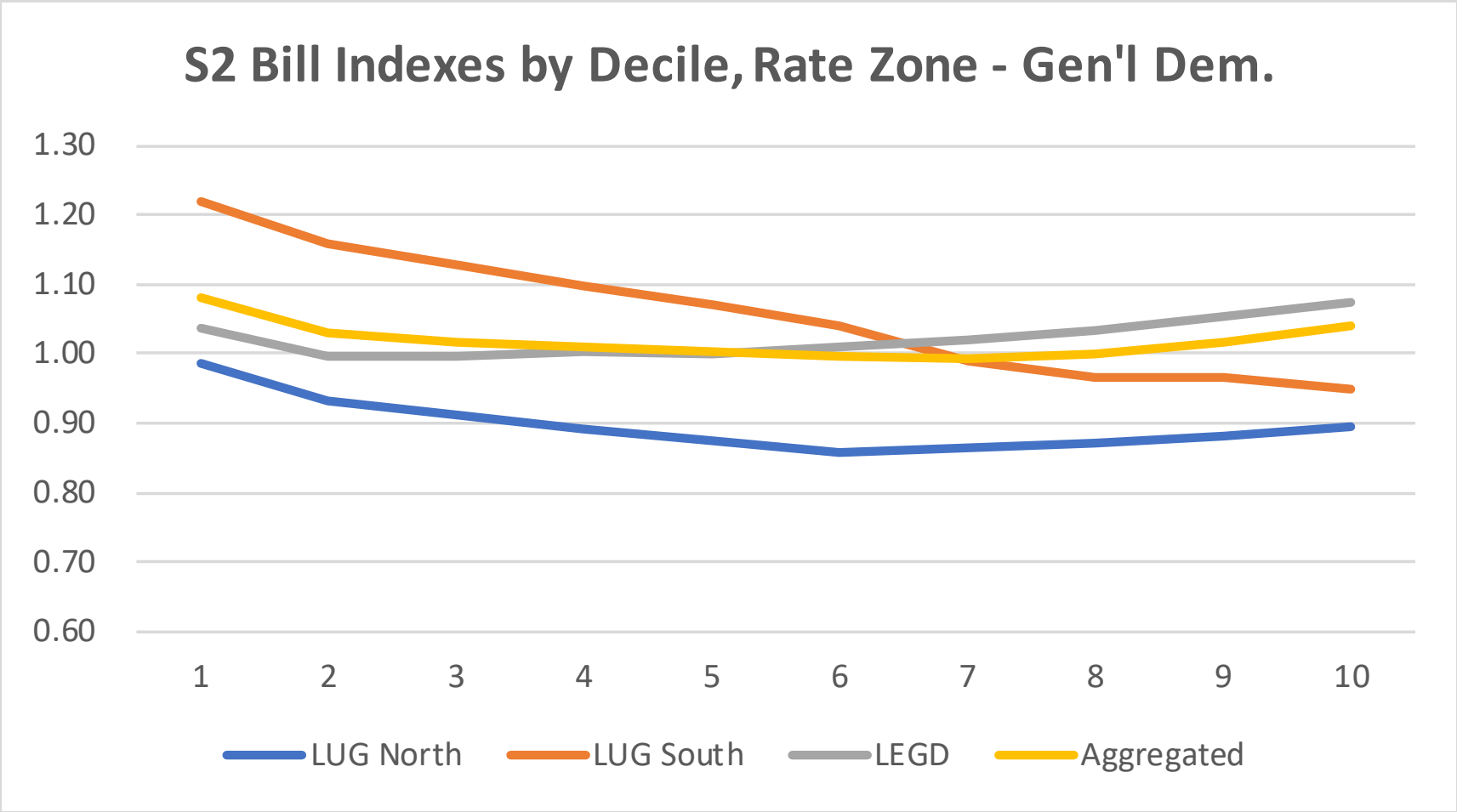
Small Customer													
Volume	m^3				**1,081**								
Daily Demand					**10.97**								
Customer	$	20.21	242.57	0.00	242.57	21.51	258.12	0.00	258.12	23.26	279.08	0.00	279.08
Distribution	$	0.0719	77.68	19.94	97.62	0.52	69.02	19.94	88.95	0.51	66.90	19.94	86.84
Load Balancing	$	0.0032	3.44	9.82	13.26			9.82	9.82			9.82	9.82
Transportation	$	0.0002	0.26	45.78	46.04			45.78	45.78			45.78	45.78
Sales - Commodity	$	0.0008	0.85	96.15	97.00	0.0008	0.85	96.15	97.00	0.0008	0.85	96.15	97.00
Total	$		**324.80**	**171.68**	**496.49**		**327.99**	**171.68**	**499.67**		**346.84**	**171.68**	**518.53**
Bill Index vs. Current									**1.006**				**1.044**

Large Customer													
Volume	m^3				**5,048**								
Daily Demand					**51.24**								
Customer	$	20.21	242.57	0.00	242.57	21.51	258.12	0.00	258.12	23.26	279.08	0.00	279.08
Distribution	$	0.0647	326.82	93.77	420.58	0.52	322.28	93.77	416.05	0.51	312.43	93.77	406.20
Load Balancing	$	0.0032	16.08	45.84	61.93			45.84	45.84			45.84	45.84
Transportation	$	0.0002	1.20	213.79	214.99			213.79	213.79			213.79	213.79
Sales - Commodity	$	0.0008	3.98	449.00	452.98	0.0008	3.98	449.00	452.98	0.0008	3.98	449.00	452.98
Total	$		**590.65**	**802.40**	**1,393.05**		**584.39**	**802.40**	**1,386.79**		**595.50**	**802.40**	**1,397.89**
Bill Index vs. Current									**0.996**				**1.003**

Scenario 2 Small Demand Bill Indexes



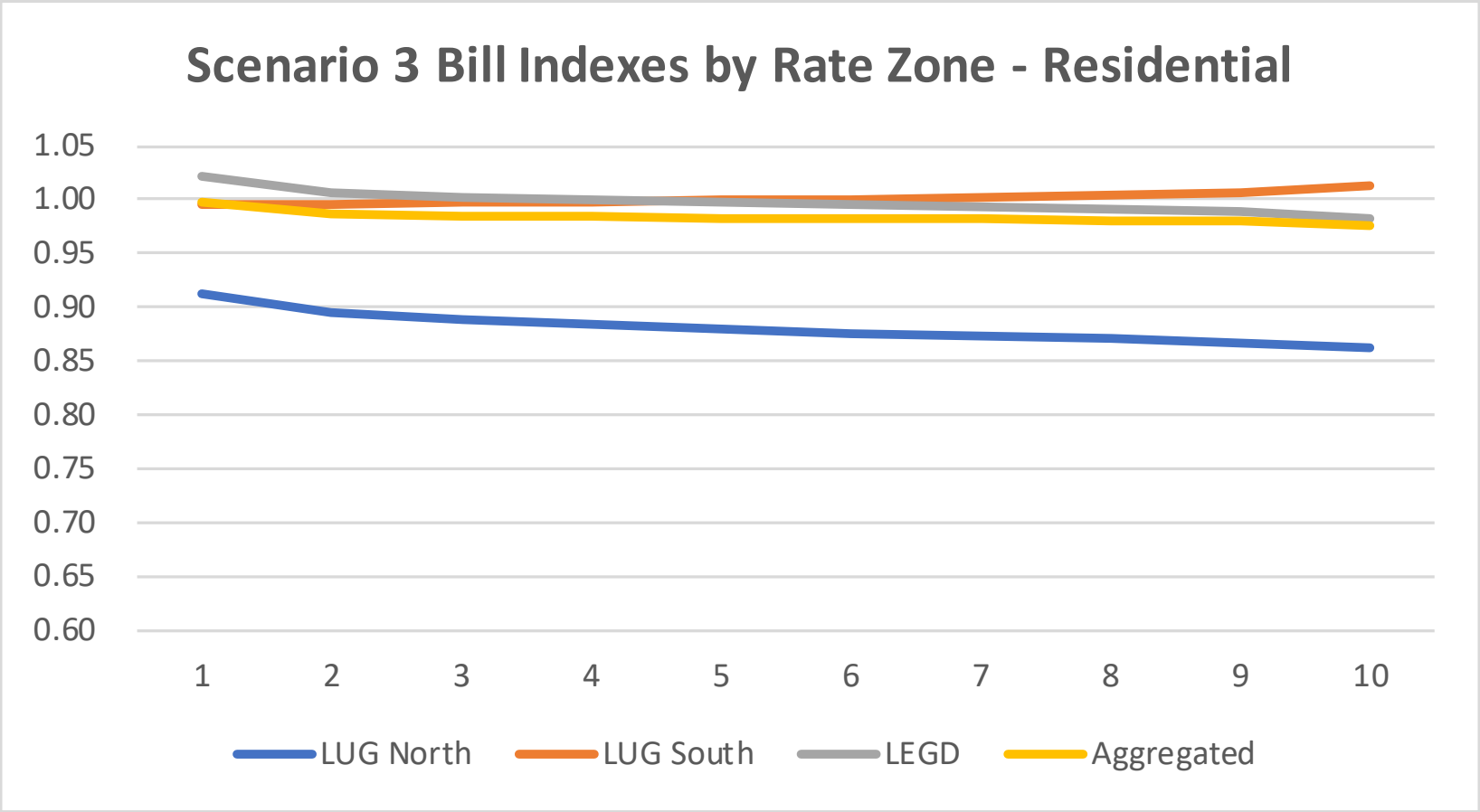
Scenario 2 GS Demand Bill Indexes



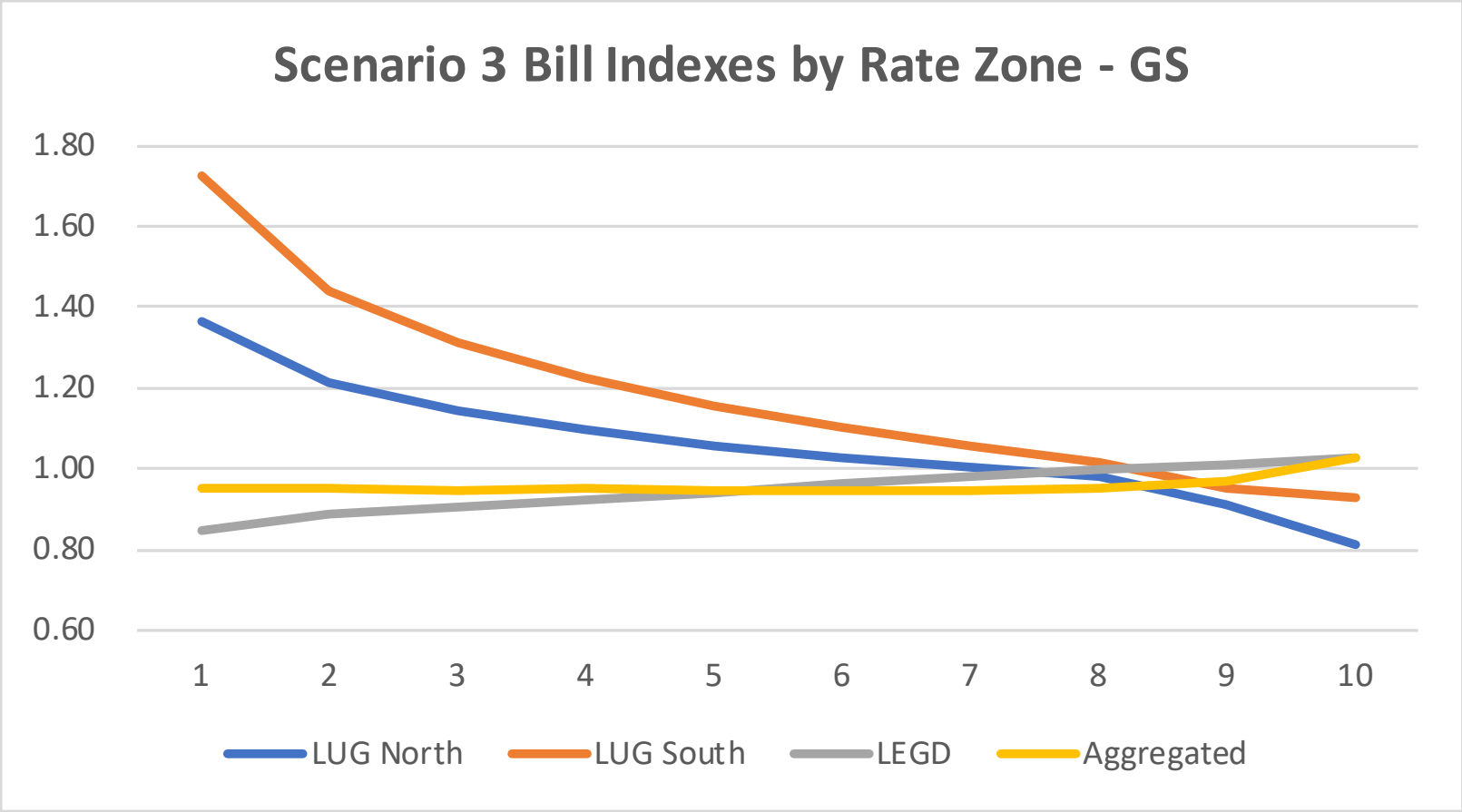
Scenarios 1 vs. 3, LEGD R1: Bill Impacts are Similar, Small

		Current Rate Current Rate Zone				SFVD Rate Harmonized Rate Zone				Volumetric Rate Harmonized Rate Zone			
Average Customer		Margin Unit Rate	Approved Margin Bill	Approved Energy Bill	**Nov 2019 Approved Total Rates**	Margin Unit Rates	SFVD Margin Bill	Approved Energy Bill	**Total SFVD + Energy Bill**	Margin Unit Rates	Margin Bill	Approved Energy Bill	**Total Margin + Energy Bill**
Volume	m^3				**2,400**								
Daily Demand					**24.36**								
Customer	$	20.21	242.57	0.00	242.57	23.26	279.08	0.00	279.08	22.32	267.84	0.00	267.84
Distribution	$	0.0669	160.47	44.49	204.95	0.51	148.54	44.49	193.02	0.0580	139.20	44.49	183.69
Load Balancing	$	0.0032	7.65	21.80	29.44			21.80	21.80			21.80	21.80
Transportation	$	0.0002	0.57	101.64	102.21			101.64	101.64			101.64	101.64
Sales - Commodity	$	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36
Total	$		**413.15**	**381.39**	**794.54**		**429.52**	**381.39**	**810.91**		**408.93**	**381.39**	**790.33**
Bill Index vs. Current									**1.021**				**0.995**
Small Customer													
Volume	m^3				**1,081**								
Daily Demand					**10.97**								
Customer	$	20.21	242.57	0.00	242.57	23.26	279.08	0.00	279.08	22.32	267.84	0.00	267.84
Distribution	$	0.0719	77.68	19.94	97.62	0.51	66.90	19.94	86.84	0.0580	62.70	19.94	82.63
Load Balancing	$	0.0032	3.44	9.82	13.26			9.82	9.82			9.82	9.82
Transportation	$	0.0002	0.26	45.78	46.04			45.78	45.78			45.78	45.78
Sales - Commodity	$	0.0008	0.85	96.15	97.00	0.0008	0.85	96.15	97.00	0.0008	0.85	96.15	97.00
Total	$		**324.80**	**171.68**	**496.49**		**346.84**	**171.68**	**518.53**		**331.39**	**171.68**	**503.08**
Bill Index vs. Current									**1.044**				**1.013**
Large Customer													
Volume	m^3				**5,048**								
Daily Demand					**51.24**								
Customer	$	20.21	242.57	0.00	242.57	23.26	279.08	0.00	279.08	22.32	267.84	0.00	267.84
Distribution	$	0.0647	326.82	93.77	420.58	0.51	312.43	93.77	406.20	0.0580	292.78	93.77	386.55
Load Balancing	$	0.0032	16.08	45.84	61.93			45.84	45.84			45.84	45.84
Transportation	$	0.0002	1.20	213.79	214.99			213.79	213.79			213.79	213.79
Sales - Commodity	$	0.0008	3.98	449.00	452.98	0.0008	3.98	449.00	452.98	0.0008	3.98	449.00	452.98
Total	$		**590.65**	**802.40**	**1,393.05**		**595.50**	**802.40**	**1,397.89**		**564.61**	**802.40**	**1,367.01**
Bill Index vs. Current									**1.003**				**0.981**

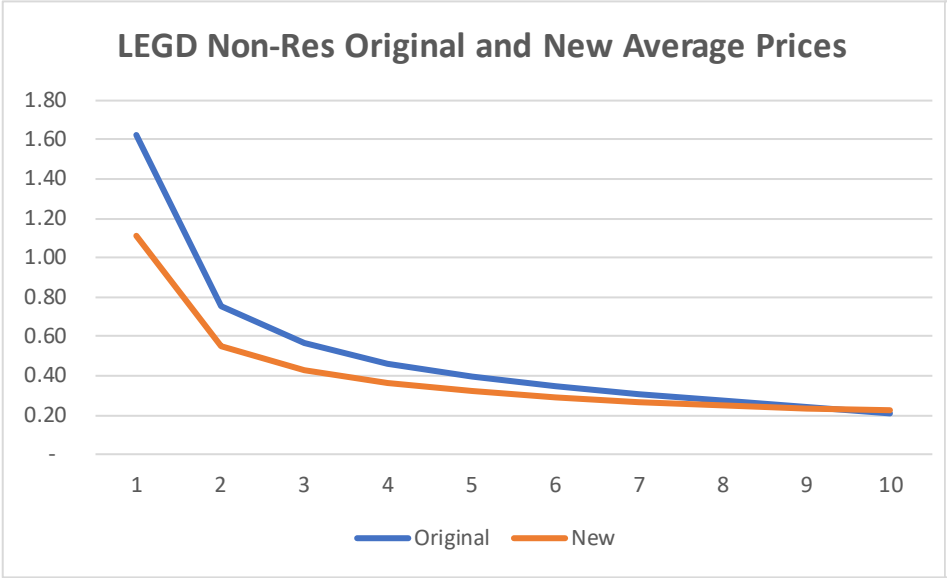
Scenario 3 Residential Bill Indexes

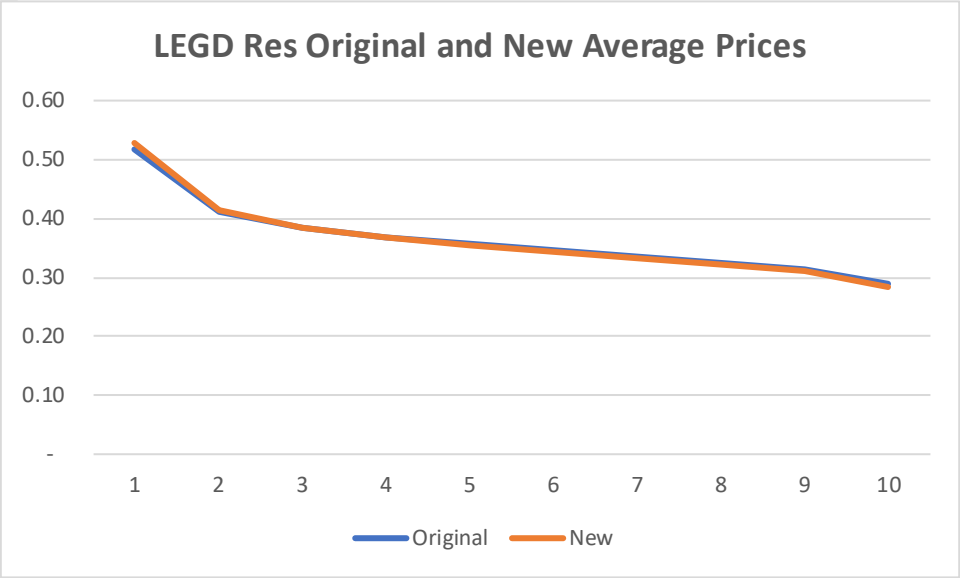


Scenario 3 General Service Bill Indexes

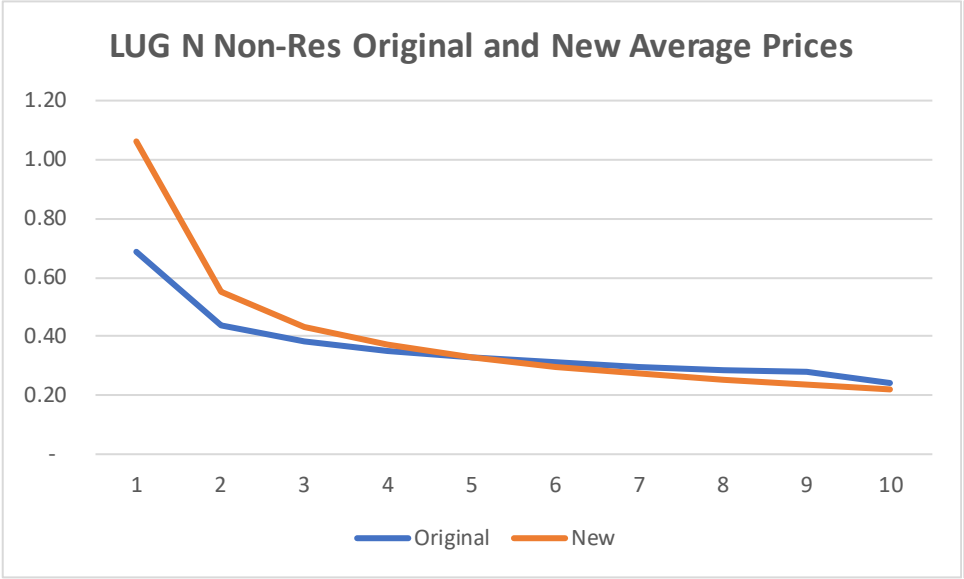


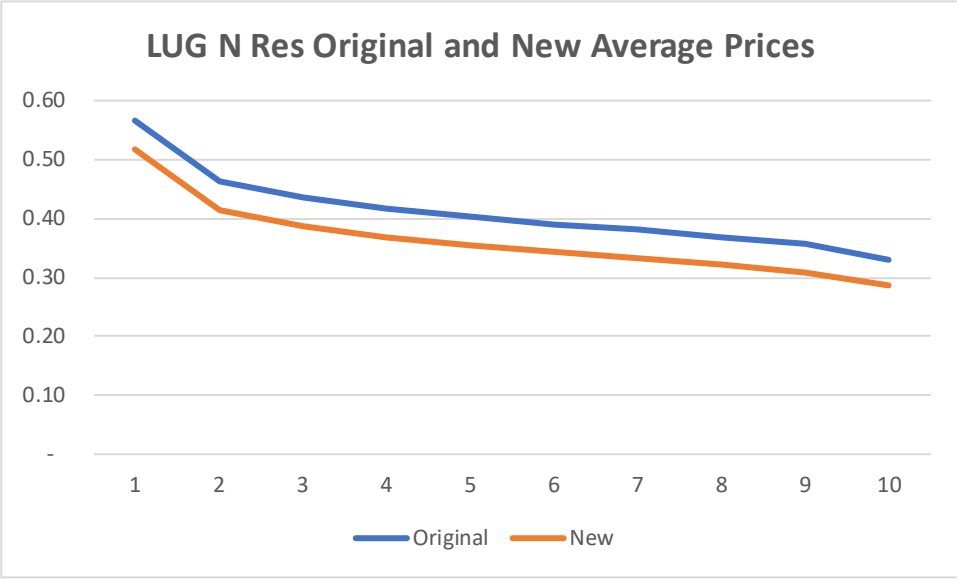
Differences Between Residential and GS Pricing (1)





Differences Between Residential and GS Pricing (2)



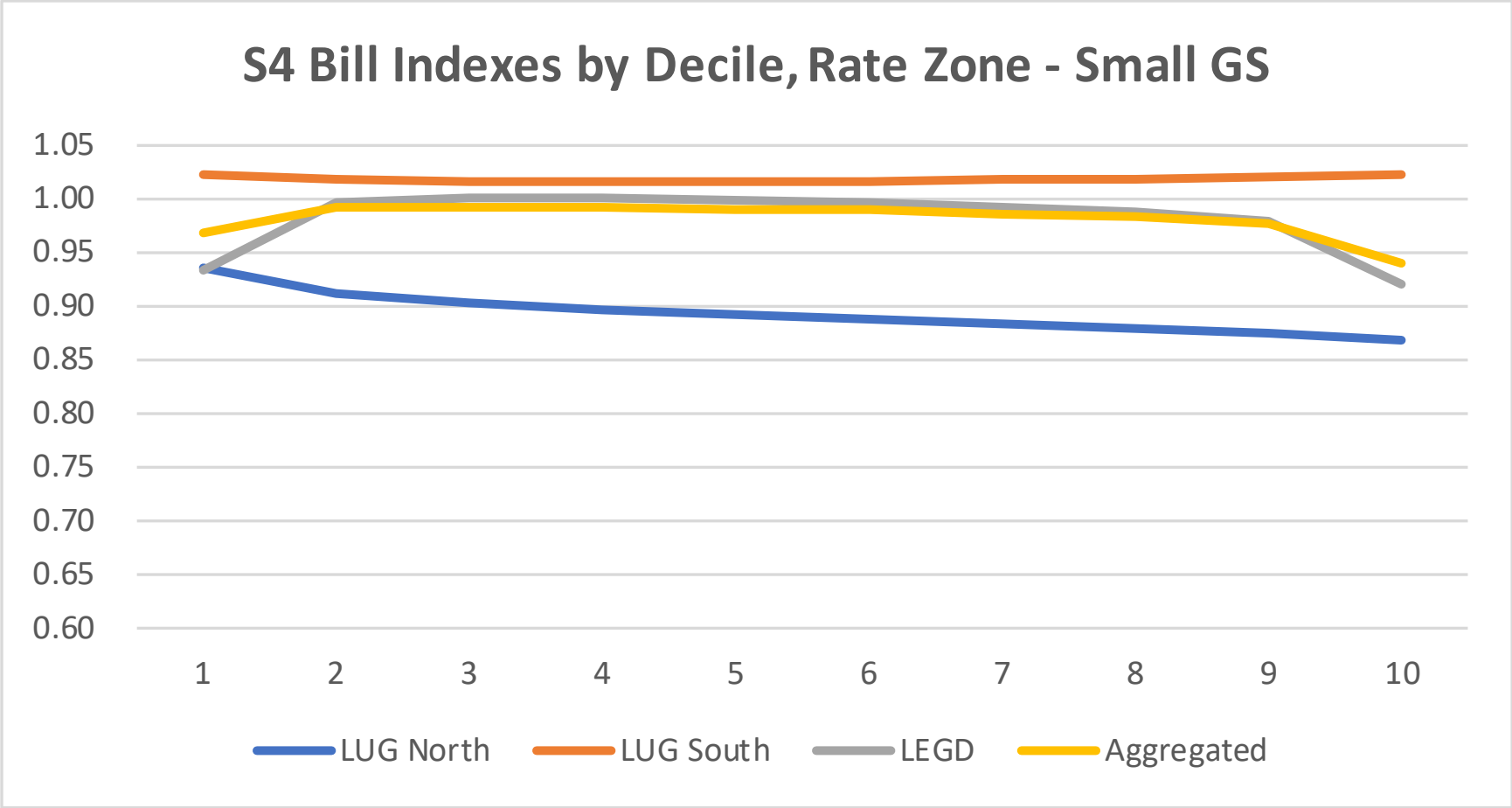


Scenario 2 vs. 4, LEGD R1: Bill Impacts are Similar, Small

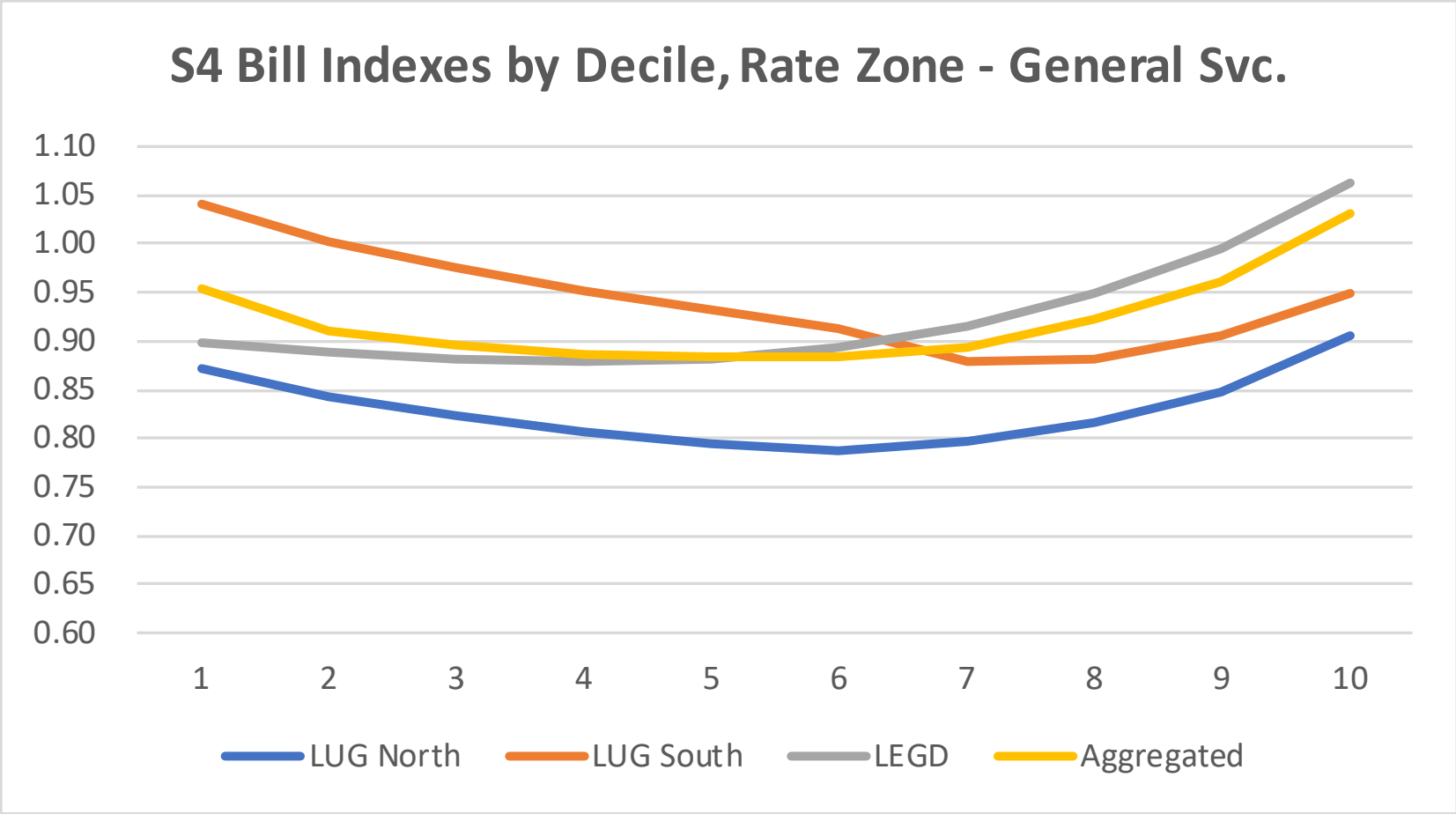
Harmonized Analysis - Scenario 4

		Current Rate Current Rate Zone				SFVD Rate Harmonized Rate Zone				Volumetric Rate Harmonized Rate Zone			
Average Customer		Margin Unit Rate	Approved Margin Bill	Approved Energy Bill	**Nov 2019 Approved Total Rates**	Margin Unit Rates	SFVD Margin Bill	Approved Energy Bill	**Total SFVD + Energy Bill**	Margin Unit Rates	Margin Bill	Approved Energy Bill	**Total Margin + Energy Bill**
Volume	m^3				2,400								
Daily Demand					24.36								
Customer	$	20.21	242.57	0.00	242.57	23.26	279.08	0.00	279.08	23.10	277.20	0.00	277.20
Distribution	$	0.0669	160.47	44.49	204.95	0.51	148.54	44.49	193.02	0.0580	139.20	44.49	183.69
Load Balancing	$	0.0032	7.65	21.80	29.44			21.80	21.80			21.80	21.80
Transportation	$	0.0002	0.57	101.64	102.21			101.64	101.64			101.64	101.64
Sales - Commodity	$	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36
Total	$		**413.15**	**381.39**	**794.54**		**429.52**	**381.39**	**810.91**		**418.29**	**381.39**	**799.69**
Bill Index vs. Current									**1.021**				**1.006**
Small Customer													
Volume	m^3				1,081								
Daily Demand					10.97								
Customer	$	20.21	242.57	0.00	242.57	23.26	279.08	0.00	279.08	23.10	277.20	0.00	277.20
Distribution	$	0.0719	77.68	19.94	97.62	0.51	66.90	19.94	86.84	0.0580	62.70	19.94	82.63
Load Balancing	$	0.0032	3.44	9.82	13.26			9.82	9.82			9.82	9.82
Transportation	$	0.0002	0.26	45.78	46.04			45.78	45.78			45.78	45.78
Sales - Commodity	$	0.0008	0.85	96.15	97.00	0.0008	0.85	96.15	97.00	0.0008	0.85	96.15	97.00
Total	$		**324.80**	**171.68**	**496.49**		**346.84**	**171.68**	**518.53**		**340.75**	**171.68**	**512.44**
Bill Index vs. Current									**1.044**				**1.032**
Large Customer													
Volume	m^3				5,048								
Daily Demand					51.24								
Customer	$	20.21	242.57	0.00	242.57	23.26	279.08	0.00	279.08	23.10	277.20	0.00	277.20
Distribution	$	0.0647	326.82	93.77	420.58	0.51	312.43	93.77	406.20	0.0580	292.78	93.77	386.55
Load Balancing	$	0.0032	16.08	45.84	61.93			45.84	45.84			45.84	45.84
Transportation	$	0.0002	1.20	213.79	214.99			213.79	213.79			213.79	213.79
Sales - Commodity	$	0.0008	3.98	449.00	452.98	0.0008	3.98	449.00	452.98	0.0008	3.98	449.00	452.98
Total	$		**590.65**	**802.40**	**1,393.05**		**595.50**	**802.40**	**1,397.89**		**573.97**	**802.40**	**1,376.37**
Bill Index vs. Current									**1.003**				**0.988**

Scenario 4 Small General Service Bill Indexes



Scenario 4 General Service Bill Indexes



Upper Tail of Bill Impacts: Customers with 10% Increase or More

	No. of Customers				Percentage of Rate Class			
Scenario	**1**	**2**	**3**	**4**	**1**	**2**	**3**	**4**
LEGD								
Rate 1	281,398	590,755	758	10,279	17.7%	37.1%	0.0%	0.6%
Rate 6 LV	396	393	48	10	4.2%	4.2%	0.5%	0.1%
Rate 6	66,011	10,982	-	-	58.7%	9.8%	0.0%	0.0%
LUG								
Rate 1	33,725	37,939	7,538	-	10.3%	11.6%	2.3%	0.0%
Rate 10	9	2	-	-	0.5%	0.1%	0.0%	0.0%
Rate M1	341,642	589,988	56,563	150	32.5%	56.1%	5.4%	0.0%
Rate M2	34	48	-	-	0.5%	0.7%	0.0%	0.0%

Scenarios 1 and 3: Bill Impact of Load Factor – Reflecting Differences in Cost to Serve in Rates

Harmonized Analysis - Scenarios 1 and 3 - Effect of Load Factor Variation

		Current Rate Current Rate Zone				SFVD Rate (Scenario 1) Harmonized Rate Zone				Volumetric Rate (Scenario 3) Harmonized Rate Zone			
Average Customer, Average Load Factor		Margin Unit Rate	Approved Margin Bill	Approved Energy Bill	**Nov 2019 Approved Total Rates**	Margin Unit Rates	SFVD Margin Bill	Approved Energy Bill	**Total SFVD + Energy Bill**	Margin Unit Rates	Margin Bill	Approved Energy Bill	**Total Margin + Energy Bill**
Volume	m^3				2,400								
Daily Demand					24.36								
Customer	$	20.21	242.57	0.00	242.57	22.24	266.91	0.00	266.91	22.32	267.84	0.00	267.84
Distribution	$	0.0669	160.47	44.49	204.95	0.52	151.35	44.49	195.83	0.0580	139.20	44.49	183.69
Load Balancing	$	0.0032	7.65	21.80	29.44			21.80	21.80			21.80	21.80
Transportation	$	0.0002	0.57	101.64	102.21			101.64	101.64			101.64	101.64
Sales - Commodity	$	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36
Total	$		**413.15**	**381.39**	**794.54**		**420.15**	**381.39**	**801.55**		**408.93**	**381.39**	**790.33**
Bill Index vs. Current									**1.009**				**0.995**

Average Customer, Low Load Factor													
Volume	m^3				2,400								
Daily Demand					50.62								
Customer	$	20.21	242.57	0.00	242.57	22.24	266.91	0.00	266.91	22.32	267.84	0.00	267.84
Distribution	$	0.1484	160.47	44.49	204.95	0.52	314.47	44.49	358.96	0.0580	139.20	44.49	183.69
Load Balancing	$	0.0071	7.65	21.80	29.44			21.80	21.80			21.80	21.80
Transportation	$	0.0005	0.57	101.64	102.21			101.64	101.64			101.64	101.64
Sales - Commodity	$	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36
Total	$		**413.15**	**381.39**	**794.54**		**583.28**	**381.39**	**964.67**		**408.93**	**381.39**	**790.33**
Bill Index vs. Current									**1.214**				**0.995**

Average Customer, High Load Factor													
Volume	m^3				2,400								
Daily Demand					16.04								
Customer	$	20.21	242.57	0.00	242.57	22.24	266.91	0.00	266.91	22.32	267.84	0.00	267.84
Distribution	$	0.0318	160.47	44.49	204.95	0.52	99.66	44.49	144.14	0.0580	139.20	44.49	183.69
Load Balancing	$	0.0015	7.65	21.80	29.44			21.80	21.80			21.80	21.80
Transportation	$	0.0001	0.57	101.64	102.21			101.64	101.64			101.64	101.64
Sales - Commodity	$	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36	0.0008	1.89	213.47	215.36
Total	$		**413.15**	**381.39**	**794.54**		**368.46**	**381.39**	**749.85**		**408.93**	**381.39**	**790.33**
Bill Index vs. Current									**0.944**				**0.995**

Additional Peak Demand Research

Mitigating Demand Exceptions

- Measured demands vary due to actual demand changes and random changes from estimation
- Deadbanding limits random variability in demands while allowing some changes
  - Billed demand changes only when above threshold
  - Relatively small demand changes become zero
  - Tradeoff is that demand changes that do occur are relatively large (they must exceed the threshold)
  - Possible also to apply a limit on the maximum allowed annual change in billed demand
  - Can be combined with a minimum billed demand

Deadband Example

- Residential scenarios:
  - 1.25 or 2.5 m^3 bands up to 25 m^3, 5% or 10% above
  - Gives wider percentage bands to smaller customers
- Exception rates vs. no deadband:

	Deadband Range		
Exception	None	+/- 1.25/5%	+/- 2.5/10%
None	98.32%	98.70%	98.96%
D>150	0.06%	0.06%	0.06%
7.5<=D<150, diff >+20%	0.97%	0.97%	0.83%
D<150, diff <-40%	0.23%	0.15%	0.13%
D<7.5, diff >+20%	0.42%	0.11%	0.02%
Lower 1% Tail, % Diff	-18.3%	-16.2%	-14.9%
Upper 1% Tail, % Diff	24.5%	21.0%	17.9%
% No Change	n/a	84%	96%

Conclusions re Peak Demand

- Commercial demands more variable than residential
  - Reduces deadband effectiveness
- Limiting passthrough of large demand changes at 20% would affect 1-2% of residential, 5-10% of commercial customers
- Exception causes can be addressed by automated fallback procedures
  - Automated screening for consumption outliers
  - Customers with poorly estimated heat factors may fall back to consumption measures (avg. or peak mo.)
  - Customers with limited history may use previous premise data or standard demands based on size/end uses

Project Conclusions and Recommendations

Project Conclusions (1)

- LEGD and LUG billing data support basing customer classification on measures of consumption.
  - LEGD has at least three years of data of good quality.
  - LUG has two years of data readily available.
- Billing data indicate broad customer homogeneity of customers re seasonality of consumption pattern with small numbers of exceptions.
  - Average load factor increase somewhat with size, some degree of variation given size.

Project Conclusions (2)

- Connections data are not yet sufficiently available to assist in classification, and are challenging to keep up to date.
  - In some cases, data quality is an issue.
- Data are sufficient to form conclusions about connections homogeneity/diversity as customer consumption levels rise.
  - Homogeneity of connections for smaller customers supports formation of relatively few rate classes.

Project Conclusions (3)

- Research indicates that the data support development of peak demand values for customer classification and billing
  - Two years' data are sufficient to calculate design day demand, but three years of data are desirable.
  - Exceptions can be managed in a defined process, but resolving exceptions can be time consuming.
- Use of design day demand in rate design is not widespread in North America for GS customers,
  - One significant example of long standing (20 years) with a large customer population: Atlanta Gas Light.

Project Conclusions (3)

- Bill impact analysis indicates that:
  - For most scenarios, bill impacts are moderate for most customers.
    - Small customers experience largest bill changes
  - Volumetric rates with mildly declining block delivery charges mimic SFVD impacts well for average customers and have more moderate impacts.
    - However, SFVD designs reflect variations in cost to serve. SFVD bills move customers closer to cost to serve, increasing range of bill impacts

Recommendations (1)

- EGI would benefit from ensuring that customer billing data for at least three years is readily available to support rate design and billing
  - Computation of design day demands benefits from having sufficient data; cuts number of exceptions and cost of estimation, improves quality of estimates

Recommendations (2)

- Connections data should be reviewed regarding possible benefits of improvement.
  - Benefit: use in classifying customer segments for customer charge differentiation.
  - Cost: acquisition and maintenance of reliable, up-to-date data.

Recommendations (3)

- EGI harmonized customer classification can be undertaken with flexibility given customer homogeneity.
  - Classification on the basis of size as opposed to customer type appears easier in terms of observable characteristics.
  - Size groups should be few in number due to customer homogeneity.
    - A small GS/medium-large GS classification fits this concept.

Recommendations (4)

- An SFVD rate design appears preferable to a continued traditional volumetric design or to an SFV design.
  - Theory supports pricing based on all three dimensions of customer causation (customer numbers, consumption, demand)
  - Demand estimation is feasible, but requires resources, estimation procedures, and customer education.
  - The larger bill impacts of SFVD reflect reduction of current cross subsidy within class.
  - SFV fails to recognize cost differences and leads to very large bill impacts, with removing cross subsidy.

Recommendations (5)

- A traditional volumetric design mimics an SFVD design, but misses tailoring billing to variations in cost to serve, and is thus a second-best approach.
- EGI should consider phasing in new designs over multiple rate cases if large bill impacts are a concern:
  - Harmonized rates could transfer demand-related cost to a demand charge gradually.

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Phase 3 Report
Rebasing and Harmonization:
General Service Rates

at

Enbridge Gas Inc.

by

Christensen Associates Energy Consulting, LLC
Madison, Wisconsin

November 23, 2022

Table of Contents

EXECUTIVE SUMMARY **1**

Analytical Approach 1
Data Summary 2
Phase 3 Results 2
Overall Project Findings 3

1. INTRODUCTION **5**

2. ANALYTICAL APPROACH **5**

Bill Impact Methodology 5
Setting the Level of Customer Charge for E02 Customers 7
Sample Data Analysis 7
Typical Customer Analysis 8

3. DATA SUMMARY **9**

Pricing Data 9
Consumption Shares 9

4. BILL IMPACT RESULTS **13**

Bill Impacts by Decile: From 2023 to 2024 Rates Under the Current Rate Design 13
Bill Impacts by Decile: From 2024 Legacy Rates to New Harmonized SFVD Rate 14
Bill Impacts by Decile: From 2024 Legacy Rates to New Harmonized SFV Rate 16
Bill Impacts by Decile: From 2024 Legacy Rates to New Harmonized Volumetric Rate 17
"Upper Tail" Results 19
Bill Impacts for the Largest Customers 19

5. SUMMARY OF KEY FINDINGS **20**

Phase 3 Findings 20
Overall Project Findings 20

APPENDIX I: HARMONZED RATE PRICE CHANGES **23**

APPENDIX II: TYPICAL CUSTOMERS **27**

Phase 3 Report – Rebasing and Harmonization: General Service Rates

at

Enbridge Gas, Inc.

by

CHRISTENSEN ASSOCIATES ENERGY CONSULTING, LLC

November 23, 2022

EXECUTIVE SUMMARY

This report presents the final analysis conducted for Enbridge Gas Inc. (EGI) by Christensen Associates Energy Consulting (CA Energy Consulting) of the impact of moving to a single rate zone under harmonized rate designs supporting revised General Service (GS) rate class definitions. Previous reports evaluated the data available to support rate reclassification and explored the likely implications of alternative rate classes and rate designs.

The purpose of the current analysis is to develop bill impacts for three candidate rate designs using current and proposed rates that were not available at the time of earlier research. This analysis brings up to date previous results that were the basis of recommendations as to customer classification and expectations as to the effects of the candidate designs. Briefly, we found that the GS class exhibits homogeneous consumption patterns over the full range of customer sizes, with few outliers. Load factor increases with size, and there are centrally distributed variations in load factor around the mean at most size levels. On the basis of this analysis, we (and EGI) selected rate class designs and rate boundaries that had the effect of minimizing the likely degree of reclassification of customers from their current rates. That is, the bulk of small customers would remain on a small-customer rate, while larger customers would be grouped in a large-customer rate. Given these classifications, then, the issue was what bill impacts would result from the general increase

Analytical Approach

The analysis consists of two steps: 1) measuring the impact of the change in prices between 2023 and 2024 under the current rate design; and 2) measuring the combined impact of rate zone harmonization and the introduction of new candidate rate designs.

The three alternative rate designs assessed in this report are:

- Straight Fixed Variable with Demand (SFVD)
- Straight Fixed Variable (SFV)
- A traditional volumetric design

These designs are applied to customers assigned to the new rate classes: Rate "E01" contains smaller GS customers, while Rate "E02" contains the remaining larger GS customers. The boundary between these classes is 150 m^3/day under the SFVD design, where design day demand (DDD) values are available for each customer, and 15,000 m^3 of annual consumption, a comparable value to the DDD boundary.

The analysis involves two analytical components: (1) a calculation of customer bills using a large sample of actual billing data; and (2) an evaluation of bill impacts for typical customers.

The basis for bill calculations is the same sample as that of the previous phases, consisting of a large subset of GS customers. We computed bills for 2023 and 2024 rates under current designs and rate zones, then computed alternative harmonized rates for the new rate classes in a single rate zone. We computed bill indexes to summarize the annual bill impact, consisting of the new bill divided by the bill serving as a basis for comparison. An index of 1.000 indicates no bill impact. We prepared a bill index for the total bill, including commodity cost and distribution services only cost. (The former is likely to be the customer's basis for evaluation of rate harmonization, while the latter is the company's understanding of each customer's change in contribution to cost coverage.)

We generated bill impact summaries by dividing customers into deciles by size and summing bills across deciles within each rate class. To create deciles by rate class, we computed each customer's annual consumption and placed customers into one of ten groups, each with an equal number of customers. Within each decile, we obtained the average bill impact. Additionally, we prepared typical customer analyses, whose results conform to the decile results. The typical customer results appear in Appendix II.

Data Summary

EGI provided pricing data for 2023 and 2024 for the six GS rates in the three current rate zones, including both distribution and gas costs. Distribution costs rise modestly between years in the LEGD zone, more significantly in the LUG-South zone and decline in the LUG-North zone. Gas costs are harmonized across zones, resulting in reductions for Rate 1 and 10 in LUG-North, but little change elsewhere.

Customer movement due to rate harmonization varied by rate zone. Most R1 customers in LEGD move to E01, while some R6 customers also move there. R6 customers predominantly move to E02. A larger proportion of small LUG customers move to E02 than is the case for LEGD, where they occupy the lower deciles. As might be expected, a customer's bill impact depends not only on their current rate, but on their destination rate as well.

Phase 3 Results

The review of bill impacts of 1) the introduction of 2024 rates under the current regime; and 2) the harmonization of rates under new rate classes reveals several key results:

- Bill impacts of the introduction of 2024 rates (relative to 2023 bills) are moderate, both in total and with respect to distribution costs alone.
- Bill impacts of rate harmonization vary significantly with rate alternatives.
    - The SFV rate produces large bill impacts for large numbers of customers by charging small and large customers in the same class, with different costs to serve, the same amount for distribution services.
    - The SFVD rate bill impacts are generally moderate across all customer groups, sizes, and rate zones.
    - The volumetric alternative mimics the SFVD outcomes on average but has two key problems: cost recovery via fixed charges is not advanced, and load factor, a measure of cost to serve, is not recognized.

Overall Project Findings

Rate harmonization presents EGI with an opportunity to reflect in its pricing the cost basis of unified service across a single service territory. This project has assisted EGI to evaluate the characteristics of its customers and the means by which they can best be classified for costing and pricing. In addition, the project has reviewed the rate alternatives that might best serve both the customers' needs for reliable and predictable bills and the utility's objective of setting prices that reflect costs, both in terms of cost to serve and of the costs of changes in service level (marginal cost). Ideally, the company would like its revenue changes to track its cost changes, an outcome that would produce stable revenue recovery and bill stability while making clear to customers the cost of increasing consumption and the savings from decreasing consumption.

Phase 1 revealed that the GS customers are largely homogeneous across rate zone, annual consumption, and customer type, with average load factor increasing with size. The absence of outlier groups provides EGI with the option to craft few and large rate classes. EGI selected a two-class harmonized single rate zone approach based in part on these findings. Additionally, Phase 1 indicated that billing data are the best source for rate class delineation, based on availability of current data. Other information can provide insight but presents issues for eligibility. EGI chose to base rate class boundaries on customer size, as defined either by design day demand or annual consumption.

Phase 2 explored the feasibility of computing DDD values annually for all customers under a process of automatic or rule-based practice, as opposed to subjective evaluation. Based on internal capabilities and the experience of Atlanta Gas Light, EGI concluded that DDD calculation is feasible and cost effective. In particular, a review of statistical analysis (regression) capabilities indicated that the company is capable of preparing annual DDD values for almost all customers, and of developing a set of rules to manage exceptions cost effectively.

Phase 2 also undertook bill impact analyses of the three rate alternatives under consideration, reviewing both computations under the current rate zones and under harmonization, based on then-available pricing data. The results revealed that the SFVD approach produces bill impacts

as expected: moderate in a wide range of customers, and better reflective of cost to serve than volumetric rates. SFV bill impacts were characterized by large increases and decreases for small- and large-decile customers, respectively.

The Phase 3 analysis concluded our investigation into the harmonization of EGI's rate zones by testing the bill impact of harmonizing customer classes and transitioning to SFVD, SFV, and volumetric rate designs using contemporary (2024) pricing data. The findings confirm our Phase 2 conclusions. Specifically, almost all customers experience moderate bill impacts from adoption of a harmonized SFVD design. In contrast, the SFV rate design exposes large numbers of customers to extreme bill impacts and would require segmentation of rate classes that is not justified by differences in customer characteristics. The Volumetric alternative to SFVD has similar bill impacts in aggregate but fails to make progress toward the matching of fixed charges and costs, and consequently exposes customers to ongoing bill variability due to weather variation.

In brief, the SFVD design's theoretical advantages – bill stability and customer-specific matching of price to cost – are reinforced by the practical outcome of expected moderate bill impacts during the transition by EGI to a single harmonized rate zone, uniform rate classification, and a single set of rates for the entire zone. Project findings indicate that the SFVD design is feasible in terms of available data and computational and billing capabilities at EGI, and that the SFVD design is supported by precedent as the core distribution rate at a large North American gas utility.

1. INTRODUCTION

Enbridge Gas Inc. (EGI) seeks to harmonize rates across the system's three legacy rate zones, which have maintained separate rates since the 2019 amalgamation of Enbridge Gas Distribution and Union Gas Limited. Christensen Associates Energy Consulting (CA Energy Consulting) has supported this rate harmonization process by analyzing EGI's General Service (GS) customer characteristics to provide a recommendation for consolidated, system-wide customer classes and a harmonized rate design.

CA Energy Consulting undertook analysis in Phases 1 and 2 of this project to assess customer data with the purpose of recommending a rate class structure and corresponding rate design for the harmonized collection of GS customers. These studies revealed that GS customers across the three rate zones (Legacy Enbridge Gas Distribution (LEGD) and Legacy Union Gas (LUG) North and South) exhibited homogeneity with respect to seasonality patterns and average load factor. Based on these findings, EGI elected to explore several rate design alternatives.

A key element of this analysis is an evaluation of how the recommended harmonized rate design impacts customer bills. Phase 2 included an evaluation of alternative customer classification schemes and rate designs based on bill impacts for each of the alternatives, making use of the costs and prices available at the time. Phase 3 further investigates bill impacts of rate structure change and rate harmonization, making use of projected rates for fiscal year 2024.

This third report presents the bill impact implications of three rate design alternative approaches to the achievement of rate class harmonization. The report begins with a description of the analytical approach and a restatement of the candidate customer classifications and rate design alternatives. A description of the sample data follows. The next section presents the bill impact results. A final section summarizes the key findings from our analysis.

2. ANALYTICAL APPROACH

Bill Impact Methodology

The bill impact analysis presented in this report evaluates the impact of moving customers from EGI's current rate design to one of three candidate rate designs applied to a single harmonized rate zone. The analysis consists of two steps. First, we measure the impact of the change in prices between 2023 and 2024 under the current rate design. Second, we measure the impact of shifting customers from the legacy rate design with 2024 prices to the harmonized alternative rate design using 2024 prices. This two-step process enables analytical separation of impacts related to the annual revenue requirement increase in 2024 from the impacts related to harmonization and rate redesign.

Underpinning the 2024 rates is a cost-of-service (COS) study by EGI based on costs for the single unified service territory and reflecting the shared nature of the consolidated gas distribution system's costs by all customers served by the system. There is no parallel cost study that allocates costs by rate zone, as was formerly the case. As a result, the rate impacts of cost consolidation cannot be computed separately from the impacts of rate design change. [1]

The three alternative rate designs assessed in this report are:

- Straight Fixed Variable with Demand (SFVD)
- Straight Fixed Variable (SFV)
- A traditional volumetric design

The SFVD design relies on a calculated peak demand for each customer and recovers distribution-related costs via a customer and demand charge, with the costs reflecting the customer-related and demand-related cost to serve of the customer class. Distribution cost recovery no longer includes charges on the traditional volumetric basis.

The SFV design calculates a customer charge per month that collects all distribution-related costs of EGI, also eliminating the traditional volumetric charge. The customer's volumetric bill would then reflect charges for the commodity only under SFV. The traditional volumetric alternative (similar to the current design) recovers costs in a charge applied to customer usage. This last design attempts to mimic revenue recovery from customers under SFVD without relying on a measure of demand and the resulting demand charge.

As part of the rate harmonization process, EGI plans to replace its existing rate classes with two new rate classes based on size. Rate "E01" contains smaller GS customers, while Rate "E02" contains the remaining larger GS customers. The SFVD rate design classifies harmonized GS customers with design day demand (DDD) less than or equal to 150 m^3/day into Rate E01, and those larger than 150 m^3/day into Rate E02. We assume that DDDs will not be available if EGI elects to pursue the SFV or volumetric rate alternatives. As a result, the SFV and volumetric alternatives divide E01 from E02 with an annual usage threshold of 15,000 m^3. This means customers classified into a given rate class under the SFV alternative will be classified into the same rate class under the volumetric alternative, but not necessarily the same rate class under the SFVD rate design. The non-demand boundary is set in part to minimize differences in classification of customer between the SFVD approach and the approach taken for the alternative designs.

The analysis involves two analytical components: (1) a calculation of customer bills using a large sample of actual billing data; and (2) an evaluation of bill impacts for typical customers.

[1] The Phase 2 analysis was able to investigate the effect of harmonization in isolation from the change in rate design by drawing on previous cost-of-service studies for separate rate zones and imputing unit costs of the consolidated service territory.

Setting the Level of Customer Charge for E02 Customers

The 2024 harmonized COS study based on the new proposed GS rate classes produced large differences in the customer-related unit costs of the two harmonized rate classes, E01 and E02. The diversity in customer size of the E02 class resulted in the averaging of customer-related costs of small and very large customers, with the result that customers just slightly larger than the largest E01 customers were going to face a monthly customer charge much larger than that of similar, and only slightly smaller, E01 customers. (That is, small customers pay the same customer-related charges as large customers in the E02 class, even though the associated costs are not the same.)

This mismatch between revenue and cost to serve for small E02 customers caused us to investigate alternative pricing approaches, under the SFVD and volumetric pricing alternatives, that would reflect the fact that these particular fixed costs rise with customer size, given that larger customers require greater capacity for their customer-related facilities (service lines, meters, pressure regulators). In order to recognize this variation in fixed costs within E02, we decided to propose an approach analogous to the use of a minimum system methodology to recover these customer-related costs as partly customer-related (the minimum size equipment similar to that used by E01 customers) with the remainder as demand-related.

The proposed approach appears to provide a practical representation of the diversity of such costs across E02 customers.[2] Additionally, the minimum size method is an established distribution cost classification approach enjoying broad regulatory acceptance. For example, the NARUC *Electric Utility Cost Allocation Manual* provides the following passage: "Meters are generally classified on a customer basis. However, they may also be classified using a demand component to show that larger-use customers require more expensive metering equipment."[3]

Subject to regulatory approval of this proposal, Phase 3 bill impact computations set the E02 customer charge equal to that of E01 and recover the resulting projected revenue shortfall via a demand charge for E02 customers. The bill implication of this approach is a stronger linkage between revenue recovery and cost to serve from each E02 customer, as well as small E02 customers not having to experience bill impacts that would be difficult to support on the basis of cost to serve.

Sample Data Analysis

To determine the impact of changes related to rate zone harmonization and a transition to an alternative rate design, we calculated individual customer bills using the same sample of EGI's 2019-20 monthly billing data that supported the Phase 1 and Phase 2 analysis.[4] The data consisted of billing data of GS customers from all three legacy rate zones, identifying each

[2] Our analysis in Phase 1 revealed that the smallest customers in the (later denominated) E02 class had connection equipment similar to that supporting the small customers ultimately found in E01.
[3] National Association of Regulatory Utility Commissioners, *Electric Utility Cost Allocation Manual*, p. 96.
[4] Due to the burden of time cost involved in data preparation, EGI determined that it would not be cost effective to update the sample for new data.

customer's legacy rate and monthly usage. Into this dataset, we merged each customer's calculated DDD, as calculated in prior phases of this project, so that the dataset contained all data elements required to compute an SFVD rate and the alternatives for each customer.

EGI provided 2023 and 2024 price data for each current rate class, as well as 2024 price data for their harmonized rate classes, E01 and E02. The analysis assumed EGI would begin implementation of the harmonized rates in 2024. We computed customer bills under three different scenarios using the prices provided by EGI to understand the impacts of bill changes on customers.

First, using consumption and rate class information about each customer, we computed individual monthly bills under current rate designs and current rate zones using 2023 prices. Second, we computed individual customer bills with the same legacy rate designs and legacy rate zones but with 2024 prices. A customer's 2024 bill divided by the 2023 bill provided the monthly bill impact of the change in delivery prices between these years. We performed this computation to measure the effect on each customer of changes in revenue requirement between 2023 and 2024 before factoring in prospective changes in rate class and rate design.

Finally, we computed individual monthly bills under each alternative rate design using EGI's 2024 harmonized price data. To complete this step, we reclassified all customers into the harmonized rate classes E01 and E02. Each customer's monthly alternative bill was then calculated using the 2024 harmonized price data provided by Enbridge. A bill index was obtained by dividing each customer's alternative bill by the 2024 bill under legacy rate zones and the current rate design.

The analysis measures bill impacts in two ways: including and excluding gas costs. Bill computations excluding gas costs illustrate the impact of harmonization and rate design changes on the portion of customer bills that pertains to EGI itself, without regard for the commodity costs that are merely a passthrough to end consumers. In contrast, bill impacts based on the total bill that include gas commodity costs reflect the experience of customers. Since the gas commodity costs are a passthrough that does not differ across rate designs, the bill impacts of customer's total bills are smaller than the bill impacts upon exclusion of gas costs.

We generated bill impact summaries by dividing customers into deciles by size and summing bills across deciles within each rate class. To create deciles by rate class, we computed each customer's annual consumption and placed customers into one of ten groups, each with an equal number of customers. Within each decile, we obtained the average bill impact. The *Bill Impact Results* section contains bill impacts by decile, which provides information about how bill impacts change across customer size groups.

Typical Customer Analysis

In addition to an analysis of actual customer bill impacts using the 2019 sample billing data, we measured bill impacts of "typical customers." We calculated bills for prototypical customers

with various consumption amounts and various load factors, as defined by EGI. The bills relied on the same pricing data provided by EGI used in the sample data analysis. In Appendix II, we present the typical customer calculations in tables that display each component of the bill: (i) a monthly customer charge; (ii) a demand charge; (iii) a usage charge; (iv) a gas commodity charge; and (v) other charges, including load balancing and transportation charges.

3. DATA SUMMARY

Pricing Data

Bill calculations combine customer billing determinants and prices. In this Phase 3 analysis, EGI provided the pricing data based on revenue requirement forecasts for 2023 and 2024. Table 1, below, displays distribution costs and gas costs for all legacy rates, as provided by EGI. Between 2023 and 2024, distribution costs increase for LEGD and LUG-South customers, and decrease for LUG-North customers. LUG-South's M1 customers faced the largest distribution cost increase, at 26.31%. The decrease of distribution costs for LUG-North customers ranges from 8.70% to 11.52%. Gas commodity costs are harmonized across all rates beginning in 2024. There is a 2% decrease of gas costs for LEGD customers. LUG-North customers in the northeastern region experience both significant reduction in distribution and gas costs, which results in a large decline of total bill in 2024.[5] LUG-South customers have increased distribution and gas costs, so the total bill increases in 2024.

Table 1: Summary of Price Changes from 2023 to 2024

		Total Volumetric Rates						Total Bill*
		2023 Rates (¢/m^3)		2024 Rates (¢/m^3)		Percent Change		Percentage
Zone	Rate	Distribution	Gas Costs	Distribution	Gas Costs	Distribution	Gas Costs	Change
LEGD	R1	20.21	23.81	22.35	23.32	10.59%	-2.06%	3.45%
	R6	19.67	23.69	21.15	23.19	7.51%	-2.10%	0.28%
LUG-N	Rate 1-Northwest	22.37	23.62	20.42	23.19	-8.73%	-1.81%	-4.14%
	Rate 1-Northeast	23.08	28.74	20.42	23.19	-11.52%	-19.30%	-13.31%
	Rate 10-Northwest	21.21	22.81	19.37	23.03	-8.70%	0.97%	-2.15%
	Rate 10-Northeast	21.61	27.49	19.37	23.03	-10.40%	-16.22%	-12.67%
LUG-S	M1	16.98	22.55	21.44	23.14	26.31%	2.61%	9.53%
	M2	16.68	22.51	18.19	23.00	9.10%	2.17%	4.74%

*Total bill was calculated by applying prices to customers in the sample data and determining the average percentage change across the rate class.

Appendix I provides pricing information for each of the three harmonized rate alternatives.

Consumption Shares

Since each customer moves from its respective legacy rate to a harmonized rate, two customers from different legacy rate classes moving to the same new rate class will face different bill impacts even if each customer has similar billing determinants. For example, an LEGD customer on Rate R1 faces higher distribution prices than an LEGD customer on Rate R6,

[5] The percentage change in total bill was calculated using 2019 sample data.

which means that if each customer fits the qualification for Rate E01 upon harmonization, the R6 customer will face a higher bill increase than the R1 customer, because the R6 customer starts from a lower original rate. To better understand the source of average bill impacts within each harmonized rate zone, we analyzed the composition of each harmonized rate class by legacy rate. Table 2 on the next page demonstrates how customers and their consumption on current rates migrate to the new, harmonized rates.

Figure 1, on the page after Table 2, shows the customer mix by decile due to reclassification for LEGD customers. The figure and Table 2 show that LEGD R1 customers predominantly move to the new E01 rate class. Nearly all consumption resulting from LEGD customers in the “small” harmonized rate, E01, comes from the “small” legacy Rate R1, while nearly all consumption resulting from LEGD customers in the “large” harmonized rate, E02, comes from the “large” Rate R6.

In contrast, Figures 2 and 3 show that a larger proportion of LUG-South and North small customers from Rates M1 and 1 move to E02 upon harmonization than occurs with LEGD R1. As a result, the aggregate LUG bill impacts for E02 will differ from those of other small customers from the same legacy rates who move to Rate E01, and from the bill impacts of customers in their new Rate (E02) who originated from large-customer legacy rates.

Table 2: Customer Migration from Current Rates to Harmonized Rate Classes

	Harmonized New Rate - Customer Counts									
	SFVD					SFV & Volumetric				
	E01		E02		Total	E01		E02		Total
Original Rate	No. of Customers	Percentage of New Rate	No. of Customers	Percentage of New Rate	No. of Customers	No. of Customers	Percentage of New Rate Class	No. of Customers	Percentage of New Rate Class	No. of Customers
R1	2,157,136	56.37%	1,376	1.58%	2,158,512	2,156,560	56.40%	1,953	2.17%	2,158,512
R6	117,853	3.08%	54,990	63.05%	172,843	115,825	3.03%	57,018	63.46%	172,843
1	363,892	9.51%	5,276	6.05%	369,169	363,365	9.50%	5,803	6.46%	369,169
10	22	0.00%	2,182	2.50%	2,204	93	0.00%	2,111	2.35%	2,204
M1	1,187,495	31.03%	15,392	17.65%	1,202,887	1,187,545	31.06%	15,342	17.07%	1,202,887
M2	66	0.00%	8,003	9.18%	8,069	445	0.01%	7,624	8.49%	8,069
Total	3,826,465	100.00%	87,219	100.00%	3,913,684	3,823,833	100.00%	89,851	100.00%	3,913,684

	Harmonized New Rate - Consumption (m^3)									
	SFVD					SFV & Volumetric				
	E01		E02		Total	E01		E02		Total
Original Rate	Annual Consumption	New Rate Class	Annual Consumption	New Rate Class	Annual Consumption	Annual Consumption	Percentage of New Rate Class	Annual Consumption	Percentage of New Rate Class	Annual Consumption
R1	4,974,784,173	54.17%	26,242,568	0.40%	5,001,026,741	4,962,912,038	54.00%	38,114,703	0.59%	5,001,026,741
R6	505,946,383	5.51%	4,289,746,971	65.96%	4,795,693,354	442,831,132	4.82%	4,352,862,222	66.99%	4,795,693,354
1	857,079,672	9.33%	131,924,948	2.03%	989,004,620	860,749,397	9.37%	128,255,224	1.97%	989,004,620
10	379,599	0.00%	327,594,548	5.04%	327,974,147	11,982,124	0.13%	315,992,024	4.86%	327,974,147
M1	2,844,412,835	30.97%	410,719,290	6.32%	3,255,132,125	2,870,688,834	31.24%	384,443,291	5.92%	3,255,132,125
M2	1,819,738	0.02%	1,317,556,661	20.26%	1,319,376,399	40,959,129	0.45%	1,278,417,271	19.67%	1,319,376,399
Total	9,184,422,400	100.00%	6,503,784,986	100.00%	15,688,207,387	9,190,122,653	100.00%	6,498,084,734	100.00%	15,688,207,387

Figure 1: LEGD Consumption Share of R1 and R6

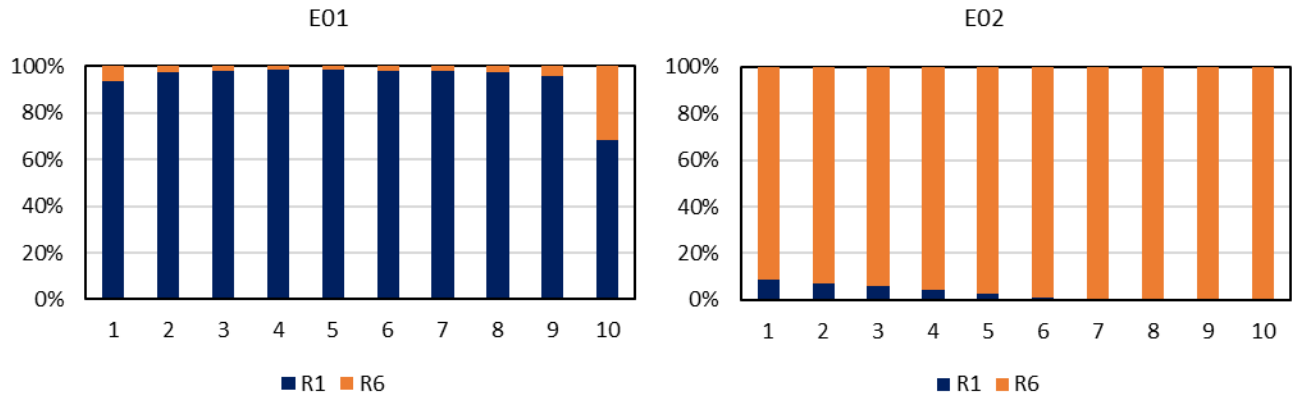


Figure 2: LUG-South Consumption Share of M1 and M2

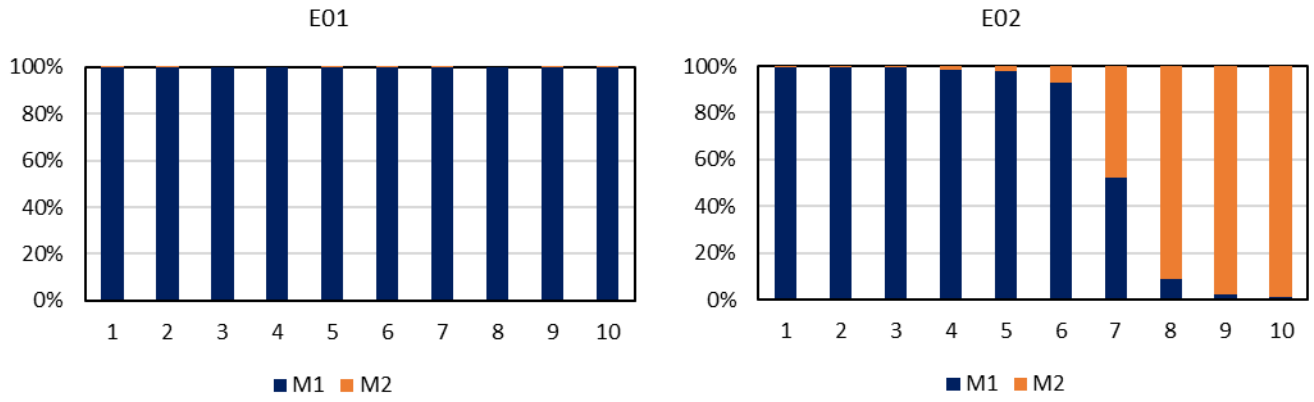
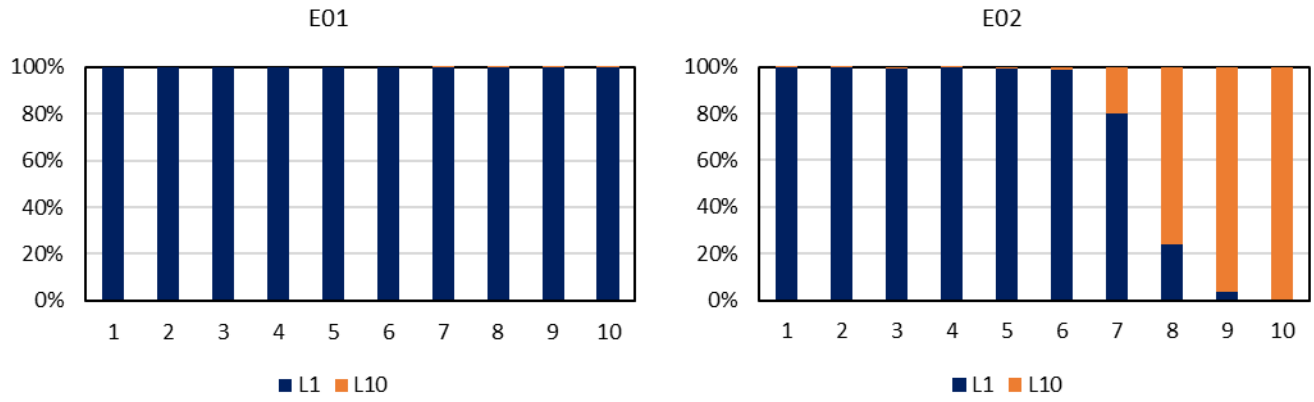


Figure 3: LUG-North Consumption Share of 1 and 10



4. BILL IMPACT RESULTS

Bill Impacts by Decile: From 2023 to 2024 Rates Under the Current Rate Design

Measuring the impact of price changes from 2023 to 2024 under legacy rates constitutes the first step in analyzing bill impacts from the present period to the harmonized 2024 rates. Bill impacts for this step are shown separately for the LEGD rate zone, LUG-North, and LUG-South. Figure 4 shows distribution-only and total bill impacts from 2023 to 2024 prices under the current rate design in the LEGD rate zone. The figure depicts how bill impacts vary by customer size. Each decile (on the X axis) contains an equal number of customers, such that decile 1 contains the smallest 10% of customers in LEGD, while decile 10 contains the largest 10% of customers.

The figure shows that customers in all deciles experience an increase in the distribution part of the bill. The largest R6 customers experience a slight decrease in total bill, while other customers experience an increase in total bill compared to the 2023 rate. As expected, total bill impacts are more moderate than distribution-only bill impacts, as gas commodity costs lessen the effect of the pricing change. Note that the scale of the Y axis differs between graphs.

Figure 4: LEGD Distribution-Only (left) and Total (right)
Bill Impacts of 2024 vs. 2023 Rates

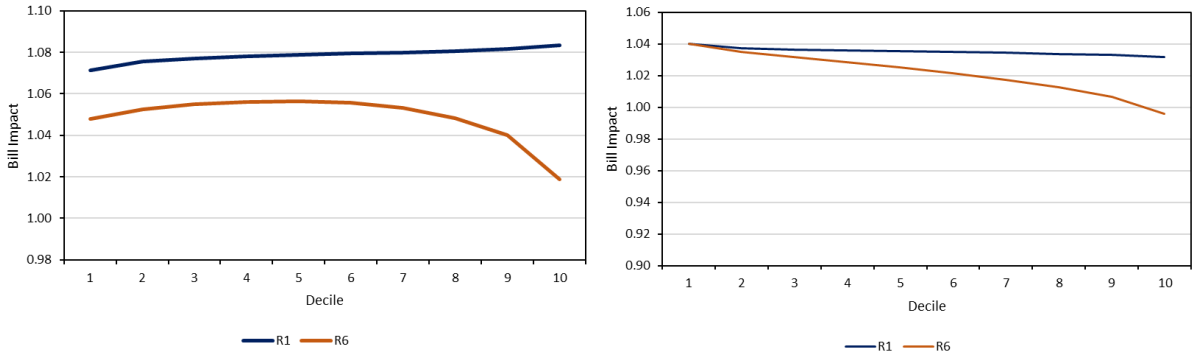


Figure 5 presents the LUG-South rate zone distribution-only and total bill impacts from 2023 to 2024 rates under the current rate design. Both M1 and M2 customers have bill increases for all deciles, and the increase is larger for M1 customers. In terms of distribution bill, M2 customers have about an 8% bill increase across the deciles, and the bill increase for M1 customers grows with size. The largest M1 customer sees about a 20% increase of distribution bill. The decile graph for the total bill shows a similar pattern as the distribution-only bill.

Figure 5: LUG-South Distribution-Only (left) and Total (right) Bill Impacts of 2024 vs. 2023 Rates

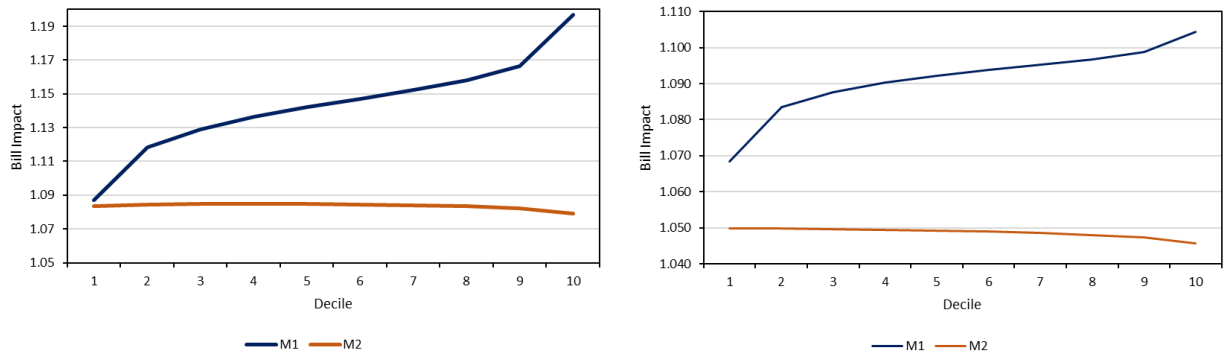
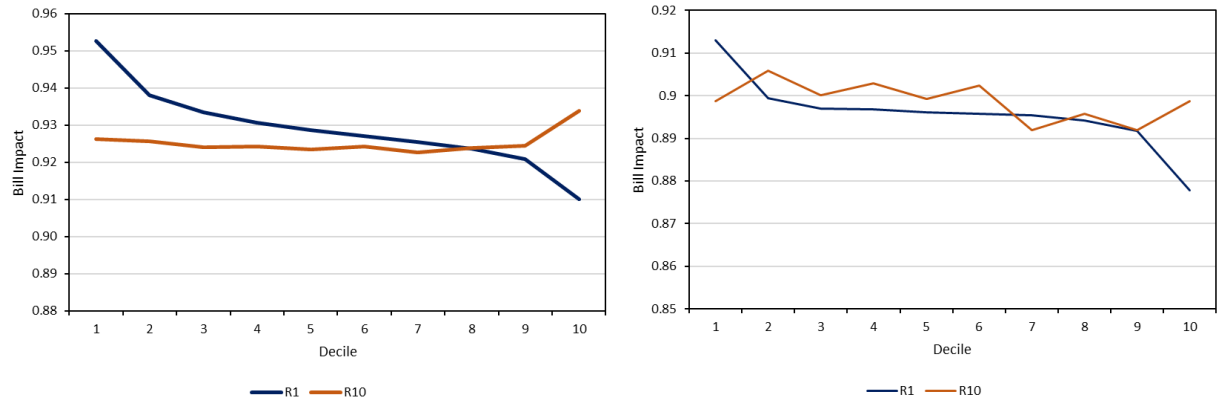


Figure 6 presents the LUG-North rate zone distribution-only and total bill impacts from 2023 to 2024 rates under the current rate design. Customers in all deciles have decreases in the distribution part of the bill and the total bill for both R1 and R10 customers. The decline in total bill is between 9% and 12% for R1 customers, and around 10% for R10 customers across all deciles.

Figure 6: LUG-North Distribution-Only (left) and Total (right) Bill Impacts of 2024 vs. 2023 Rates



Bill Impacts by Decile: From 2024 Legacy Rates to New Harmonized SFVD Rate

This section describes the bill impacts of moving from 2024 legacy rates to the Straight Fixed Variable with Demand (SFVD) rate and rate harmonization. Figure 7 presents the distribution-only and total bill impacts of introducing the harmonized SFVD rate for E01 customers. The distribution and total bill impacts show similar patterns. LEGD customers experience a bill decrease except in decile 2 where customers experience a bill increase of 0.2%. The largest bill decrease for LEGD customers occurs in decile 10, which is about 9%. Both LUG-North and LUG-South customers experience bill increases in the low deciles, and the bill index declines with increased customer size. LUG-North and LUG-South customers in decile 1 experience a bill

increase of 6%, while customers in decile 10 see a bill decrease of 5%. At the aggregate level, E01 customers experience very modest changes in their bills.

Figure 7: E01 Distribution-only (left) and Total (right)
Bill Impacts of SFVD vs. 2024 Legacy Rate

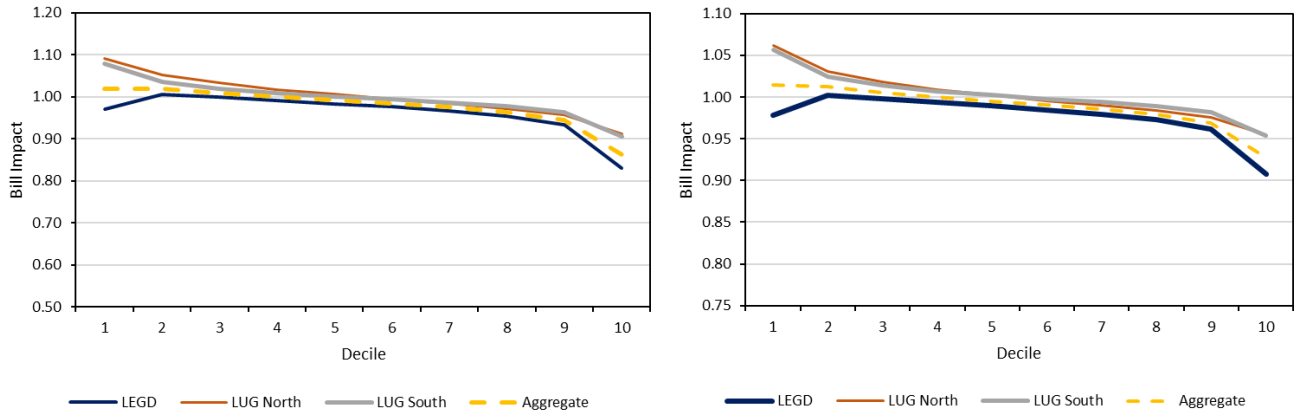
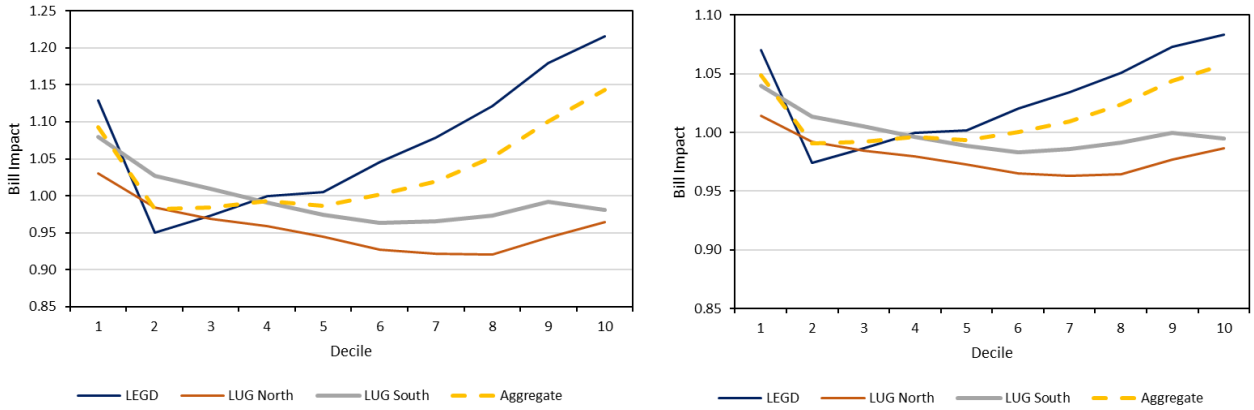


Figure 8 shows the distribution-only and total bill impacts from 2024 legacy rates to harmonized SFVD rate for E02 customers. For all three rate zones, for deciles that have total bill increases, the increase is below 10%. LEGD customers in deciles 1 and 10 have the highest bill increase on average. LEGD customers in decile 1 experience a 7% increase in total bill on average, and LEGD customers in decile 10 experience an 8% increase in total bill on average. The aggregate bill index declines from decile 1 to decile 2, but increases with size afterwards.

Figure 8: E02 Distribution-Only (left) and Total (right)
Bill Impacts of SFVD vs. 2024 Legacy Rate



Overall, from the 2024 legacy rates to the harmonized SFVD rate, the effect on the total bill is smaller than the effect on the distribution bill. Customers in all deciles experience moderate bill impacts.

Bill Impacts by Decile: From 2024 Legacy Rates to New Harmonized SFV Rate

The first alternative to SFVD that this investigation explored is the SFV design, in which all customers in a class are billed for distribution services solely via a customer charge applicable to all customers in the class. Figure 9 shows the distribution-only and total bill impacts of introducing SFV harmonized rate for E01 customers. The distribution-only and total bill impacts show similar patterns. For all three rate zones, customers in lower deciles experience bill increases under the SFV rate, and bill indexes under the SFV rate decline as customer size increases. LUG-South and LUG-North customers have the highest increase in bill, and these decile 1 customers experience over a 25% bill increase on average. In aggregate, decile 1 experiences a bill increase of about 20%, while decile 10 experiences a decrease in bill of more than 10%.

Figure 9: E01 Distribution-Only (left) and Total (right) Bill Impacts of SFV vs. 2024 Legacy Rate

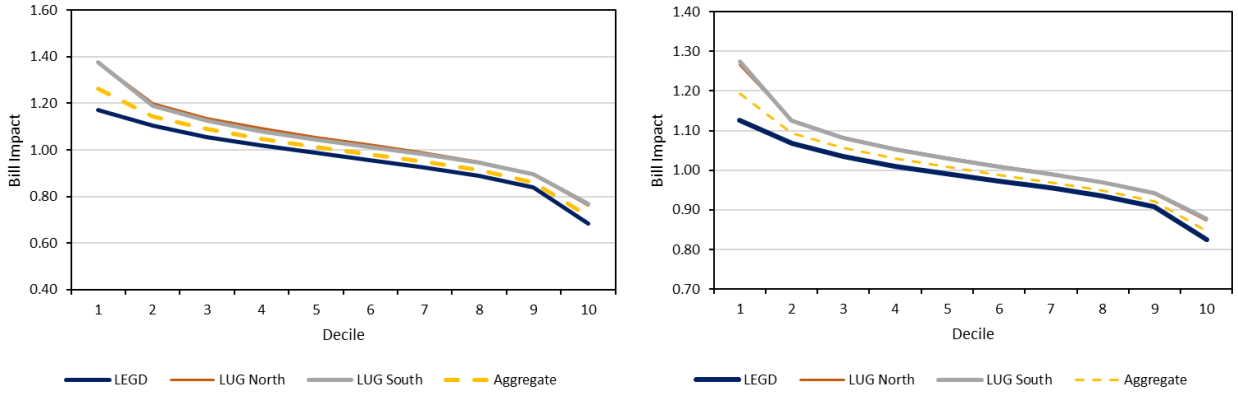
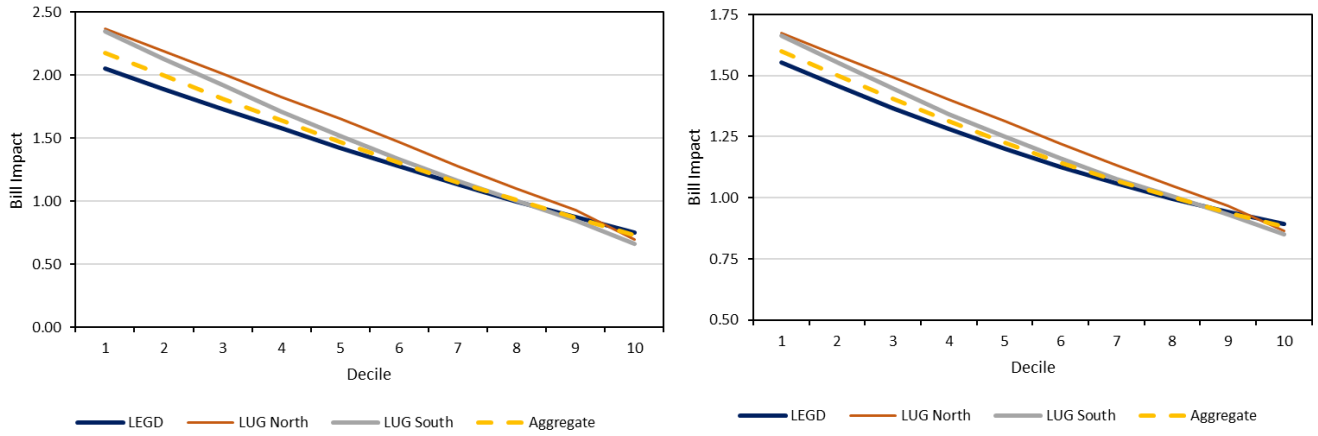


Figure 10 presents the distribution-only and total bill impacts of moving from 2024 legacy rates to the new harmonized SFV rate for E02 customers. As observed for E01 customers, bill indexes under the SFV rate relative to the original rates decline as customer size increases for all three rate zones, but the decline across deciles is more dramatic for E02 customers. Decile 1 customers in aggregate have a distribution-only bill increase of over 100% on average (i.e., a bill index of 2.18), and a total bill increase of 60%. In contrast, decile 10 customers in aggregate have a distribution-only bill decrease of about 27%, and a total bill decrease of about 12%. Smaller customers in all rate zones have large bill increases but larger customers encounter bill decreases.

Figure 10: E02 Distribution-Only (left) and Total (right) Bill Impacts of SFV vs. 2024 Legacy Rate



Overall, bill impacts of moving from the 2024 legacy rates to the harmonized SFV rate vary dramatically with customer size. The variation is larger for E02 customers. Bill indexes generally decline as customers grow in size because the SFV rate has a large monthly fixed charge, and the proportion of the bill affected by the increase in the fixed charge declines as consumption increases. These large and variable impacts mirror the findings in Phase 2 and match the expectations of SFV bill impacts from charging a broad range of customers a single customer charge amount.

Bill Impacts by Decile: From 2024 Legacy Rates to New Harmonized Volumetric Rate

EGI also wanted to consider an alternative to SFVD, should the use of DDD be deemed infeasible or ill-advised. As noted previously, it is possible to approximate an SFVD design with a non-demand volumetric alternative, although variations across customers in load factor do not result in a corresponding bill variation.

Figure 11 shows the distribution-only and total bill impacts of introducing a volumetric harmonized rate for E01 customers. The distribution-only and total bill impacts show similar patterns. LEGD customers experience a bill decrease. LUG-South and LUG-North customers see bill increases in the lower deciles, and modest bill decreases for upper deciles. In aggregate, customers in the middle deciles see very little change in total bill on average. LEGD customers in decile 1 experience a decrease in total bill of about 4%, and those in decile 10 experience a decrease in total bill of about 7%. LUG-South and LUG-North customers in decile 1 see an increase in total bill of about 6 to 7%.

Figure 11: E01 Distribution-Only (left) and Total (right)
Bill Impacts of Volumetric vs. 2024 Legacy Rate

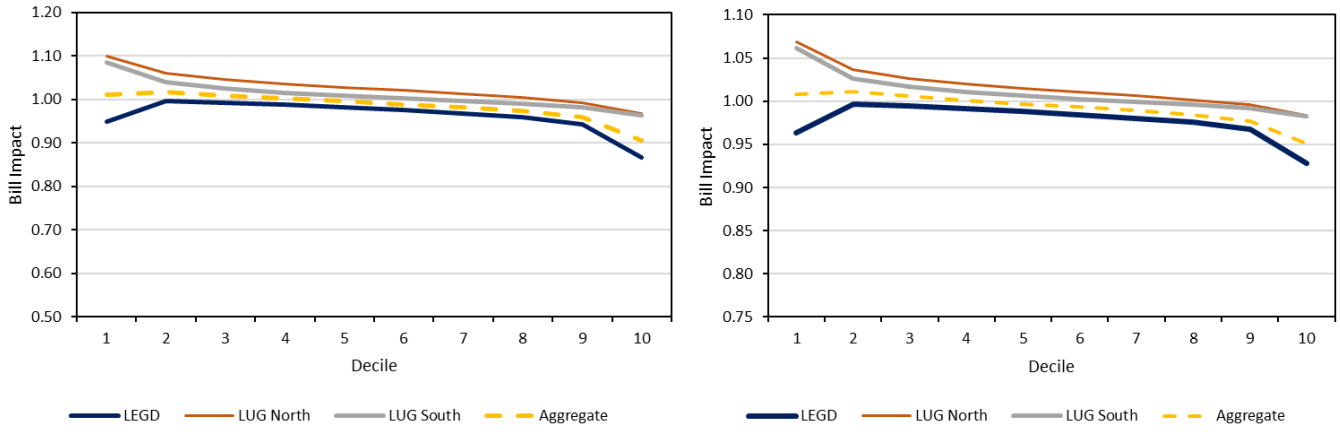
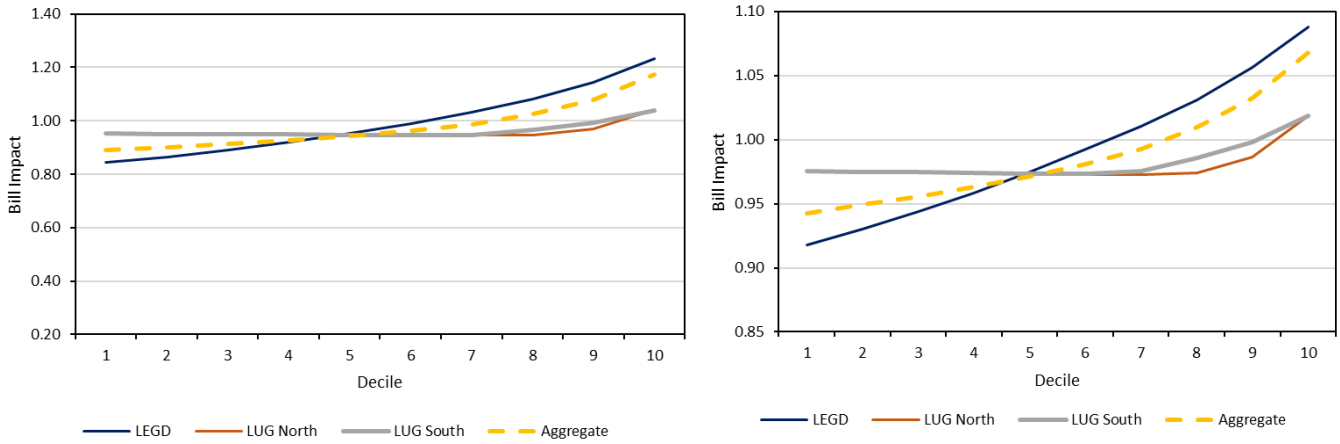


Figure 12 presents the distribution-only and total bill impacts of introducing a volumetric harmonized rate for E02 customers. In general, the distribution-only bill impacts show a similar pattern as the total bill impacts, exhibiting increases with size. LEGD customers experience a range of bill impacts from a decrease of about 8% to an increase of about 9%. Both LUG-South and LUG-North customers in the first eight deciles experience a total bill decrease of about 3%, and approximate bill neutrality in the upper deciles.

Figure 12: E02 Distribution-Only (left) and Total (right)
Bill Impacts of Volumetric vs. 2024 Legacy Rate



Overall, in moving from the 2024 legacy rates to the harmonized volumetric rate, customers in all deciles have moderate total bill changes.

"Upper Tail" Results

Table 3 shows the count of customers and the percentage of all customers in the legacy rate classes who experience bill increases above 10% upon harmonization and rate redesign. Under the SFVD rate, less than 5% of customers in each current rate class experience a bill increase of more than 10%.

Table 3: "Upper Tail" Bill Impacts

	No. of Customers			Percentage of Rate Class		
	SFVD	SFV	Volumetric	SFVD	SFV	Volumetric
LEGD						
Rate 1	28,755	196,682	18,952	2%	12%	1%
Rate 6	5,225	23,572	120	4%	19%	0%
LUG-North						
Rate 1	5,672	71,034	5,762	2%	22%	2%
Rate 10	13	50	-	1%	3%	0%
LUG-South						
Rate M1	19,260	220,135	18,827	2%	21%	2%
Rate M2	207	264	-	3%	4%	0%

Bill Impacts for the Largest Customers

EGI was also interested in investigating the aggregate bill impacts of the largest GS customers, those close in size to contract customers. Table 4 shows that for customers with DDDs larger than 1,500 m^3/day, bill impacts associated with each alternative design vary by rate zone. Under the SFVD and volumetric rates, all three rate zones have very modest bill changes except for LEGD R1 customers. (Note that the 14 customers currently on LEGD Rate R1 (in the top row of the table) are characterized by a large DDD and small annual consumption, i.e., extremely low load factor. As a result, they would likely qualify for treatment as exceptions under the SFVD rate.) Under the SFV rate, customers have bill decreases except for LEGD R1 customers.

Table 4: Summary of Customers with DDD above 1,500 m^3/day

								Total Bill Impact		
Region	Rate	Customer Count	Total Annual Consumption	Total DDD	Avg. Monthly Consumption	Avg DDD	Current: '23 - '24	Current '24 - SFVD	Current '24 - SFV	Current '24 - Volumetric
LEGD	R1	14	197,330	70,707	1,175	5,050	1.03	7.82	1.00	0.96
LEGD	R6	6,227	2,384,242,847	22,994,366	31,852	3,693	0.99	1.09	0.90	1.08
LUG North	1	1	147,067	1,695	12,256	1,695	0.85	1.02	0.87	0.97
LUG North	10	392	142,361,938	1,193,741	31,399	3,045	0.90	1.00	0.85	1.03
LUG South	M1	27	5,343,450	71,298	20,873	2,641	1.11	0.99	0.83	0.97
LUG South	M2	2,012	673,921,892	6,336,381	30,136	3,149	1.05	1.01	0.85	1.02

5. SUMMARY OF KEY FINDINGS

Phase 3 Findings

Phase 3 of the rate harmonization analysis uses contemporary pricing data to investigate customers bill impacts resulting from two changes from the status quo. First, we measure the effect on bills of a general rate increase from 2023 to 2024 at currently forecasted prices. Second, we measure the bill impact of moving customers to a harmonized rate structure applicable across all three rate zones. This second step also includes a change in rate design. The harmonized rates evaluated in this study employ one of three rate design alternatives proposed under previous study: SFVD, SFV, and Volumetric.

We investigated bill impacts by customer size using a sample of EGI billing data (and for a set of pre-defined typical customers, for whom results appear in Appendix II). The analysis by decile using the sample data illustrates bill changes by a broad, representative range of customer sizes, while the analysis of typical customers provides more granular insight into pricing changes of bill components. We found that both perspectives demonstrate similar results.

Bill impacts due to rate increases from 2023 to 2024 vary across rate zones due to differences in distribution cost increase and due to the harmonization of gas commodity costs, as shown in Table 1. Across all customer groups, inclusion of gas commodity costs reduces the impact on a customer's total bill in comparison to the distribution-only portion of the bill. This phenomenon persists across the bills of harmonized, redesigned rates.

The SFVD rate design yields moderate bill impacts across all rate classifications and rate zones and for customers of virtually all sizes. This design appears to yield the best price-cost match of the rate design alternatives and reduces cross subsidization within class. Large bill impacts are associated only with customers that have extreme load factors.

Shifting to an SFV rate design results in a broad range of bill impacts, some of which are extreme. Small customers almost uniformly experience large bill increases. The largest customers experience dramatic bill decreases. The Volumetric alternative to the SFVD design does well in mimicking the bill impacts of the SFVD rate for the average customer. However, it fails to account for variation in load factor by varying the bill commensurately. Additionally, it retains the design defect of the current rates of bill variability under varying weather conditions.

Overall Project Findings

The amalgamation of EGI's legacy Enbridge Gas Distribution and Union Gas Limited rate zones presented the company with the opportunity to amalgamate the costs and rates of these zones to provide uniform pricing across the entire EGI Ontario service territory. EGI engaged CA Energy Consulting to investigate approaches to harmonizing the three legacy rate zones by recommending uniform GS rate classes and rates. The project moved forward in three phases.

In Phase 1, CA Energy Consulting evaluated EGI data regarding GS customer characteristics to investigate differences across customers and rate zones with respect to consumption, load

factor, and seasonality. Data analysis revealed that with few exceptions, EGI customers are relatively homogeneous, although load factor increases with customer size.

We also assessed the availability of data to classify GS customers. Analysis revealed that EGI has high quality billing data for virtually all customers for recent history. EGI has less than comprehensive data on customer connections and customer end uses, suggesting that rate classification still needs to rely predominantly on billing data, at least for the present.

CA Energy Consulting also reviewed EGI rate classification alternatives. Customer homogeneity and the upward trend in load factor relative to customer size resulted in the conclusion that there should be at least two rate classes, either based on size or on customer type (residential and other GS).

The investigation of rate alternatives for the harmonized rate zone took place in the context of Ontario's expressed interest in developing rates such that fixed costs are recovered predominantly via fixed charges, with variable cost continuing to be collected via volumetric charges. The analysis in Phase 2 tested the feasibility of implementation of such an approach. Given that EGI's distribution costs are almost entirely fixed, and since these costs are typically classified as customer-related and demand-related, we investigated the feasibility of using some measure of demand as a basis for billing. The assessment concluded that EGI can compute a "Design Day Demand" (DDD) for each customer, a metric that reflects expected usage on a day of the most extreme weather likely to occur in the service territory. Atlanta Gas Light's use of DDD methodology for twenty years provides a useful precedent.

Based on the feasibility of DDD estimation, we (and EGI) concluded that the project should investigate three rate alternatives for rate harmonization: "Straight Fixed Variable with Demand" (SFVD), "Straight Fixed Variable" (SFV), and Volumetric. In order to resolve our understanding of rate attributes and to facilitate the selection of rate classes, we undertook bill impact analyses of the three rate design alternatives. The analysis revealed that bill impacts associated with transitioning to SFVD are moderate in almost all cases. In contrast, bill impacts from a shift to SFV can be extreme for very small and very large customers within each rate class. A Volumetric alternative produces bill impacts approximating those of SFVD but do not capture variation in cost to serve based on load factor and bills are more variable due to weather than is SFVD.

The Phase 3 analysis concluded our investigation into the harmonization of EGI's rate zones by testing the bill impact of harmonizing customer classes and transitioning to SFVD, SFV, and volumetric rate designs using contemporary (2024) pricing data. The findings confirm our Phase 2 conclusions. Specifically, almost all customers experience moderate bill impacts from adoption of a harmonized SFVD design. In contrast, the SFV rate design exposes large numbers of customers to extreme bill impacts and would require segmentation of rate classes that is not justified by differences in customer characteristics. The Volumetric alternative to SFVD has similar bill impacts in aggregate but fails to make progress toward the matching of fixed charges and costs, and consequently exposes customers to ongoing bill variability due to weather variation.

In brief, the SFVD design's theoretical advantages – bill stability and customer-specific matching of price to cost – are reinforced by the practical outcome of expected moderate bill impacts during the transition by EGI to a single harmonized rate zone, uniform rate classification, and a single set of rates for the entire zone. Project findings indicate that the SFVD design is feasible in terms of available data and computational and billing capabilities at EGI, and that the SFVD design is supported by precedent as the core distribution rate at a large North American gas utility.

APPENDIX I: HARMONZED RATE PRICE CHANGES

Tables A1.1 through A1.3 in this appendix provide details about the components of each legacy rate and the harmonized rate alternatives.

Table A1.1: LEGD Prices Across Legacy Rates and Alternative Harmonized Rates

LEGD R1 to E01

	Distribution				Gas				Total			
Monthly Charge ($/mo)	**2024**	**SFVD**	**SFV**	**Vol**	**2024**	**SFVD**	**SFV**	**Vol**	**2024**	**SFVD**	**SFV**	**Vol**
Monthly Charge ($/mo)	23.00	28.37	44.83	28.37	0.00	0.00	0.53	0.00	23.00	28.37	45.36	28.37
Monthly Delivery Demand		0.67	0.00	0.00		0.01	0.00	0.00		0.68	0.00	0.00
Delivery ($/m3)		0.0000	0.0000	0.0822		0.0039	0.0026	0.0053		0.0039	0.0026	0.0874
First 30 m^3	0.1249				0.0054				0.1303			
Next 55 m^3	0.1161				0.0054				0.1214			
Next 85 m^3	0.1092				0.0054				0.1145			
Over 170 m^3	0.1040				0.0054				0.1094			
Transportation ($/m3)	-0.0009	-0.0009	-0.0009	-0.0009	0.0203	0.0197	0.0197	0.0197	0.0194	0.0188	0.0188	0.0188
Commodity ($/m3)	0.0015	0.0015	0.0015	0.0015	0.2075	0.2075	0.2075	0.2075	0.2090	0.2090	0.2090	0.2090
Federal Carbon ($/m3)	0.0980	0.0980	0.0980	0.0980	0.0000	0.0000	0.0000	0.0000	0.0980	0.0980	0.0980	0.0980

LEGD R6 to E02

	Distribution				Gas				Total			
	2024	**SFVD**	**SFV**	**Vol**	**2024**	**SFVD**	**SFV**	**Vol**	**2024**	**SFVD**	**SFV**	**Vol**
Monthly Charge ($/mo)	80.00	28.37	534.56	28.37	0.00	0.00	14.40	0.00	80.00	28.37	548.96	28.37
Monthly Delivery Demand		0.74	0.00	0.00		0.01	0.00	0.00		0.75	0.00	0.00
Delivery ($/m3)		0.0000	0.0000	0.0839		0.0038	0.0026	0.0050		0.0038	0.0026	0.0889
First 500 m^3	0.1128				0.0051				0.1179			
Next 1,050 m^3	0.0837				0.0051				0.0888			
Next 4,500 m^3	0.0633				0.0051				0.0684			
Next 7,000 m^3	0.0501				0.0051				0.0553			
Next 15,250 m^3	0.0443				0.0051				0.0494			
Over 28,300 m^3	0.0429				0.0051				0.0480			
Transportation ($/m3)	-0.0008	-0.0008	-0.0008	-0.0008	0.0193	0.0189	0.0182	0.0182	0.0184	0.0181	0.0174	0.0174
Commodity ($/m3)	0.0015	0.0015	0.0015	0.0015	0.2075	0.2075	0.2075	0.2075	0.2090	0.2090	0.2090	0.2090
Federal Carbon ($/m3)	0.0980	0.0980	0.0980	0.0980	0.0000	0.0000	0.0000	0.0000	0.0980	0.0980	0.0980	0.0980

Table A1.2: LUG-North Prices Across Legacy Rates and Alternative Harmonized Rates

LUG North 1 to E01

	Distribution				Gas				Total			
	2024	**SFVD**	**SFV**	**Vol**	**2024**	**SFVD**	**SFV**	**Vol**	**2024**	**SFVD**	**SFV**	**Vol**
Monthly Charge ($/mo)	23.00	28.37	44.83	28.37	0.00	0.00	0.53	0.00	23.00	28.37	45.36	28.37
Monthly Delivery Demand		0.67	0.00	0.00		0.01	0.00	0.00		0.68	0.00	0.00
Delivery ($/m3)		0.0000	0.0000	0.0822		0.0039	0.0026	0.0053		0.0039	0.0026	0.0874
First 100 m^3	0.0809				-0.0072				0.0738			
Next 200 m^3	0.0789				-0.0072				0.0717			
Next 200 m^3	0.0757				-0.0072				0.0685			
Next 500 m^3	0.0727				-0.0072				0.0655			
Over 1,000 m^3	0.0703				-0.0072				0.0631			
Transportation ($/m3)	0.0132	-0.0009	-0.0009	-0.0009	0.0198	0.0197	0.0197	0.0197	0.0331	0.0188	0.0188	0.0188
Storage ($/m3)	0.0105				0.0118				0.0222			
Commodity ($/m3)	0.0015	0.0015	0.0015	0.0015	0.2075	0.2075	0.2075	0.2075	0.2090	0.2090	0.2090	0.2090
Federal Carbon ($/m3)	0.0980	0.0980	0.0980	0.0980	0.0000	0.0000	0.0000	0.0000	0.0980	0.0980	0.0980	0.0980

LUG North 10 to E02

	Distribution				Gas				Total			
	2024	**SFVD**	**SFV**	**Vol**	**2024**	**SFVD**	**SFV**	**Vol**	**2024**	**SFVD**	**SFV**	**Vol**
Monthly Charge ($/mo)	80.00	28.37	534.56	28.37	0.00	0.00	14.40	0.00	80.00	28.37	548.96	28.37
Monthly Delivery Demand		0.74	0.00	0.00		0.01	0.00	0.00		0.75	0.00	0.00
Delivery ($/m3)		0.0000	0.0000	0.0839		0.0038	0.0026	0.0050		0.0038	0.0026	0.0889
First 1,000 m^3	0.0737				-0.0060				0.0677			
Next 9,000 m^3	0.0601				-0.0060				0.0542			
Next 20,000 m^3	0.0523				-0.0060				0.0463			
Next 70,000 m^3	0.0473				-0.0060				0.0414			
Over 100,000 m^3	0.0286				-0.0060				0.0227			
Transportation ($/m3)	0.0119	-0.0008	-0.0008	-0.0008	0.0185	0.0189	0.0182	0.0182	0.0303	0.0181	0.0174	0.0174
Storage ($/m3)	0.0085				0.0103				0.0188			
Commodity ($/m3)	0.0015	0.0015	0.0015	0.0015	0.2075	0.2075	0.2075	0.2075	0.2090	0.2090	0.2090	0.2090
Federal Carbon ($/m3)	0.0980	0.0980	0.0980	0.0980	0.0000	0.0000	0.0000	0.0000	0.0980	0.0980	0.0980	0.0980

Table A1.3: LUG-South Prices Across Legacy Rates and Alternative Harmonized Rates

LUG South M1 to E01

	Distribution				Gas				Total			
	2024	**SFVD**	**SFV**	**Vol**	**2024**	**SFVD**	**SFV**	**Vol**	**2024**	**SFVD**	**SFV**	**Vol**
Monthly Charge ($/mo)	23.00	28.37	44.83	28.37	0.00	0.00	0.53	0.00	23.00	28.37	45.36	28.37
Monthly Delivery Demand		0.67	0.00	0.00		0.01	0.00	0.00		0.68	0.00	0.00
Delivery ($/m3)		0.0000	0.0000	0.0822		0.0039	0.0026	0.0053		0.0039	0.0026	0.0874
First 100 m³	0.1148				0.0239				0.1388			
Next 150 m³	0.1092				0.0239				0.1331			
All over 250 m³	0.0945				0.0239				0.1184			
Transportation ($/m3)		-0.0009	-0.0009	-0.0009		0.0197	0.0197	0.0197		0.0188	0.0188	0.0188
Commodity ($/m3)	0.0015	0.0015	0.0015	0.0015	0.2075	0.2075	0.2075	0.2075	0.2090	0.2090	0.2090	0.2090
Federal Carbon ($/m3)	0.0980	0.0980	0.0980	0.0980	0.0000	0.0000	0.0000	0.0000	0.0980	0.0980	0.0980	0.0980

LUG South M2 TO E02

	Distribution				Gas				Total			
Monthly Charge ($/mo)	**2024**	**SFVD**	**SFV**	**Vol**	**2024**	**SFVD**	**SFV**	**Vol**	**2024**	**SFVD**	**SFV**	**Vol**
Monthly Charge ($/mo)	80.00	28.37	534.56	28.37	0.00	0.00	14.40	0.00	80.00	28.37	548.96	28.37
Monthly Delivery Demand		0.74	0.00	0.00		0.01	0.00	0.00		0.75	0.00	0.00
Delivery ($/m3)		0.0000	0.0000	0.0839		0.0038	0.0026	0.0050		0.0038	0.0026	0.0889
First 1,000 m³	0.0824				0.0225				0.1048			
Next 6,000 m³	0.0809				0.0225				0.1034			
Next 13,000 m³	0.0758				0.0225				0.0983			
All over 20,000 m³	0.0705				0.0225				0.0930			
Transportation ($/m3)		-0.0008	-0.0008	-0.0008		0.0189	0.0182	0.0182		0.0181	0.0174	0.0174
Commodity ($/m3)	0.0015	0.0015	0.0015	0.0015	0.2075	0.2075	0.2075	0.2075	0.2090	0.2090	0.2090	0.2090
Federal Carbon ($/m3)	0.0980	0.0980	0.0980	0.0980	0.0000	0.0000	0.0000	0.0000	0.0980	0.0980	0.0980	0.0980

APPENDIX II: TYPICAL CUSTOMERS

EGI and its legacy jurisdictions have traditionally used bill impact computations for typical customers to convey the impact of rate changes for a range of customers within each rate class. We present illustrative bill impacts for some representative typical customers for comparison with the decile figures found in the *Results* section. The typical customer results provide impacts of the change from 2023 to 2024 legacy rates and subsequently to each alternative harmonized rate at the cost levels that generated the 2024 legacy prices. We use typical customers currently under LEGD Rate R1 and LUG-South Rate M2 to illustrate the bill impacts for small and large customers.

Table A2.1 through Table A2.3 present bill calculations for a typical R1 customer in the LEGD rate zone with an annual usage of 2,400 m^3 under each alternative harmonized rate. This customer's bill increases by 3.5% from 2023 to 2024 under the current rate design. The customer charge increases by 5.1% from 2023 to 2024, and gas commodity charge increases by 14%. The sum of delivery, load balancing and transportation charges declines by about 8%. All three alternative rates—SFVD, SFV, and volumetric—yield a small bill decrease from 2024 legacy rate, as shown by the bill indexes close to, but slightly less than 1.000 in the right-hand panel of each table.

Table A2.1: Typical-Customer Bill Impacts under Harmonized SFVD Rate – LEGD R1

Average Customer													
Volume	**2,400**												
Daily Demand	**24.36**	**2023 Rates**				**2024 Rates**				**2024 SFVD Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00	28.37	340.49		340.49
Demand	$										196.67	3.12	199.79
Delivery	$		204.28	25.37	229.65		266.84	12.90	279.74		0.00	9.45	9.45
Load Balancing	$		16.66	14.38	31.04								
Transportation	$		1.81	92.44	94.24		(2.11)	48.73	46.61		(2.04)	47.18	45.14
Sales - Commodity	$		2.04	439.02	441.06		3.70	497.98	501.68		3.70	497.98	501.68
Carbon Charge	$		235.13	0.00	235.13		235.13	0.00	235.13		235.29	0.00	235.29
Total	$		**722.46**	**571.21**	**1,293.66**		**779.55**	**559.61**	**1,339.16**		**774.11**	**557.73**	**1,331.84**
Bill Index									**1.035**				**0.995**

Table A2.2: Typical-Customer Bill Impacts under Harmonized SFV Rate - LEGD R1

Average Customer													
Volume	**2,400**												
Daily Demand	**24.36**	**2023 Rates**				**2024 Rates**				**2024 SFV Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00		537.93	6.38	544.30
Demand	$						0.00	0.00	0.00				
Delivery	$		204.28	25.37	229.65		266.84	12.90	279.74		0.00	6.26	6.26
Load Balancing	$		16.66	14.38	31.04								
Transportation	$		1.81	92.44	94.24		(2.11)	48.73	46.61		(2.04)	47.24	45.20
Sales - Commodity	$		2.04	439.02	441.06		3.70	497.98	501.68		3.70	497.98	501.68
Carbon Charge	$		235.13	0.00	235.13		235.13	0.00	235.13		235.29	0.00	235.29
Total	$		**722.46**	**571.21**	**1,293.66**		**779.55**	**559.61**	**1,339.16**		**774.87**	**557.86**	**1,332.73**
Bill Index									**1.035**				**0.995**

Table A2.3: Typical-Customer Bill Impacts under Harmonized Volumetric Rate - LEGD R1

Average Customer													
Volume	**2,400**												
Daily Demand	**24.36**	**2023 Rates**				**2024 Rates**				**2024 Volumetric Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00	28.37	340.47		340.47
Demand	$												
Delivery	$		204.28	25.37	229.65		266.84	12.90	279.74		197.18	12.62	209.81
Load Balancing	$		16.66	14.38	31.04								
Transportation	$		1.81	92.44	94.24		(2.11)	48.73	46.61		(2.04)	47.24	45.20
Sales - Commodity	$		2.04	439.02	441.06		3.70	497.98	501.68		3.70	497.98	501.68
Carbon Charge	$		235.13	0.00	235.13		235.13	0.00	235.13		235.29	0.00	235.29
Total	$		**722.46**	**571.21**	**1,293.66**		**779.55**	**559.61**	**1,339.16**		**774.60**	**557.85**	**1,332.44**
Bill Index									**1.035**				**0.995**

Table A2.4 shows how variation in load factor changes the customer's bill impact upon changing to the SFVD rate. In the top panel of the table, the typical customer with an average load factor experiences the slight bill reduction as seen in Table A2.1 above. However, the low load factor customer in the middle panel experiences a significant bill increase of 15.5% (bill index of 1.155) and the high load factor customer in the bottom panel experiences a bill reduction of 5.6 % (bill index of 0.944).[6]

[6] These cases are illustrative, but indicate that the SFVD design improves the match between customer price and cost to serve relative to a non-demand design. Recall that prior findings indicate that customers are fairly homogeneous, but the very low load factor customers may require transitional pricing in moving to an SFVD design.

Table A2.4: Bill Impacts by Load Factor under Harmonized SFVD Rate - LEGD R1

Average Customer, Average Load Factor

Volume	**2,400**												
Daily Demand	**24.36**	**2023 Rates**				**2024 Rates**				**2024 SFVD Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00	28.37	340.49		340.49
Demand	$										196.67	3.12	199.79
Delivery	$		204.28	25.37	229.65		266.84	12.90	279.74		0.00	9.45	9.45
Load Balancing	$		16.66	14.38	31.04								
Transportation	$		1.81	92.44	94.24		(2.11)	48.73	46.61		(2.04)	47.18	45.14
Sales - Commodity	$		2.04	439.02	441.06		3.70	497.98	501.68		3.70	497.98	501.68
Carbon Charge	$		235.13	0.00	235.13		235.13	0.00	235.13		235.29	0.00	235.29
Total	$		**722.46**	**571.21**	**1,293.66**		**779.55**	**559.61**	**1,339.16**		**774.11**	**557.73**	**1,331.84**
Bill Index									**1.035**				**0.995**

Average Customer, Low Load Factor

Volume	**2,400**												
Daily Demand	**50.62**	**2023 Rates**				**2024 Rates**				**2024 SFVD Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00	28.37	340.49		340.49
Demand	$										408.64	6.48	415.12
Delivery	$		204.28	25.37	229.65		266.84	12.90	279.74		0.00	9.45	9.45
Load Balancing	$		16.66	14.38	31.04								
Transportation	$		1.81	92.44	94.24		(2.11)	48.73	46.61		(2.04)	47.18	45.14
Sales - Commodity	$		2.04	439.02	441.06		3.70	497.98	501.68		3.70	497.98	501.68
Carbon Charge	$		235.13	0.00	235.13		235.13	-	235.13		235.29	0.00	235.29
Total	$		**722.46**	**571.21**	**1,293.66**		**779.55**	**559.61**	**1,339.16**		**986.08**	**561.09**	**1,547.17**
Bill Index									**1.035**				**1.155**

Average Customer, High Load Factor

Volume	**2,400**												
Daily Demand	**16.04**	**2023 Rates**				**2024 Rates**				**2024 SFVD Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00	28.37	340.49		340.49
Demand	$										129.50	2.05	131.55
Delivery	$		204.28	25.37	229.65		266.84	12.90	279.74		0.00	9.45	9.45
Load Balancing	$		16.66	14.38	31.04								
Transportation	$		1.81	92.44	94.24		(2.11)	48.73	46.61		(2.04)	47.18	45.14
Sales - Commodity	$		2.04	439.02	441.06		3.70	497.98	501.68		3.70	497.98	501.68
Carbon Charge	$		235.13	0.00	235.13		235.13	0.00	235.13		235.29	0.00	235.29
Total	$		**722.46**	**571.21**	**1,293.66**		**779.55**	**559.61**	**1,339.16**		**706.93**	**556.67**	**1,263.60**
Bill Index									**1.035**				**0.944**

Tables A2.5 through A2.7 show how variation in customer size changes bill impacts under SFVD, SFV, and Volumetric rate designs. Under all three rate designs, the smaller customer sees a bill increase, while the larger customer sees a bill decrease. For the SFVD and Volumetric rates, the bill impacts are moderate, but the changes in bill impacts are large for SFV rate. Under the SFV rate (Table A2.6), customers face a more than $200 increase in fixed customer charge. The smaller customer experiences a bill increase above 15%. In contrast, the larger customer experiences a significant bill decrease because the decrease in delivery charge more than offsets the increase in fixed charge.

Table A2.5: Varying Customer Size under Harmonized SFVD Rate - LEGD R1

Average Customer

Volume	**2,400**												
Daily Demand	**24.36**	**2023 Rates**				**2024 Rates**				**2024 SFVD Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00	28.37	340.49		340.49
Demand	$										196.67	3.12	199.79
Delivery	$		204.28	25.37	229.65		266.84	12.90	279.74		0.00	9.45	9.45
Load Balancing	$		16.66	14.38	31.04								
Transportation	$		1.81	92.44	94.24		(2.11)	48.73	46.61		(2.04)	47.18	45.14
Sales - Commodity	$		2.04	439.02	441.06		3.70	497.98	501.68		3.70	497.98	501.68
Carbon Charge	$		235.13	0.00	235.13		235.13	0.00	235.13		235.29	0.00	235.29
Total	$		**722.46**	**571.21**	**1,293.66**		**779.55**	**559.61**	**1,339.16**		**774.11**	**557.73**	**1,331.84**
Bill Index									**1.035**				**0.995**

Small Customer

Volume	**1,081**												
Daily Demand	**10.97**	**2023 Rates**				**2024 Rates**				**2024 SFVD Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00	28.37	340.49		340.49
Demand	$										88.58	1.40	89.99
Delivery	$		97.99	11.47	109.45		128.00	5.81	133.81		0.00	4.26	4.26
Load Balancing	$		7.50	6.48	13.98								
Transportation	$		0.81	41.63	42.45		(0.95)	21.95	21.00		(0.92)	21.25	20.33
Sales - Commodity	$		0.92	197.74	198.66		1.67	224.30	225.97		1.67	224.30	225.97
Carbon Charge	$		105.91	0.00	105.91		105.91	0.00	105.91		105.98	0.00	105.98
Total	$		**475.68**	**257.32**	**732.99**		**510.62**	**252.06**	**762.67**		**535.80**	**251.21**	**787.01**
Bill Index									**1.040**				**1.032**

Large Customer

Volume	**5,048**												
Daily Demand	**51.24**	**2023 Rates**				**2024 Rates**				**2024 SFVD Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00	28.37	340.49		340.49
Demand	$										413.66	6.56	420.22
Delivery	$		417.83	53.29	471.11		545.78	27.13	572.91		0.00	19.87	19.87
Load Balancing	$		35.04	30.24	65.28								
Transportation	$		3.80	194.42	198.22		(4.44)	102.49	98.05		(4.29)	99.24	94.95
Sales - Commodity	$		4.29	923.41	927.70		7.78	1,047.43	1,055.20		7.78	1,047.43	1,055.20
Carbon Charge	$		494.55	0.00	494.55		494.55	0.00	494.55		494.89	0.00	494.89
Total	$		**1,218.06**	**1,201.36**	**2,419.42**		**1,319.67**	**1,177.04**	**2,496.71**		**1,252.53**	**1,173.10**	**2,425.63**
Bill Index									**1.032**				**0.972**

Table A2.6: Varying Customer Size under Harmonized SFV Rate - LEGD R1

Average Customer

Volume	**2,400**												
Daily Demand	**24.36**	**2023 Rates**				**2024 Rates**				**2024 SFV Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00		537.93	6.38	544.30
Demand	$						0.00	0.00	0.00				
Delivery	$		204.28	25.37	229.65		266.84	12.90	279.74		0.00	6.26	6.26
Load Balancing	$		16.66	14.38	31.04								
Transportation	$		1.81	92.44	94.24		(2.11)	48.73	46.61		(2.04)	47.24	45.20
Sales - Commodity	$		2.04	439.02	441.06		3.70	497.98	501.68		3.70	497.98	501.68
Carbon Charge	$		235.13	0.00	235.13		235.13	0.00	235.13		235.29	0.00	235.29
Total	$		**722.46**	**571.21**	**1,293.66**		**779.55**	**559.61**	**1,339.16**		**774.87**	**557.86**	**1,332.73**
Bill Index									**1.035**				**0.995**

Small Customer

Volume	**1,081**												
Daily Demand	**10.97**	**2023 Rates**				**2024 Rates**				**2024 SFV Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00		537.93	6.38	544.30
Demand	$												
Delivery	$		97.99	11.47	109.45		128.00	5.81	133.81		0.00	2.82	2.82
Load Balancing	$		7.50	6.48	13.98								
Transportation	$		0.81	41.63	42.45		(0.95)	21.95	21.00		(0.92)	21.28	20.36
Sales - Commodity	$		0.92	197.74	198.66		1.67	224.30	225.97		1.67	224.30	225.97
Carbon Charge	$		105.91	0.00	105.91		105.91	0.00	105.91		105.98	0.00	105.98
Total	$		**475.68**	**257.32**	**732.99**		**510.62**	**252.06**	**762.67**		**644.65**	**254.77**	**899.42**
Bill Index									**1.040**				**1.179**

Large Customer

Volume	**5,048**												
Daily Demand	**51.24**	**2023 Rates**				**2024 Rates**				**2024 SFV Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00		537.93	6.38	544.30
Demand	$												
Delivery	$		417.83	53.29	471.11		545.78	27.13	572.91		0.00	13.16	13.16
Load Balancing	$		35.04	30.24	65.28								
Transportation	$		3.80	194.42	198.22		(4.44)	102.49	98.05		(4.30)	99.36	95.06
Sales - Commodity	$		4.29	923.41	927.70		7.78	1,047.43	1,055.20		7.78	1,047.43	1,055.20
Carbon Charge	$		494.55	0.00	494.55		494.55	0.00	494.55		494.89	0.00	494.89
Total	$		**1,218.06**	**1,201.36**	**2,419.42**		**1,319.67**	**1,177.04**	**2,496.71**		**1,036.29**	**1,166.33**	**2,202.62**
Bill Index									**1.032**				**0.882**

Table A2.7: Varying Customer Size under Harmonized Volumetric Rate - LEGD R1

Average Customer

Volume	**2,400**												
Daily Demand	**24.36**	**2023 Rates**				**2024 Rates**				**2024 Volumetric Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00	28.37	340.47		340.47
Demand	$												
Delivery	$		204.28	25.37	229.65		266.84	12.90	279.74		197.18	12.62	209.81
Load Balancing	$		16.66	14.38	31.04								
Transportation	$		1.81	92.44	94.24		(2.11)	48.73	46.61		(2.04)	47.24	45.20
Sales - Commodity	$		2.04	439.02	441.06		3.70	497.98	501.68		3.70	497.98	501.68
Carbon Charge	$		235.13	0.00	235.13		235.13	0.00	235.13		235.29	0.00	235.29
Total	$		**722.46**	**571.21**	**1,293.66**		**779.55**	**559.61**	**1,339.16**		**774.60**	**557.85**	**1,332.44**
Bill Index									**1.035**				**0.995**

Small Customer

Volume	**1,081**												
Daily Demand	**10.97**	**2023 Rates**				**2024 Rates**				**2024 Volumetric Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00	28.37	340.47	0.00	340.47
Demand	$												
Delivery	$		97.99	11.47	109.45		128.00	5.81	133.81		88.81	5.69	94.50
Load Balancing	$		7.50	6.48	13.98								
Transportation	$		0.81	41.63	42.45		(0.95)	21.95	21.00		(0.92)	21.28	20.36
Sales - Commodity	$		0.92	197.74	198.66		1.67	224.30	225.97		1.67	224.30	225.97
Carbon Charge	$		105.91	0.00	105.91		105.91	0.00	105.91		105.98	0.00	105.98
Total	$		**475.68**	**257.32**	**732.99**		**510.62**	**252.06**	**762.67**		**536.01**	**251.26**	**787.27**
Bill Index									**1.040**				**1.032**

Large Customer

Volume	**5,048**												
Daily Demand	**51.24**	**2023 Rates**				**2024 Rates**				**2024 Volumetric Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00	28.37	340.47	0.00	340.47
Demand	$												
Delivery	$		417.83	53.29	471.11		545.78	27.13	572.91		414.74	26.55	441.29
Load Balancing	$		35.04	30.24	65.28								
Transportation	$		3.80	194.42	198.22		(4.44)	102.49	98.05		(4.30)	99.36	95.06
Sales - Commodity	$		4.29	923.41	927.70		7.78	1,047.43	1,055.20		7.78	1,047.43	1,055.20
Carbon Charge	$		494.55	0.00	494.55		494.55	0.00	494.55		494.89	0.00	494.89
Total	$		**1,218.06**	**1,201.36**	**2,419.42**		**1,319.67**	**1,177.04**	**2,496.71**		**1,253.58**	**1,173.34**	**2,426.92**
Bill Index									**1.032**				**0.972**

Tables A2.8 through A2.10 present bill calculations for a typical M2 customer in the LUG-South rate zone. The customer's bill increases by 5% from 2023 to 2024 under the current rate design. The customer charge increases by 4.5% from 2023 to 2024, and gas commodity charge decreases by about 6.2%. The sum of delivery and storage charges increases by about 48%. Under the SFVD rate, the M2 customer has approximate bill neutrality. Under the SFV and Volumetric rate, the M2 customer experiences a slight bill decrease.

Table A2.8: Typical-Customer Bill Impacts under Harmonized SFVD Rate – LUG-South M2

Average Customer

VOLUME	**73,000**												
DAILY DEMAND	**746.33**	**2023 Rates**				**2024 Rates**				**2024 SFVD Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Monthly Charge	$	76.58	918.96		918.96	80.00	960.00		960.00	28.37	340.49		340.49
Demand	$										6,613.04	93.16	6,706.20
Delivery	$		4,349.85	71.83	4,421.68		5,830.81	1,640.96	7,471.77		0.00	280.53	280.53
Storage	$		587.29	34.02	621.30								
Transportation	$										(59.69)	1,382.37	1,322.68
Commodity	$		(53.95)	16,326.11	16,272.17		112.48	15,147.00	15,259.48		112.48	15,147.00	15,259.48
Carbon Charge	$		7,156.99	0.00	7,156.99		7,156.99	0.00	7,156.99		7,156.63	-	7,156.63
Total	**$**		**5,802.15**	**16,431.96**	**29,391.10**		**14,060.28**	**16,787.96**	**30,848.24**		**14,162.95**	**16,903.06**	**31,066.01**
Bill Index									**1.050**				**1.007**

Table A2.9: Typical-Customer Bill Impacts under Harmonized SFV Rate - LUG-South M2

Average Customer

VOLUME	**73,000**												
DAILY DEMAND	**746.33**	**2023 Rates**				**2024 Rates**				**2024 SFV Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Monthly Charge	$	76.58	918.96		918.96	80.00	960.00		960.00		6,414.70	172.81	6,587.51
Demand	$												
Delivery	$		4,349.85	71.83	4,421.68		5,830.81	1,640.96	7,471.77		0.00	190.28	190.28
Storage	$		587.29	34.02	621.30								
Transportation	$										(57.32)	1,328.30	1,270.98
Commodity	$		(53.95)	16,326.11	16,272.17		112.48	15,147.00	15,259.48		112.50	15,147.00	15,259.51
Carbon Charge	$		7,156.99	0.00	7,156.99		7,156.99	0.00	7,156.99		7,156.63	0.00	7,156.63
Total	**$**		**5,802.15**	**16,431.96**	**29,391.10**		**14,060.28**	**16,787.96**	**30,848.24**		**13,626.51**	**16,838.40**	**30,464.91**
Bill Index									**1.050**				**0.988**

Table A2.10: Typical-Customer Bill Impacts under Harmonized Volumetric Rate - LUG-South M2

Average Customer

VOLUME	**73,000**												
DAILY DEMAND	**746.33**	**2023 Rates**				**2024 Rates**				**2024 Volumetric Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Monthly Charge	$	76.58	918.96		918.96	80.00	960.00		960.00	28.37	340.47		340.47
Demand	$												
Delivery	$		4,349.85	71.83	4,421.68		5,830.81	1,640.96	7,471.77		6,124.75	364.53	6,489.27
Storage	$		587.29	34.02	621.30								
Transportation	$										(57.32)	1,328.30	1,270.98
Commodity	$		(53.95)	16,326.11	16,272.17		112.48	15,147.00	15,259.48		112.50	15,147.00	15,259.51
Carbon Charge	$		7,156.99	0.00	7,156.99		7,156.99	0.00	7,156.99		7,156.63	0.00	7,156.63
Total	**$**		**5,802.15**	**16,431.96**	**29,391.10**		**14,060.28**	**16,787.96**	**30,848.24**		**13,677.03**	**16,839.84**	**30,516.87**
Bill Index									**1.050**				**0.989**

Tables A2.11 through A2.13 present how variation in customer size changes bill impacts under SFVD, SFV, and Volumetric rate designs for M2 customers. Under the SFVD rate, the small and average customer have approximate bill neutrality, and the large customer has a moderate bill increase of about 3%. Under the Volumetric rate, the smaller and average customer have a slight bill decrease of about 1%, and the larger customer experiences a slight bill increase of about 1%. For the SFV rate (Table A2.12), the smaller customer sees a 2.6% bill increase, and the average customer sees a 1.2% bill decrease. The larger customer experiences a significant bill decrease. This large variation in bill impacts is similar to the typical R1 customer experience.[7]

Table A2.11: Varying Customer Size in Harmonized SFVD Rate - LUG-South M2

Average Customer

VOLUME	**73,000**												
DAILY DEMAND	**746.33**	**2023 Rates**				**2024 Rates**				**2024 SFVD Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Monthly Charge	$	76.58	918.96		918.96	80.00	960.00		960.00	28.37	340.49		340.49
Demand	$										6,613.04	93.16	6,706.20
Delivery	$		4,349.85	71.83	4,421.68		5,830.81	1,640.96	7,471.77		0.00	280.53	280.53
Storage	$		587.29	34.02	621.30								
Transportation	$										(59.69)	1,382.37	1,322.68
Commodity	$		(53.95)	16,326.11	16,272.17		112.48	15,147.00	15,259.48		112.48	15,147.00	15,259.48
Carbon Charge	$		7,156.99	0.00	7,156.99		7,156.99	0.00	7,156.99		7,156.63	-	7,156.63
Total	**$**		**5,802.15**	**16,431.96**	**29,391.10**		**14,060.28**	**16,787.96**	**30,848.24**		**14,162.95**	**16,903.06**	**31,066.01**
Bill Index									**1.050**				**1.007**

Small Customer

VOLUME	**60,000**												
DAILY DEMAND	**613.42**	**2023 Rates**				**2024 Rates**				**2024 SFVD Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Monthly Charge	$	76.58	918.96		918.96	80.00	960.00		960.00	28.37	340.49		340.49
Demand	$										5,435.37	76.57	5,511.95
Delivery	$		3,596.19	59.04	3,655.23		4,820.83	1,348.73	6,169.56		0.00	230.57	230.57
Storage	$		482.70	27.96	510.66								
Transportation	$										(49.06)	1,136.19	1,087.14
Commodity	$		(44.34)	13,418.72	13,374.38		92.45	12,449.59	12,542.04		92.45	12,449.59	12,542.04
Carbon Charge	$		5,882.46	0.00	5,882.46		5,882.46	0.00	5,882.46		5,882.16	0.00	5,882.16
Total	**$**		**4,953.51**	**13,505.72**	**24,341.70**		**11,755.74**	**13,798.33**	**25,554.06**		**11,701.42**	**13,892.93**	**25,594.35**
Bill Index									**1.050**				**1.002**

Large Customer

VOLUME	**250,000**												
DAILY DEMAND	**2,555.91**	**2023 Rates**				**2024 Rates**				**2024 SFVD Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Monthly Charge	$	76.58	918.96		918.96	80.00	960.00		960.00	28.37	340.49		340.49
Demand	$										22,647.38	319.05	22,966.44
Delivery	$		14,137.52	246.00	14,383.52		18,941.14	5,619.73	24,560.86		0.00	960.71	960.71
Storage	$		2,011.25	116.50	2,127.75								
Transportation	$										(204.40)	4,734.13	4,529.73
Commodity	$		(184.75)	55,911.35	55,726.60		385.20	51,873.30	52,258.51		385.20	51,873.30	52,258.51
Carbon Charge	$		24,510.25	0.00	24,510.25		24,510.25	-	24,510.25		24,509.00	-	24,509.00
Total	**$**		**16,882.98**	**56,273.85**	**97,667.08**		**44,796.59**	**57,493.03**	**102,289.62**		**47,677.68**	**57,887.20**	**105,564.88**
Bill Index									**1.047**				**1.032**

[7] Note that the typical customers presented here, which have prototypical annual volume numbers provided by EGI, are drawn from the upper deciles of E02 as found in the 2019 sample data. This means that the tables do not show the bill effects experienced by smaller customers, as illustrated by the decile graphs. As shown in Figure 10, bill impacts vary dramatically with customer size for SFV E02 customers.

Table A2.12: Varying Customer Size under Harmonized SFV Rate - LUG-South M2

Average Customer

		2023 Rates				2024 Rates				2024 SFV Rate, Harmonized			
VOLUME	**73,000**												
DAILY DEMAND	**746.33**												
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Monthly Charge	$	76.58	918.96		918.96	80.00	960.00		960.00		6,414.70	172.81	6,587.51
Demand	$												
Delivery	$		4,349.85	71.83	4,421.68		5,830.81	1,640.96	7,471.77		0.00	190.28	190.28
Storage	$		587.29	34.02	621.30								
Transportation	$										(57.32)	1,328.30	1,270.98
Commodity	$		(53.95)	16,326.11	16,272.17		112.48	15,147.00	15,259.48		112.50	15,147.00	15,259.51
Carbon Charge	$		7,156.99	0.00	7,156.99		7,156.99	0.00	7,156.99		7,156.63	0.00	7,156.63
Total	**$**		**5,802.15**	**16,431.96**	**29,391.10**		**14,060.28**	**16,787.96**	**30,848.24**		**13,626.51**	**16,838.40**	**30,464.91**
Bill Index									**1.050**				**0.988**

Small Customer

		2023 Rates				2024 Rates				2024 SFV Rate, Harmonized			
VOLUME	**60,000**												
DAILY DEMAND	**613.42**												
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Monthly Charge	$	76.58	918.96		918.96	80.00	960.00		960.00		6,414.70	172.81	6,587.51
Demand	$												
Delivery	$		3,596.19	59.04	3,655.23		4,820.83	1,348.73	6,169.56		0.00	156.39	156.39
Storage	$		482.70	27.96	510.66								
Transportation	$										(47.11)	1,091.76	1,044.64
Commodity	$		(44.34)	13,418.72	13,374.38		92.45	12,449.59	12,542.04		92.47	12,449.59	12,542.06
Carbon Charge	$		5,882.46	0.00	5,882.46		5,882.46	0.00	5,882.46		5,882.16	0.00	5,882.16
Total	**$**		**4,953.51**	**13,505.72**	**24,341.70**		**11,755.74**	**13,798.33**	**25,554.06**		**12,342.22**	**13,870.55**	**26,212.77**
Bill Index									**1.050**				**1.026**

Large Customer

		2023 Rates				2024 Rates				2024 SFV Rate, Harmonized			
VOLUME	**250,000**												
DAILY DEMAND	**2,555.91**												
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Monthly Charge	$	76.58	918.96		918.96	80.00	960.00		960.00		6,414.70	172.81	6,587.51
Demand	$												
Delivery	$		14,137.52	246.00	14,383.52		18,941.14	5,619.73	24,560.86		0.00	651.64	651.64
Storage	$		2,011.25	116.50	2,127.75								
Transportation	$										(196.31)	4,548.99	4,352.68
Commodity	$		(184.75)	55,911.35	55,726.60		385.20	51,873.30	52,258.51		385.29	51,873.30	52,258.59
Carbon Charge	$		24,510.25	0.00	24,510.25		24,510.25	0.00	24,510.25		24,509.00	0.00	24,509.00
Total	**$**		**16,882.98**	**56,273.85**	**97,667.08**		**44,796.59**	**57,493.03**	**102,289.62**		**31,112.68**	**57,246.74**	**88,359.42**
Bill Index									**1.047**				**0.864**

Table A2.13: Varying Customer Size under Harmonized Volumetric Rate - LUG-South M2

Average Customer

VOLUME	73,000												
DAILY DEMAND	746.33	2023 Rates				2024 Rates				2024 Volumetric Rate, Harmonized			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Monthly Charge	$	76.58	918.96		918.96	80.00	960.00		960.00	28.37	340.47		340.47
Demand	$												
Delivery	$		4,349.85	71.83	4,421.68		5,830.81	1,640.96	7,471.77		6,124.75	364.53	6,489.27
Storage	$		587.29	34.02	621.30								
Transportation	$										(57.32)	1,328.30	1,270.98
Commodity	$		(53.95)	16,326.11	16,272.17		112.48	15,147.00	15,259.48		112.50	15,147.00	15,259.51
Carbon Charge	$		7,156.99	0.00	7,156.99		7,156.99	0.00	7,156.99		7,156.63	0.00	7,156.63
Total	**$**		**5,802.15**	**16,431.96**	**29,391.10**		**14,060.28**	**16,787.96**	**30,848.24**		**13,677.03**	**16,839.84**	**30,516.87**
Bill Index									**1.050**				**0.989**

Small Customer

VOLUME	60,000												
DAILY DEMAND	613.42	2023 Rates				2024 Rates				2024 Volumetric Rate, Harmonized			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Monthly Charge	$	76.58	918.96		918.96	80.00	960.00		960.00	28.37	340.47		340.47
Demand	$												
Delivery	$		3,596.19	59.04	3,655.23		4,820.83	1,348.73	6,169.56		5,034.04	299.61	5,333.65
Storage	$		482.70	27.96	510.66								
Transportation	$										(47.11)	1,091.76	1,044.64
Commodity	$		(44.34)	13,418.72	13,374.38		92.45	12,449.59	12,542.04		92.47	12,449.59	12,542.06
Carbon Charge	$		5,882.46	0.00	5,882.46		5,882.46	0.00	5,882.46		5,882.16	0.00	5,882.16
Total	**$**		**4,953.51**	**13,505.72**	**24,341.70**		**11,755.74**	**13,798.33**	**25,554.06**		**11,302.03**	**13,840.96**	**25,142.99**
Bill Index									**1.050**				**0.984**

Large Customer

VOLUME	250,000												
DAILY DEMAND	2,555.91	2023 Rates				2024 Rates				2024 Volumetric Rate, Harmonized			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Monthly Charge	$	76.58	918.96		918.96	80.00	960.00		960.00	28.37	340.47		340.47
Demand	$												
Delivery	$		14,137.52	246.00	14,383.52		18,941.14	5,619.73	24,560.86		20,975.16	1,248.38	22,223.54
Storage	$		2,011.25	116.50	2,127.75								
Transportation	$										(196.31)	4,548.99	4,352.68
Commodity	$		(184.75)	55,911.35	55,726.60		385.20	51,873.30	52,258.51		385.29	51,873.30	52,258.59
Carbon Charge	$		24,510.25	0.00	24,510.25		24,510.25	0.00	24,510.25		24,509.00	-	24,509.00
Total	**$**		**16,882.98**	**56,273.85**	**97,667.08**		**44,796.59**	**57,493.03**	**102,289.62**		**46,013.62**	**57,670.67**	**103,684.29**
Bill Index									**1.047**				**1.014**

Phase 3 Presentation - Bill Impacts of Rate Harmonization at Enbridge Gas Inc.

Bruce Chapman, Nick Crowley, and Sherry Wang
Christensen Associates Energy Consulting

November 18, 2022

Agenda

- Bill Impacts
  - Introduction of 2024 Prices for Current Rates
  - Rate Harmonization
    - SFVD Bill Impacts
    - SFV Bill Impacts
    - Volumetric Bill Impacts
    - Bill Extremes
- Summary
- Appendix

Notes on Computations

- The analysis computes customer bills for a sequence of scenarios:
  - 2023 prices, current rate designs, current rate zones
  - 2024 prices, current rate designs, current rate zones
    - Changes to harmonize delivery prices; changes in commodity prices achieving harmonized price
  - 2024 prices, SFVD, SFV, Volumetric rate designs, harmonized zone, new rate class definitions (E01, E02)
- Calculations of bill impacts are represented as:
  - Large sample of EGI population, segmented by decile (equal numbers of customers in 10 groups, sorted by annual consumption)
  - Typical customers, as defined by EGI

Bill Impacts of Introduction of 2024 Prices for Current Rates

Results: Change to 2024 Prices Under Current Rates

- Total bill impacts are more moderate than distribution-only bill impacts, LUG north excepted
  - LUG South bills increase more than those of LEGD; LUG North bill decrease
- LEGD distribution bill impacts stable with size; R6 total bill impacts decrease slightly with size
- LUG South M1 distribution bill impacts increase with size; total bill impacts decrease slightly
- LUG North distribution bill impacts do not vary much with size.
  - Impacts differ between NE and NW (not shown)

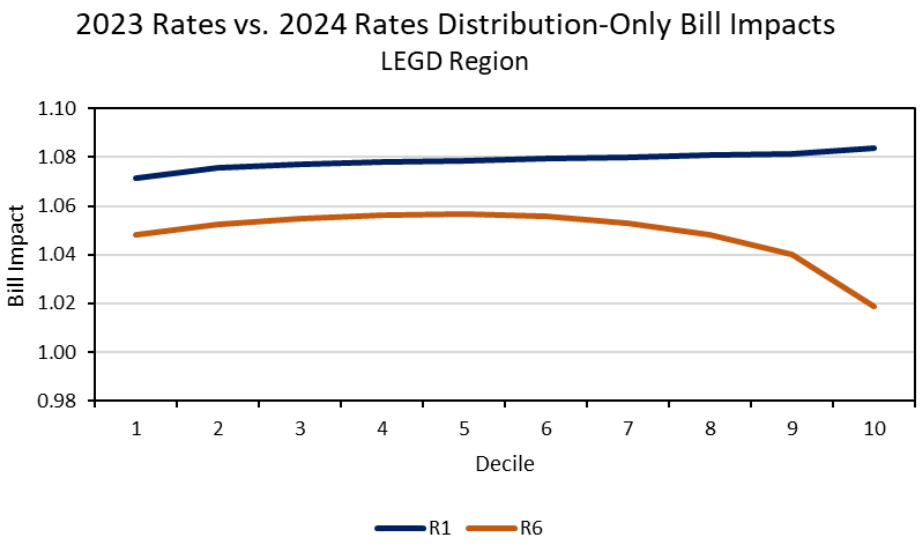
Summary of Price Changes from 2023 to 2024

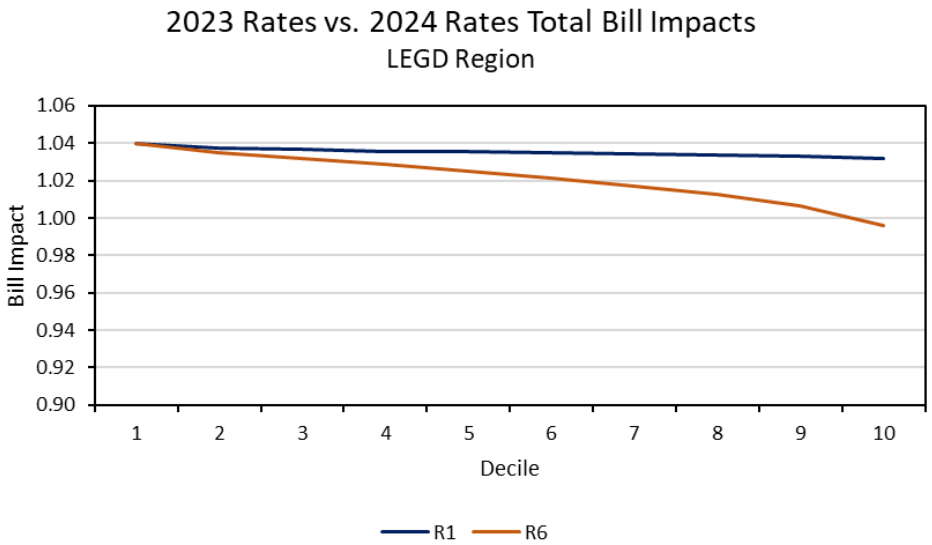
- Commodity costs are harmonized across all rates beginning in 2024
  - This leads to price declines for LEGD and most LUG-N customers
- Distribution costs increase for LEGD, LUG-S rates, decrease for LUG-N.

		Total Volumetric Rates						Total Bill*
		2023 Rates (¢/m^3)		2024 Rates (¢/m^3)		Percent Change		Percentage
Zone	Rate	Distribution	Gas Costs	Distribution	Gas Costs	Distribution	Gas Costs	Change
LEGD	R1	20.21	23.81	22.35	23.32	10.59%	-2.06%	3.45%
	R6	19.67	23.69	21.15	23.19	7.51%	-2.10%	0.28%
LUG-N	Rate 1-Northwest	22.37	23.62	20.42	23.19	-8.73%	-1.81%	-4.14%
	Rate 1-Northeast	23.08	28.74	20.42	23.19	-11.52%	-19.30%	-13.31%
	Rate 10-Northwest	21.21	22.81	19.37	23.03	-8.70%	0.97%	-2.15%
	Rate 10-Northeast	21.61	27.49	19.37	23.03	-10.40%	-16.22%	-12.67%
LUG-S	M1	16.98	22.55	21.44	23.14	26.31%	2.61%	9.53%
	M2	16.68	22.51	18.19	23.00	9.10%	2.17%	4.74%

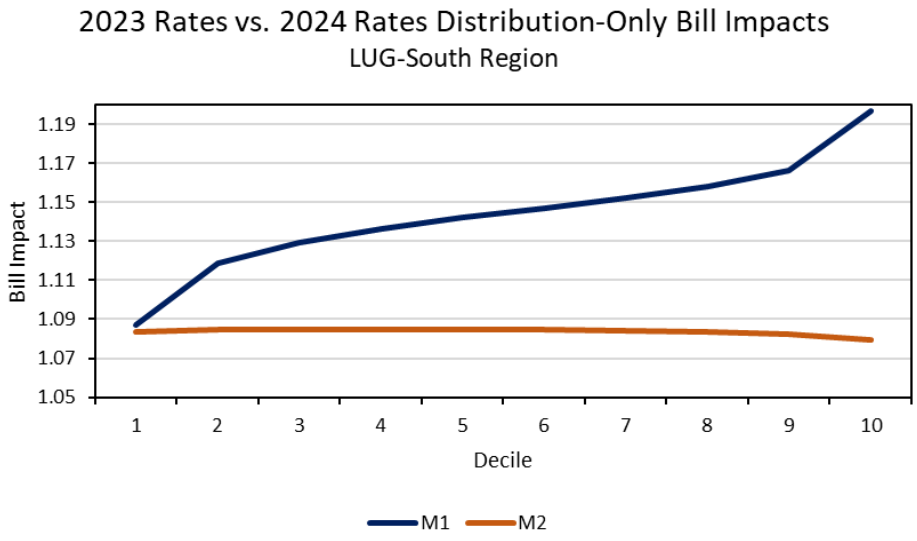
*Percentage change in total bill was calculated using sample data.

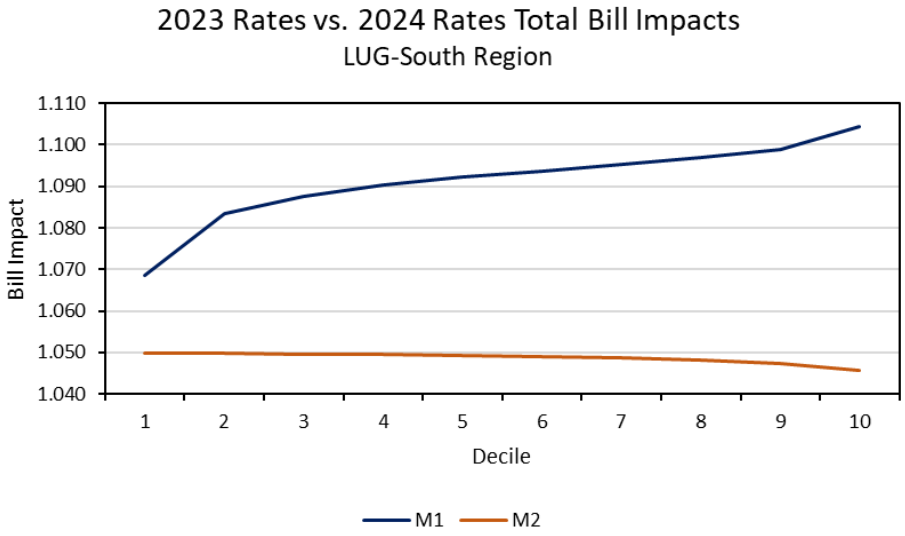
Impacts of Price Change from 2023 to 2024 - LEGD



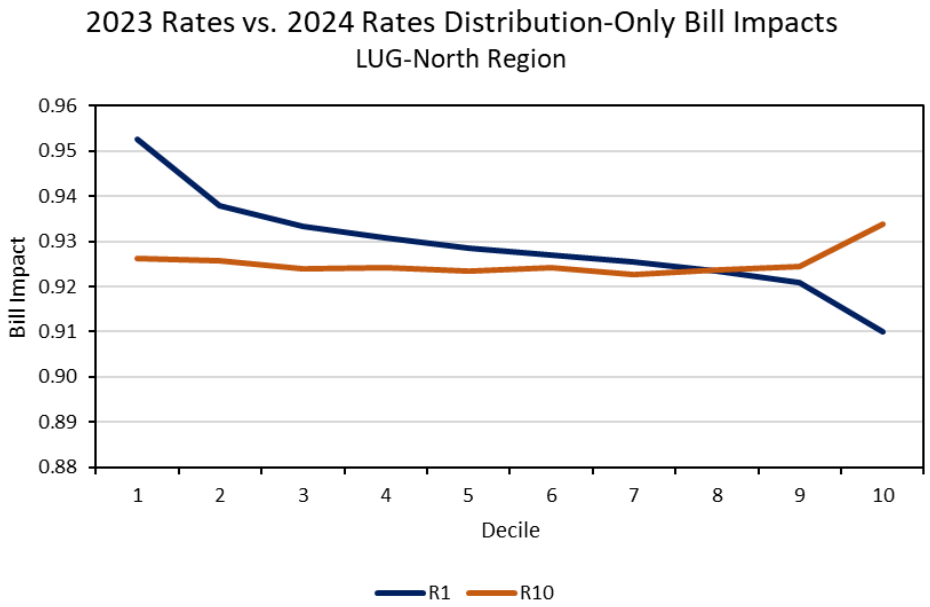


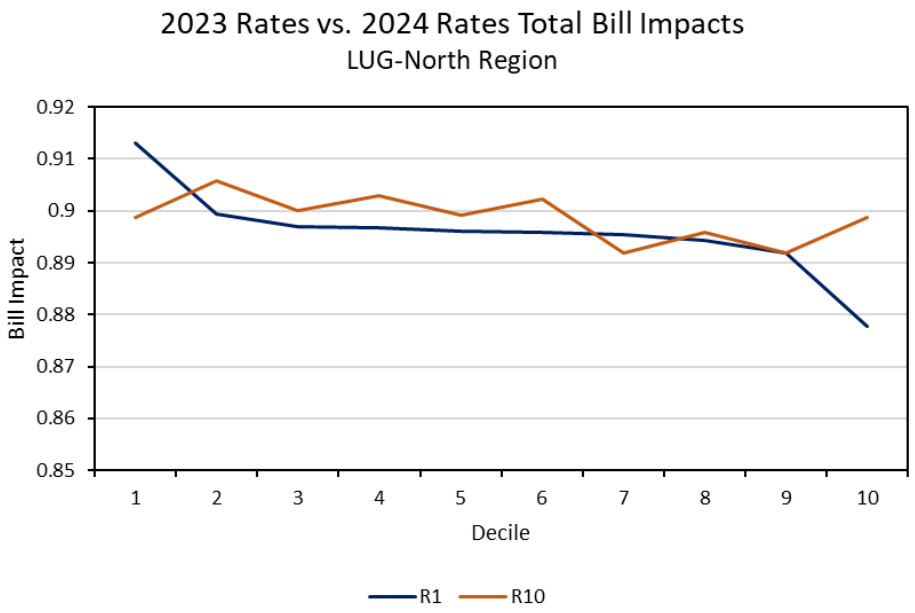
Impacts of Price Change from 2023 to 2024 – LUG South





Impacts of Price Change from 2023 to 2024 – LUG North

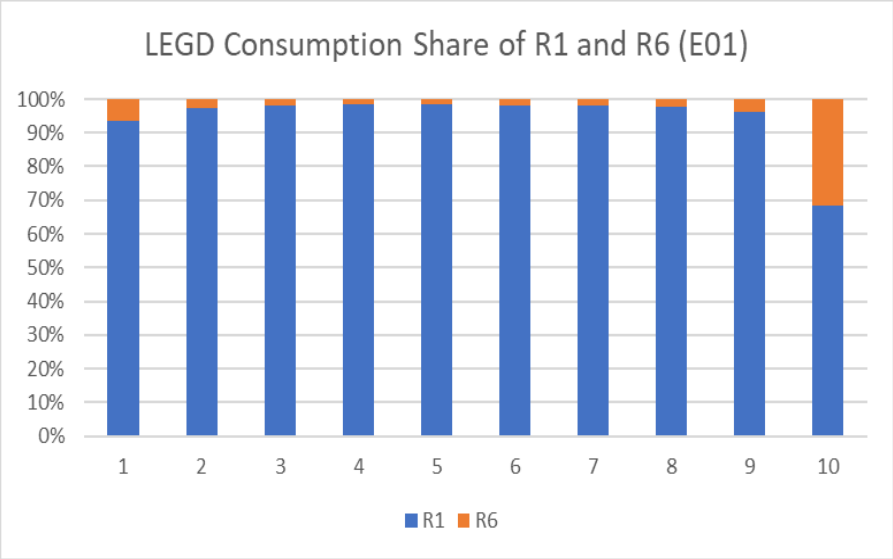


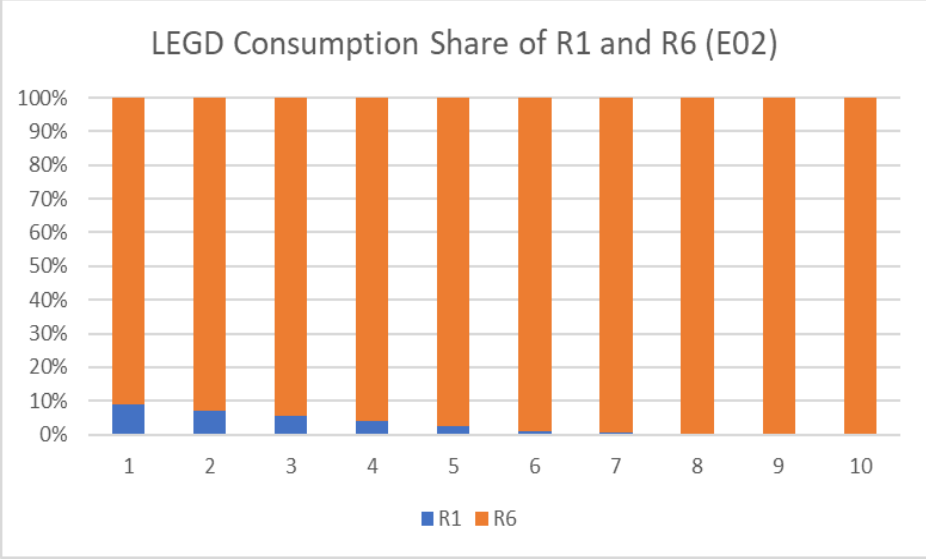


Changes in Customer Mix Due to Reclassification

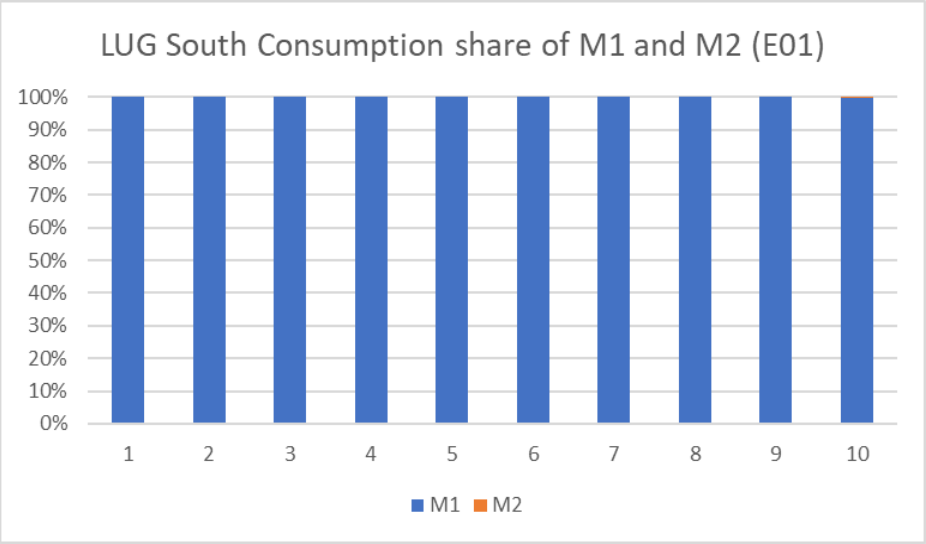
- Small customers move to E01 (Small Demand); large customers move to E02 (General Demand)
- LEGD R1 customers predominate in E01; R6 customers predominate in E02, but many shift to E01 as well
- LUG South and North small customers experience moves. Their share of E02 declines by decile.

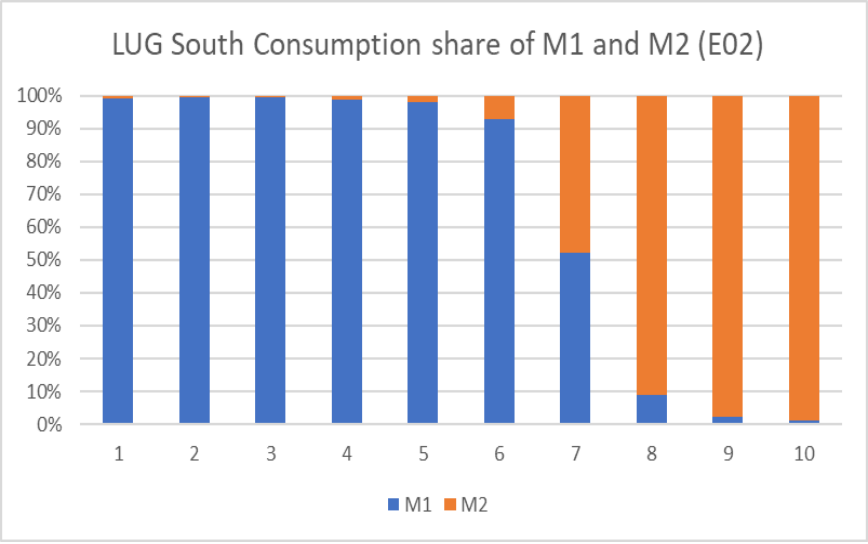
Consumption Shares of New Rates - LEGD



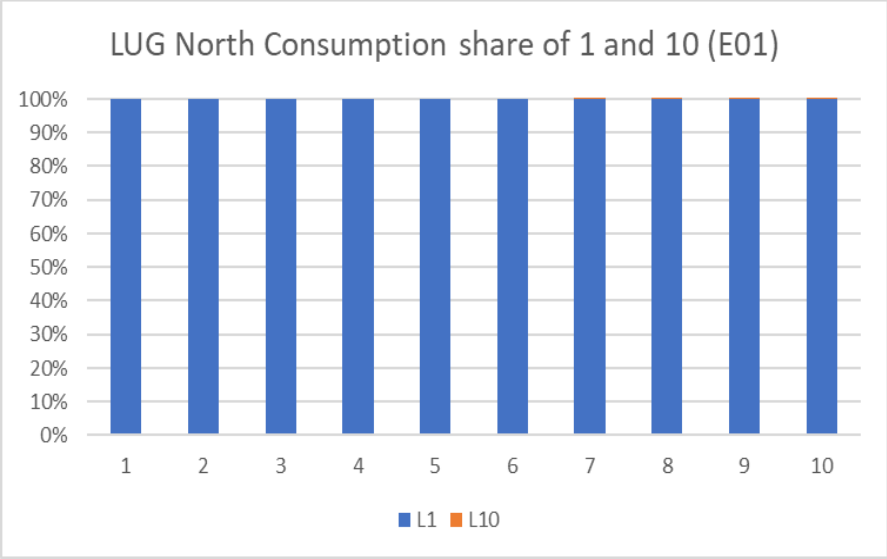


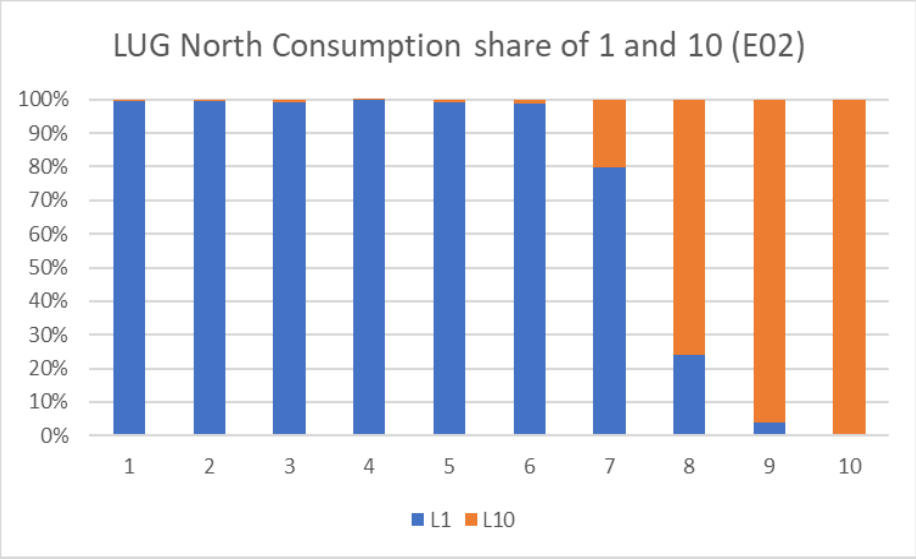
Consumption Shares of New Rates – LUG South





Consumption Shares of New Rates – LUG North





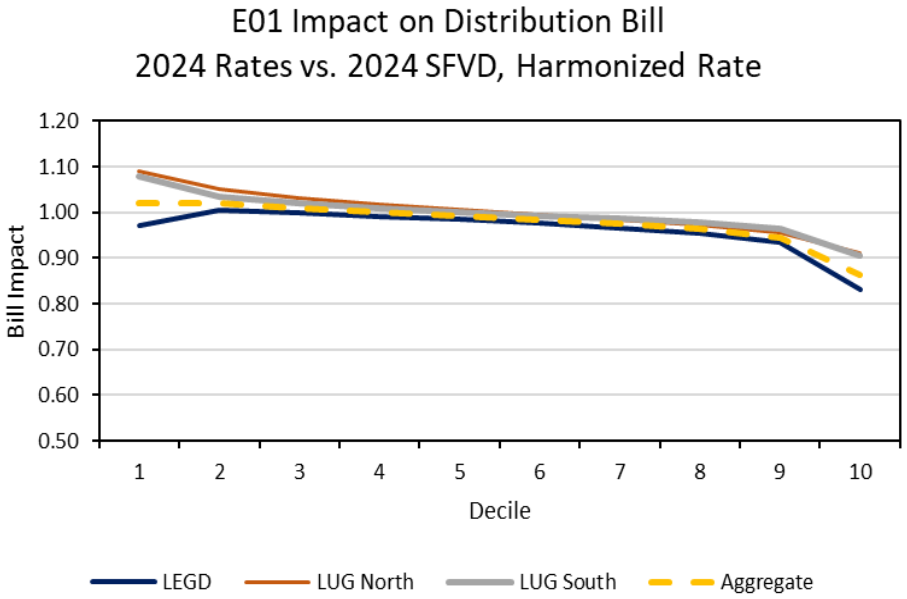
SFVD Bill Impacts

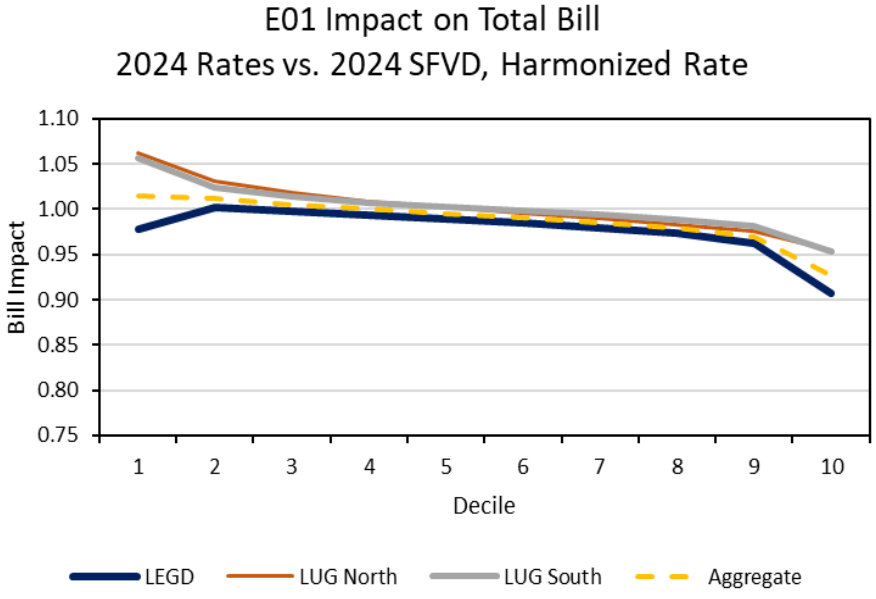
Results of Introduction of Straight Fixed Variable with Demand and Rate Harmonization

- Total bill impacts are less than those of distribution bill.
  - Most customers experience moderate bill impacts, given increases in average costs.
- In aggregate, E01 bill impacts decline as size increases; E02 bill impacts vary by rate zone and decile; impacts are moderate.
- Smaller customers have lower average load factors
  - Smaller customers have larger bill increases due to introduction of a demand charge and increase in cost coverage of customer charge
  - As size decile increases, distribution share of bill declines, reducing bill impacts if commodity price change is lower than distribution price change

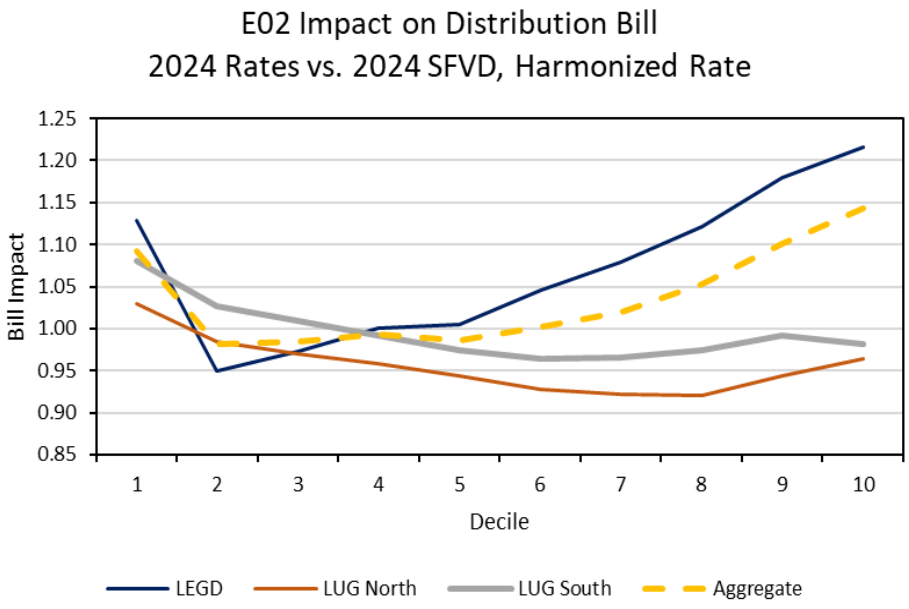
CHRISTENSEN ASSOCIATES ENERGY CONSULTING

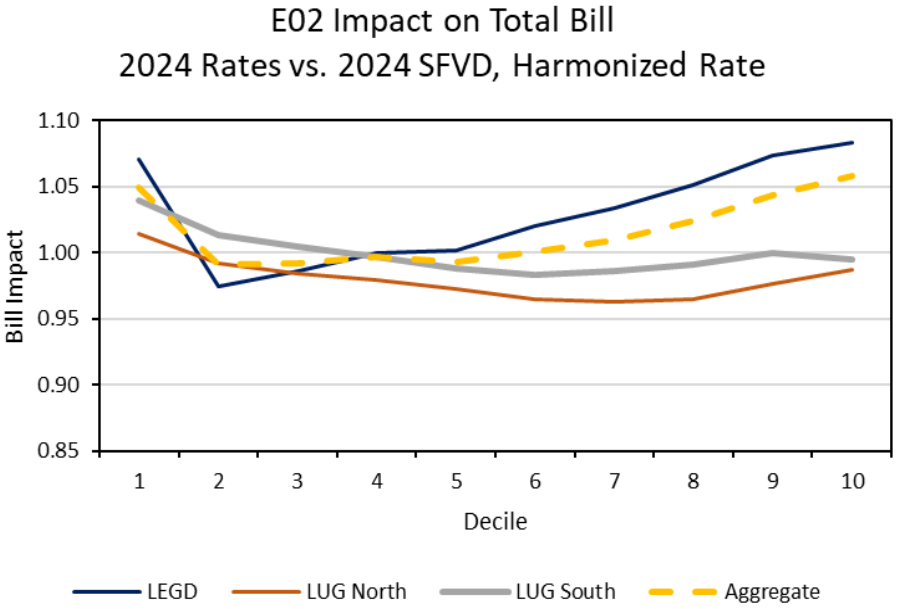
Impacts on 2024 Bills of Introduction of SFVD and Rate Zone Harmonization – E01





Impacts on 2024 Bills of Introduction of SFVD and Rate Zone Harmonization – E02





Results for Typical-Customer Bill Impacts

- Tables are illustrative; cover rates R1 (LEGD) for small customers and M2 (LUG South) for large customers
- Typical-customer bill impacts from introducing SFVD with zone harmonization are moderate
  - Bill indexes are close to 1.000 (bill neutrality)
- Bill impacts vary slightly with customer size.
- Bill impacts vary significantly with load factor for R1, reflecting removal of subsidy/premium for low/high load factor in current rates.
  - Incidence of extreme load factor customers is rare.

Typical-Customer Bill Impacts: Introduction of SFVD and Rate Zone Harmonization – R1

Average Customer

Volume	**2,400**												
Daily Demand	**24.36**	**2023 Rates**				**2024 Rates**				**2024 SFVD Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00	28.37	340.49		340.49
Demand	$										196.67	3.12	199.79
Delivery	$		204.28	25.37	229.65		266.84	12.90	279.74		0.00	9.45	9.45
Load Balancing	$		16.66	14.38	31.04								
Transportation	$		1.81	92.44	94.24		(2.11)	48.73	46.61		(2.04)	47.18	45.14
Sales - Commodity	$		2.04	439.02	441.06		3.70	497.98	501.68		3.70	497.98	501.68
Carbon Charge	$		235.13	0.00	235.13		235.13	0.00	235.13		235.29	0.00	235.29
Total	$		**722.46**	**571.21**	**1,293.66**		**779.55**	**559.61**	**1,339.16**		**774.11**	**557.73**	**1,331.84**
Bill Index									**1.035**				**0.995**

Bill Impacts by Customer Size: Introduction of SFVD and Rate Zone Harmonization – R1

Average Customer

Volume	2,400												
Daily Demand	24.36	**2023 Rates**				**2024 Rates**				**2024 SFVD Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00	28.37	340.49		340.49
Demand	$										196.67	3.12	199.79
Delivery	$		204.28	25.37	229.65		266.84	12.90	279.74		0.00	9.45	9.45
Load Balancing	$		16.66	14.38	31.04								
Transportation	$		1.81	92.44	94.24		(2.11)	48.73	46.61		(2.04)	47.18	45.14
Sales - Commodity	$		2.04	439.02	441.06		3.70	497.98	501.68		3.70	497.98	501.68
Carbon Charge	$		235.13	0.00	235.13		235.13	0.00	235.13		235.29	0.00	235.29
Total	$		**722.46**	**571.21**	**1,293.66**		**779.55**	**559.61**	**1,339.16**		**774.11**	**557.73**	**1,331.84**
Bill Index									**1.035**				**0.995**

Small Customer

Volume	1,081												
Daily Demand	10.97	**2023 Rates**				**2024 Rates**				**2024 SFVD Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00	28.37	340.49		340.49
Demand	$										88.58	1.40	89.99
Delivery	$		97.99	11.47	109.45		128.00	5.81	133.81		0.00	4.26	4.26
Load Balancing	$		7.50	6.48	13.98								
Transportation	$		0.81	41.63	42.45		(0.95)	21.95	21.00		(0.92)	21.25	20.33
Sales - Commodity	$		0.92	197.74	198.66		1.67	224.30	225.97		1.67	224.30	225.97
Carbon Charge	$		105.91	0.00	105.91		105.91	0.00	105.91		105.98	0.00	105.98
Total	$		**475.68**	**257.32**	**732.99**		**510.62**	**252.06**	**762.67**		**535.80**	**251.21**	**787.01**
Bill Index									**1.040**				**1.032**

Large Customer

Volume	5,048												
Daily Demand	51.24	**2023 Rates**				**2024 Rates**				**2024 SFVD Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00	28.37	340.49		340.49
Demand	$										413.66	6.56	420.22
Delivery	$		417.83	53.29	471.11		545.78	27.13	572.91		0.00	19.87	19.87
Load Balancing	$		35.04	30.24	65.28								
Transportation	$		3.80	194.42	198.22		(4.44)	102.49	98.05		(4.29)	99.24	94.95
Sales - Commodity	$		4.29	923.41	927.70		7.78	1,047.43	1,055.20		7.78	1,047.43	1,055.20
Carbon Charge	$		494.55	0.00	494.55		494.55	0.00	494.55		494.89	0.00	494.89
Total	$		**1,218.06**	**1,201.36**	**2,419.42**		**1,319.67**	**1,177.04**	**2,496.71**		**1,252.53**	**1,173.10**	**2,425.63**
Bill Index									**1.032**				**0.972**

Bill Impacts by Load Factor: Introduction of SFVD and Rate Zone Harmonization – R1

Average Customer, Average Load Factor

Volume	2,400												
Daily Demand	24.36	**2023 Rates**				**2024 Rates**				**2024 SFVD Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00	28.37	340.49		340.49
Demand	$										196.67	3.12	199.79
Delivery	$		204.28	25.37	229.65		266.84	12.90	279.74		0.00	9.45	9.45
Load Balancing	$		16.66	14.38	31.04								
Transportation	$		1.81	92.44	94.24		(2.11)	48.73	46.61		(2.04)	47.18	45.14
Sales - Commodity	$		2.04	439.02	441.06		3.70	497.98	501.68		3.70	497.98	501.68
Carbon Charge	$		235.13	0.00	235.13		235.13	0.00	235.13		235.29	0.00	235.29
Total	$		**722.46**	**571.21**	**1,293.66**		**779.55**	**559.61**	**1,339.16**		**774.11**	**557.73**	**1,331.84**
Bill Index									**1.035**				**0.995**

Average Customer, Low Load Factor

Volume	2,400												
Daily Demand	50.62	**2023 Rates**				**2024 Rates**				**2024 SFVD Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00	28.37	340.49		340.49
Demand	$										408.64	6.48	415.12
Delivery	$		204.28	25.37	229.65		266.84	12.90	279.74		0.00	9.45	9.45
Load Balancing	$		16.66	14.38	31.04								
Transportation	$		1.81	92.44	94.24		(2.11)	48.73	46.61		(2.04)	47.18	45.14
Sales - Commodity	$		2.04	439.02	441.06		3.70	497.98	501.68		3.70	497.98	501.68
Carbon Charge	$		235.13	0.00	235.13		235.13	-	235.13		235.29	0.00	235.29
Total	$		**722.46**	**571.21**	**1,293.66**		**779.55**	**559.61**	**1,339.16**		**986.08**	**561.09**	**1,547.17**
Bill Index									**1.035**				**1.155**

Average Customer, High Load Factor

Volume	2,400												
Daily Demand	16.04	**2023 Rates**				**2024 Rates**				**2024 SFVD Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00	28.37	340.49		340.49
Demand	$										129.50	2.05	131.55
Delivery	$		204.28	25.37	229.65		266.84	12.90	279.74		0.00	9.45	9.45
Load Balancing	$		16.66	14.38	31.04								
Transportation	$		1.81	92.44	94.24		(2.11)	48.73	46.61		(2.04)	47.18	45.14
Sales - Commodity	$		2.04	439.02	441.06		3.70	497.98	501.68		3.70	497.98	501.68
Carbon Charge	$		235.13	0.00	235.13		235.13	0.00	235.13		235.29	0.00	235.29
Total	$		**722.46**	**571.21**	**1,293.66**		**779.55**	**559.61**	**1,339.16**		**706.93**	**556.67**	**1,263.60**
Bill Index									**1.035**				**0.944**

Typical-Customer Bill Impacts: Introduction of SFVD and Rate Zone Harmonization – M2

Average Customer

VOLUME	**73,000**												
DAILY DEMAND	**746.33**	**2023 Rates**				**2024 Rates**				**2024 SFVD Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Monthly Charge	$	76.58	918.96		918.96	80.00	960.00		960.00	28.37	340.49		340.49
Demand	$										6,613.04	93.16	6,706.20
Delivery	$		4,349.85	71.83	4,421.68		5,830.81	1,640.96	7,471.77		0.00	280.53	280.53
Storage	$		587.29	34.02	621.30								
Transportation	$										(59.69)	1,382.37	1,322.68
Commodity	$		(53.95)	16,326.11	16,272.17		112.48	15,147.00	15,259.48		112.48	15,147.00	15,259.48
Carbon Charge	$		7,156.99	0.00	7,156.99		7,156.99	0.00	7,156.99		7,156.63	-	7,156.63
Total	**$**		**5,802.15**	**16,431.96**	**29,391.10**		**14,060.28**	**16,787.96**	**30,848.24**		**14,162.95**	**16,903.06**	**31,066.01**
Bill Index									**1.050**				**1.007**

Bill Impacts by Customer Size: Introduction of SFVD and Rate Zone Harmonization – M2

Average Customer

VOLUME	**73,000**												
DAILY DEMAND	**746.33**	**2023 Rates**				**2024 Rates**				**2024 SFVD Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Monthly Charge	$	76.58	918.96		918.96	80.00	960.00		960.00	28.37	340.49		340.49
Demand	$										6,613.04	93.16	6,706.20
Delivery	$		4,349.85	71.83	4,421.68		5,830.81	1,640.96	7,471.77		0.00	280.53	280.53
Storage	$		587.29	34.02	621.30								
Transportation	$										(59.69)	1,382.37	1,322.68
Commodity	$		(53.95)	16,326.11	16,272.17		112.48	15,147.00	15,259.48		112.48	15,147.00	15,259.48
Carbon Charge	$		7,156.99	0.00	7,156.99		7,156.99	0.00	7,156.99		7,156.63	-	7,156.63
Total	**$**		**5,802.15**	**16,431.96**	**29,391.10**		**14,060.28**	**16,787.96**	**30,848.24**		**14,162.95**	**16,903.06**	**31,066.01**
Bill Index									**1.050**				**1.007**

Small Customer

VOLUME	**60,000**												
DAILY DEMAND	**613.42**	**2023 Rates**				**2024 Rates**				**2024 SFVD Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Monthly Charge	$	76.58	918.96		918.96	80.00	960.00		960.00	28.37	340.49		340.49
Demand	$										5,435.37	76.57	5,511.95
Delivery	$		3,596.19	59.04	3,655.23		4,820.83	1,348.73	6,169.56		0.00	230.57	230.57
Storage	$		482.70	27.96	510.66								
Transportation	$										(49.06)	1,136.19	1,087.14
Commodity	$		(44.34)	13,418.72	13,374.38		92.45	12,449.59	12,542.04		92.45	12,449.59	12,542.04
Carbon Charge	$		5,882.46	0.00	5,882.46		5,882.46	0.00	5,882.46		5,882.16	0.00	5,882.16
Total	**$**		**4,953.51**	**13,505.72**	**24,341.70**		**11,755.74**	**13,798.33**	**25,554.06**		**11,701.42**	**13,892.93**	**25,594.35**
Bill Index									**1.050**				**1.002**

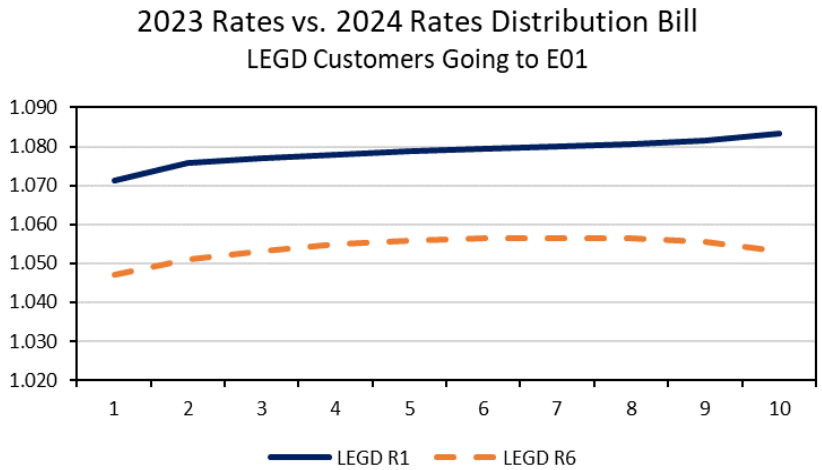
Large Customer

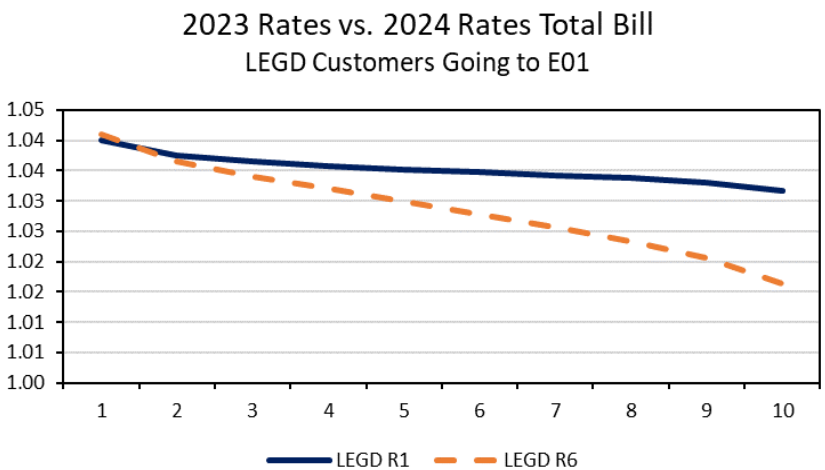
VOLUME	**250,000**												
DAILY DEMAND	**2,555.91**	**2023 Rates**				**2024 Rates**				**2024 SFVD Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Monthly Charge	$	76.58	918.96		918.96	80.00	960.00		960.00	28.37	340.49		340.49
Demand	$										22,647.38	319.05	22,966.44
Delivery	$		14,137.52	246.00	14,383.52		18,941.14	5,619.73	24,560.86		0.00	960.71	960.71
Storage	$		2,011.25	116.50	2,127.75								
Transportation	$										(204.40)	4,734.13	4,529.73
Commodity	$		(184.75)	55,911.35	55,726.60		385.20	51,873.30	52,258.51		385.20	51,873.30	52,258.51
Carbon Charge	$		24,510.25	0.00	24,510.25		24,510.25	-	24,510.25		24,509.00	-	24,509.00
Total	**$**		**16,882.98**	**56,273.85**	**97,667.08**		**44,796.59**	**57,493.03**	**102,289.62**		**47,677.68**	**57,887.20**	**105,564.88**
Bill Index									**1.047**				**1.032**

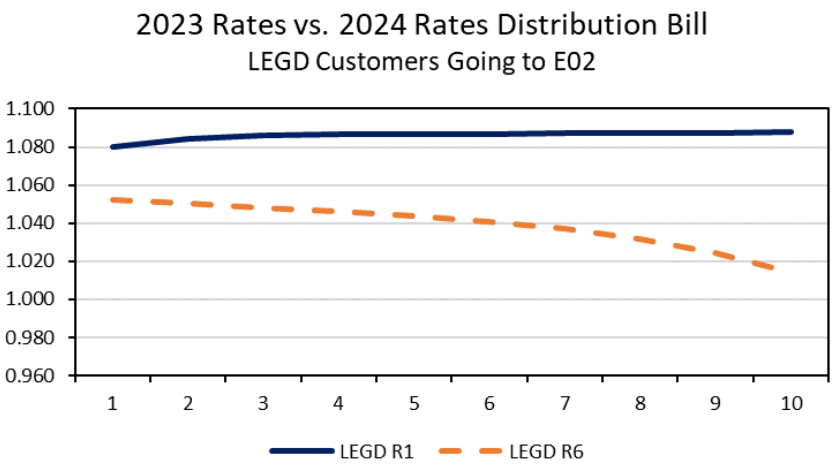
Bill Impacts by Current Rate to New Rates

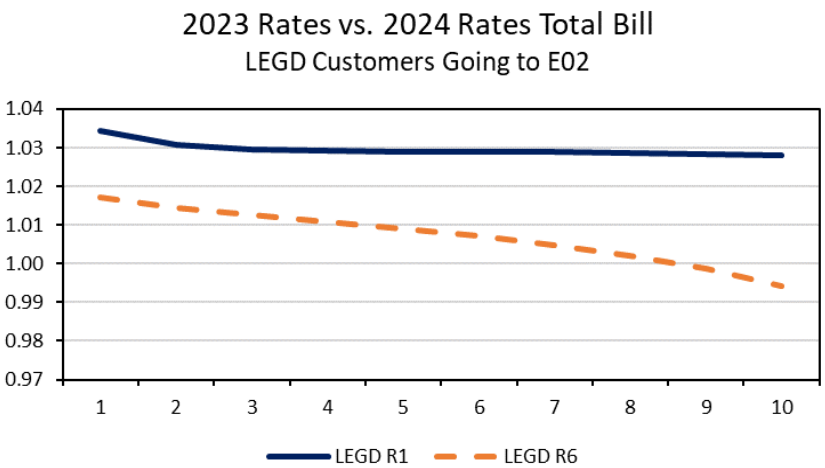
- LEGD R6 bill impacts are below R1 impacts, both for those moving to E01 and for those moving to E02.
- LUG South M2 bill impacts are below those of M1. Most are larger than those of LEGD.
- LUG North customers mostly experience bill reductions, with Rate 10 customer reductions being smaller than those of Rate 1.

Bill Impacts of Rate Change by Current Rate: LEGD

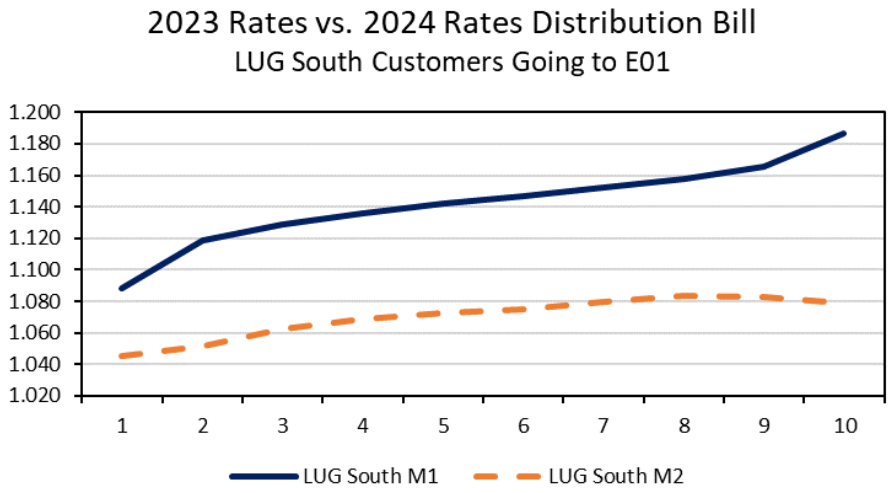


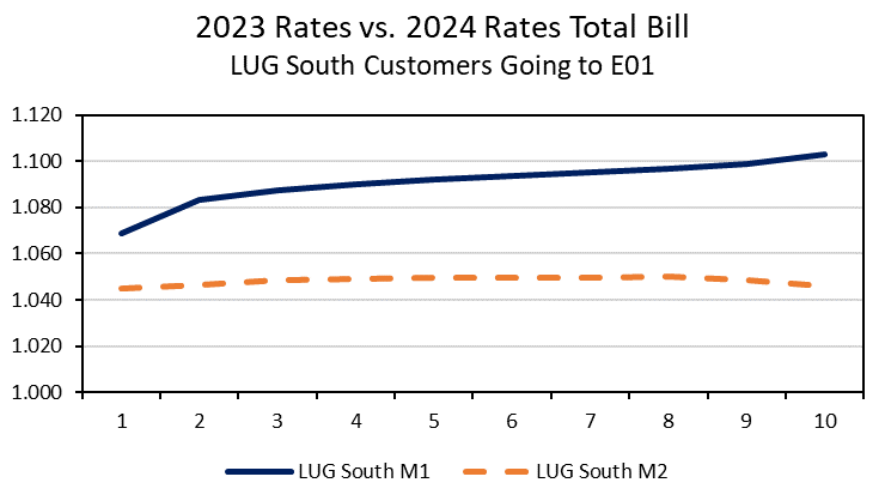


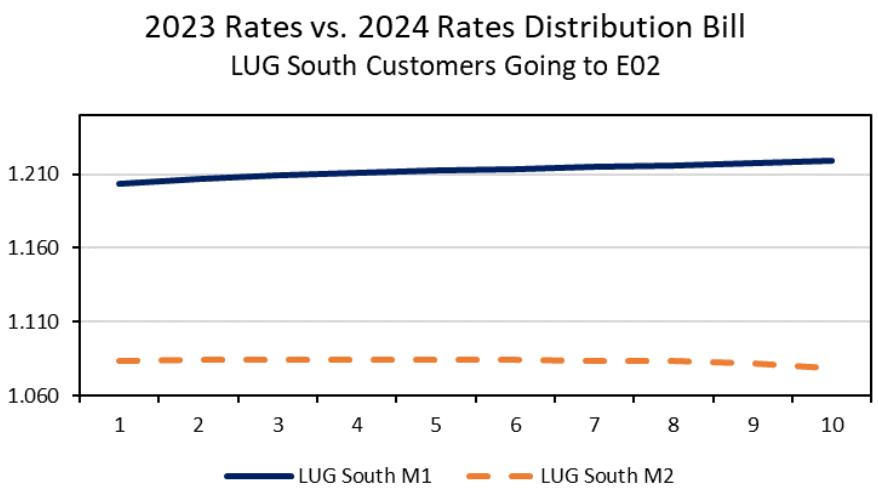


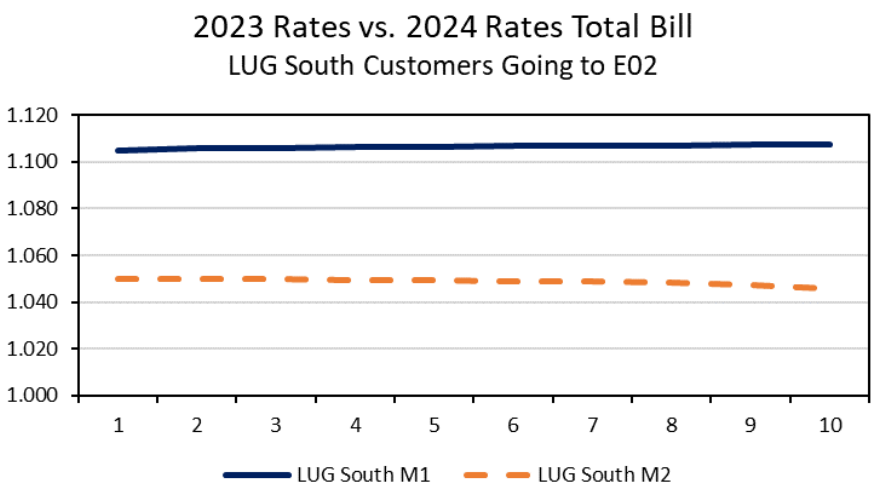


Bill Impacts of Rate Change by Current Rate Structure: LUG South

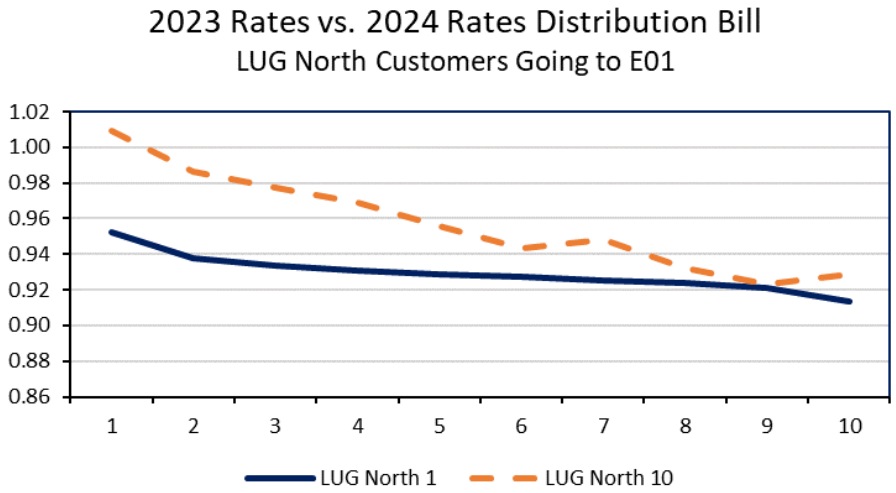


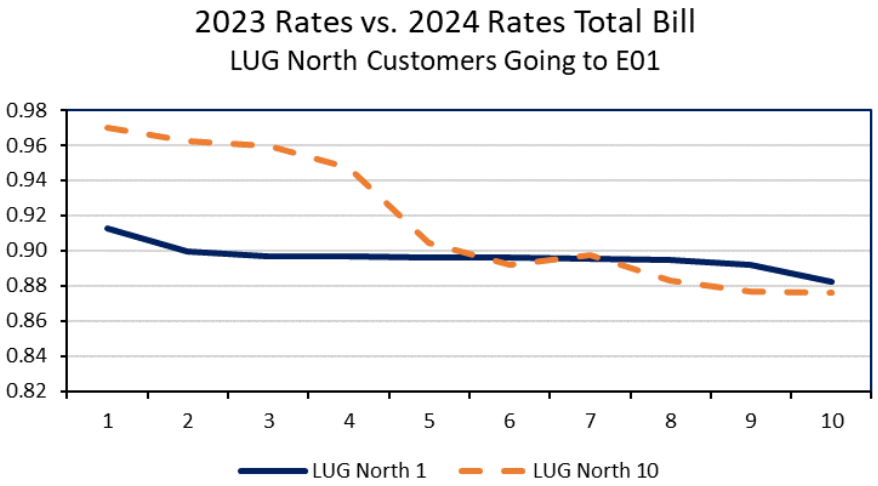


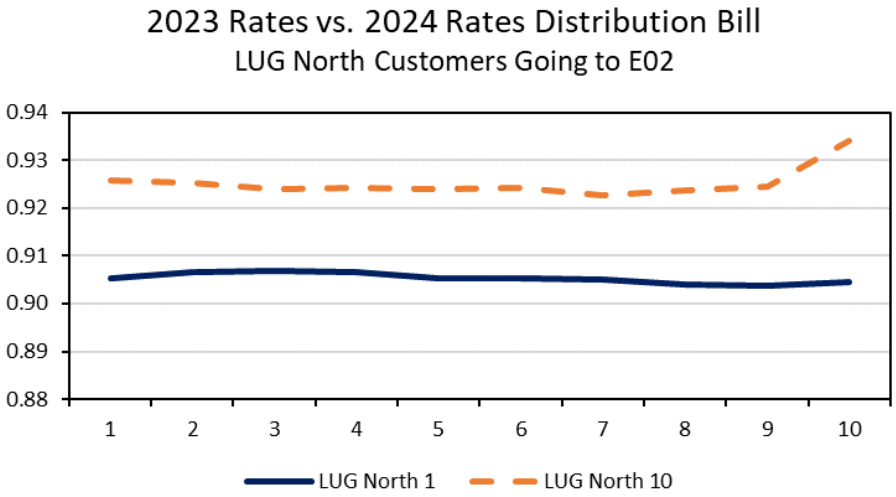


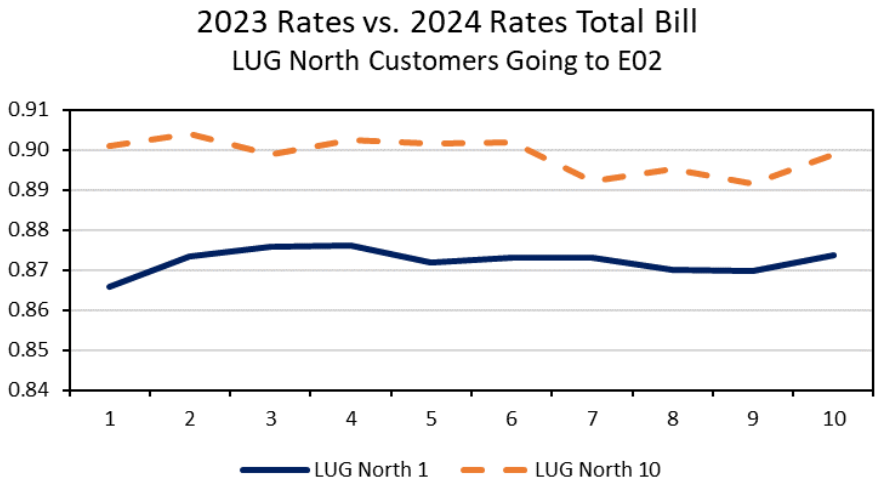


Bill Impacts of Rate Change by Current Rate Structure: LUG North







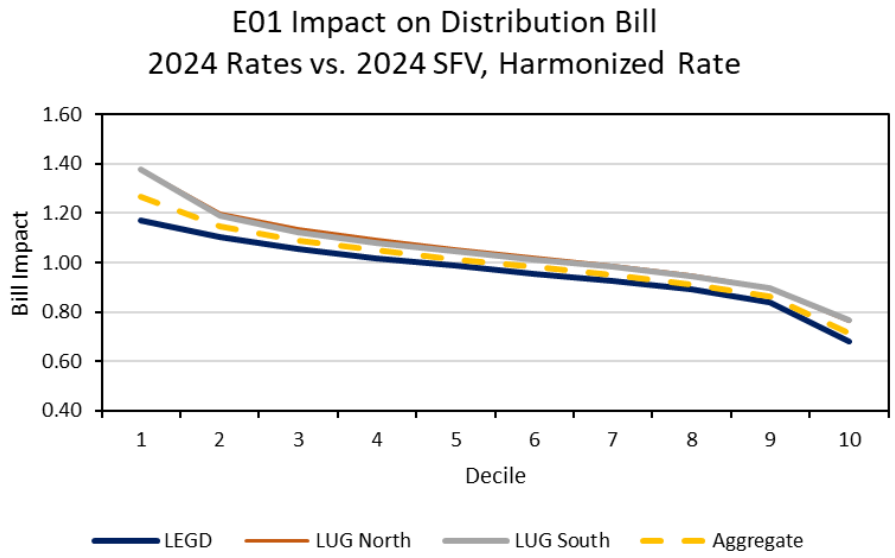


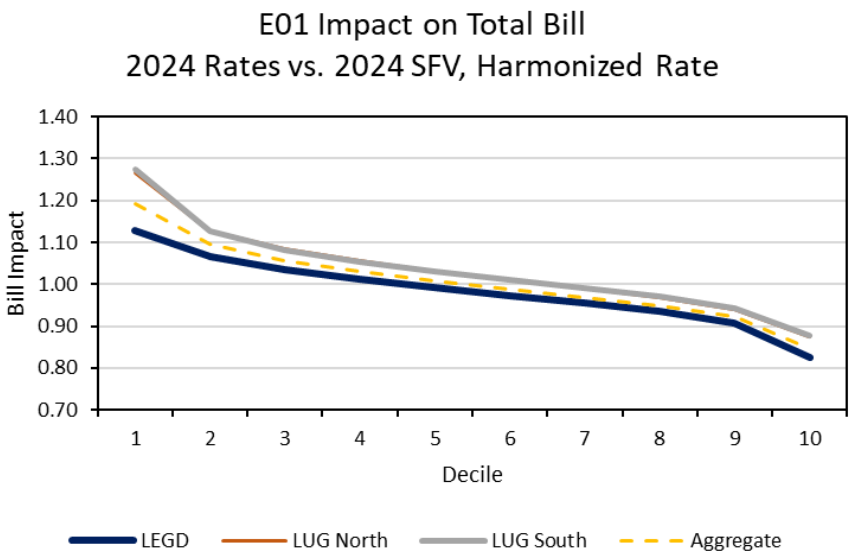
SFV Bill Impacts

Results of Introduction of Straight Fixed Variable and Rate Harmonization

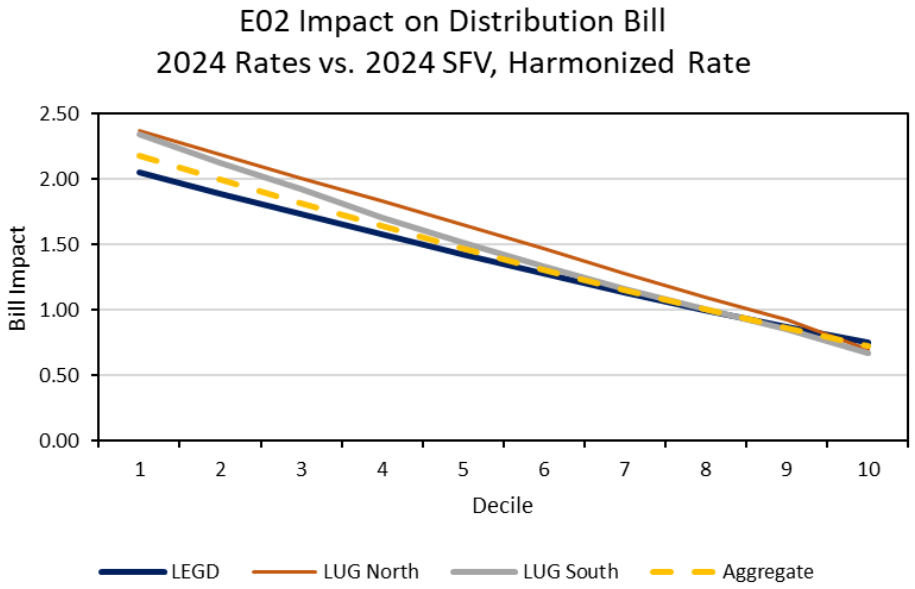
- As with SFVD, total bill impacts are less than those of distribution bill.
- The range of bill impacts is large, with small customers experiencing large increases and large customers experiencing large decreases.
- Bill impacts are similar across rate zones.

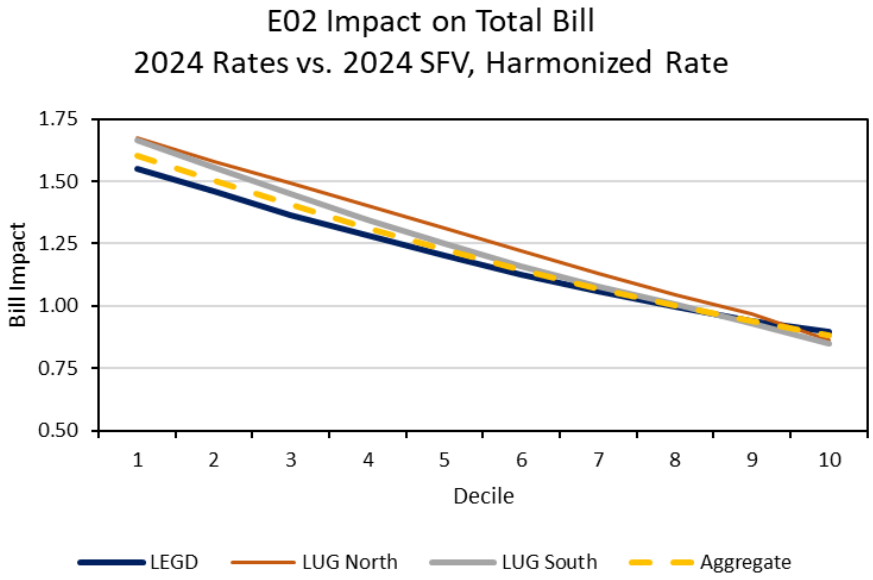
Impacts on 2024 Bills of Introduction of SFV and Rate Zone Harmonization – E01





Impacts on 2024 Bills of Introduction of SFV and Rate Zone Harmonization – E02





Results for Typical-Customer Bill Impacts

- Tables are illustrative; cover rates R1 (LEGD) for small customers and M2 (LUG South) for large customers
- Typical-customer bill impacts from introducing SFV with zone harmonization are large compared to SFVD
- Bill impacts vary dramatically with customer size.
  - This is obscured when using "typical customers" who do not capture the bottom 60% of customers in E02
- With no demand charge, load factor does not influence bills

Typical-Customer Bill Impacts: Introduction of SFV and Rate Zone Harmonization – R1

Average Customer

Volume	**2,400**												
Daily Demand	**24.36**	**2023 Rates**				**2024 Rates**				**2024 SFV Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00		537.93	6.38	544.30
Demand	$						0.00	0.00	0.00				
Delivery	$		204.28	25.37	229.65		266.84	12.90	279.74		0.00	6.26	6.26
Load Balancing	$		16.66	14.38	31.04								
Transportation	$		1.81	92.44	94.24		(2.11)	48.73	46.61		(2.04)	47.24	45.20
Sales - Commodity	$		2.04	439.02	441.06		3.70	497.98	501.68		3.70	497.98	501.68
Carbon Charge	$		235.13	0.00	235.13		235.13	0.00	235.13		235.29	0.00	235.29
Total	$		**722.46**	**571.21**	**1,293.66**		**779.55**	**559.61**	**1,339.16**		**774.87**	**557.86**	**1,332.73**
Bill Index									**1.035**				**0.995**

Bill Impacts by Customer Size: Introduction of SFV and Rate Zone Harmonization – R1

Average Customer

		2023 Rates				2024 Rates				2024 SFV Rate, Harmonized			
Volume	2,400												
Daily Demand	24.36												
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00		537.93	6.38	544.30
Demand	$						0.00	0.00	0.00				
Delivery	$		204.28	25.37	229.65		266.84	12.90	279.74		0.00	6.26	6.26
Load Balancing	$		16.66	14.38	31.04								
Transportation	$		1.81	92.44	94.24		(2.11)	48.73	46.61		(2.04)	47.24	45.20
Sales - Commodity	$		2.04	439.02	441.06		3.70	497.98	501.68		3.70	497.98	501.68
Carbon Charge	$		235.13	0.00	235.13		235.13	0.00	235.13		235.29	0.00	235.29
Total	$		**722.46**	**571.21**	**1,293.66**		**779.55**	**559.61**	**1,339.16**		**774.87**	**557.86**	**1,332.73**
Bill Index									**1.035**				**0.995**

Small Customer

		2023 Rates				2024 Rates				2024 SFV Rate, Harmonized			
Volume	1,081												
Daily Demand	10.97												
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00		537.93	6.38	544.30
Demand	$												
Delivery	$		97.99	11.47	109.45		128.00	5.81	133.81		0.00	2.82	2.82
Load Balancing	$		7.50	6.48	13.98								
Transportation	$		0.81	41.63	42.45		(0.95)	21.95	21.00		(0.92)	21.28	20.36
Sales - Commodity	$		0.92	197.74	198.66		1.67	224.30	225.97		1.67	224.30	225.97
Carbon Charge	$		105.91	0.00	105.91		105.91	0.00	105.91		105.98	0.00	105.98
Total	$		**475.68**	**257.32**	**732.99**		**510.62**	**252.06**	**762.67**		**644.65**	**254.77**	**899.42**
Bill Index									**1.040**				**1.179**

Large Customer

		2023 Rates				2024 Rates				2024 SFV Rate, Harmonized			
Volume	5,048												
Daily Demand	51.24												
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00		537.93	6.38	544.30
Demand	$												
Delivery	$		417.83	53.29	471.11		545.78	27.13	572.91		0.00	13.16	13.16
Load Balancing	$		35.04	30.24	65.28								
Transportation	$		3.80	194.42	198.22		(4.44)	102.49	98.05		(4.30)	99.36	95.06
Sales - Commodity	$		4.29	923.41	927.70		7.78	1,047.43	1,055.20		7.78	1,047.43	1,055.20
Carbon Charge	$		494.55	0.00	494.55		494.55	0.00	494.55		494.89	0.00	494.89
Total	$		**1,218.06**	**1,201.36**	**2,419.42**		**1,319.67**	**1,177.04**	**2,496.71**		**1,036.29**	**1,166.33**	**2,202.62**
Bill Index									**1.032**				**0.882**

Typical-Customer Bill Impacts: Introduction of SFV and Rate Zone Harmonization – M2

Average Customer

VOLUME	**73,000**												
DAILY DEMAND	**746.33**	**2023 Rates**				**2024 Rates**				**2024 SFV Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Monthly Charge	$	76.58	918.96		918.96	80.00	960.00		960.00		6,414.70	172.81	6,587.51
Demand	$												
Delivery	$		4,349.85	71.83	4,421.68		5,830.81	1,640.96	7,471.77		0.00	190.28	190.28
Storage	$		587.29	34.02	621.30								
Transportation	$										(57.32)	1,328.30	1,270.98
Commodity	$		(53.95)	16,326.11	16,272.17		112.48	15,147.00	15,259.48		112.50	15,147.00	15,259.51
Carbon Charge	$		7,156.99	0.00	7,156.99		7,156.99	0.00	7,156.99		7,156.63	0.00	7,156.63
Total	**$**		**5,802.15**	**16,431.96**	**29,391.10**		**14,060.28**	**16,787.96**	**30,848.24**		**13,626.51**	**16,838.40**	**30,464.91**
Bill Index									**1.050**				**0.988**

Bill Impacts by Customer Size: Introduction of SFV and Rate Zone Harmonization – M2

Average Customer

		2023 Rates				2024 Rates				2024 SFV Rate, Harmonized			
VOLUME	73,000												
DAILY DEMAND	746.33												
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Monthly Charge	$	76.58	918.96		918.96	80.00	960.00		960.00		6,414.70	172.81	6,587.51
Demand	$												
Delivery	$		4,349.85	71.83	4,421.68		5,830.81	1,640.96	7,471.77		0.00	190.28	190.28
Storage	$		587.29	34.02	621.30								
Transportation	$										(57.32)	1,328.30	1,270.98
Commodity	$		(53.95)	16,326.11	16,272.17		112.48	15,147.00	15,259.48		112.50	15,147.00	15,259.51
Carbon Charge	$		7,156.99	0.00	7,156.99		7,156.99	0.00	7,156.99		7,156.63	0.00	7,156.63
Total	**$**		**5,802.15**	**16,431.96**	**29,391.10**		**14,060.28**	**16,787.96**	**30,848.24**		**13,626.51**	**16,838.40**	**30,464.91**
Bill Index									**1.050**				**0.988**

Small Customer

		2023 Rates				2024 Rates				2024 SFV Rate, Harmonized			
VOLUME	60,000												
DAILY DEMAND	613.42												
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Monthly Charge	$	76.58	918.96		918.96	80.00	960.00		960.00		6,414.70	172.81	6,587.51
Demand	$												
Delivery	$		3,596.19	59.04	3,655.23		4,820.83	1,348.73	6,169.56		0.00	156.39	156.39
Storage	$		482.70	27.96	510.66								
Transportation	$										(47.11)	1,091.76	1,044.64
Commodity	$		(44.34)	13,418.72	13,374.38		92.45	12,449.59	12,542.04		92.47	12,449.59	12,542.06
Carbon Charge	$		5,882.46	0.00	5,882.46		5,882.46	0.00	5,882.46		5,882.16	0.00	5,882.16
Total	**$**		**4,953.51**	**13,505.72**	**24,341.70**		**11,755.74**	**13,798.33**	**25,554.06**		**12,342.22**	**13,870.55**	**26,212.77**
Bill Index									**1.050**				**1.026**

Large Customer

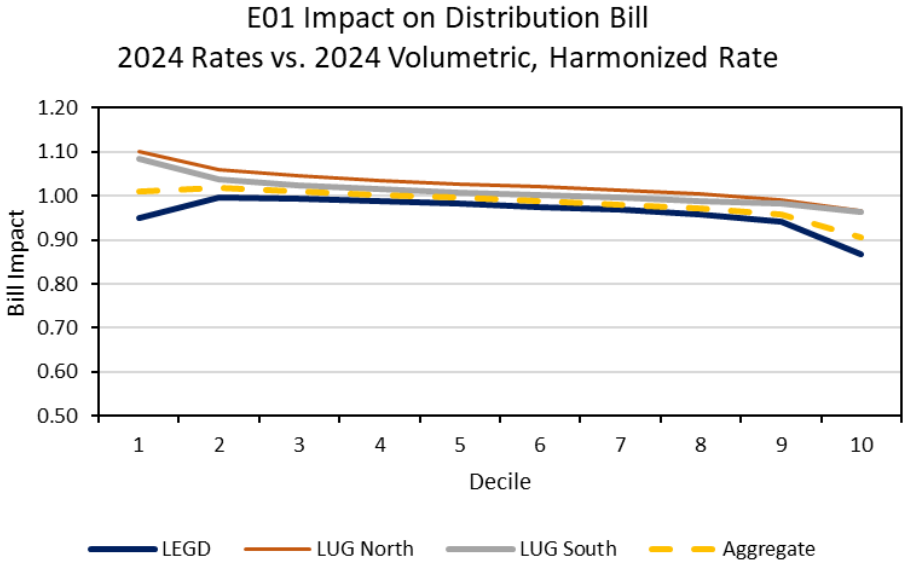
		2023 Rates				2024 Rates				2024 SFV Rate, Harmonized			
VOLUME	250,000												
DAILY DEMAND	2,555.91												
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Monthly Charge	$	76.58	918.96		918.96	80.00	960.00		960.00		6,414.70	172.81	6,587.51
Demand	$												
Delivery	$		14,137.52	246.00	14,383.52		18,941.14	5,619.73	24,560.86		0.00	651.64	651.64
Storage	$		2,011.25	116.50	2,127.75								
Transportation	$										(196.31)	4,548.99	4,352.68
Commodity	$		(184.75)	55,911.35	55,726.60		385.20	51,873.30	52,258.51		385.29	51,873.30	52,258.59
Carbon Charge	$		24,510.25	0.00	24,510.25		24,510.25	0.00	24,510.25		24,509.00	0.00	24,509.00
Total	**$**		**16,882.98**	**56,273.85**	**97,667.08**		**44,796.59**	**57,493.03**	**102,289.62**		**31,112.68**	**57,246.74**	**88,359.42**
Bill Index									**1.047**				**0.864**

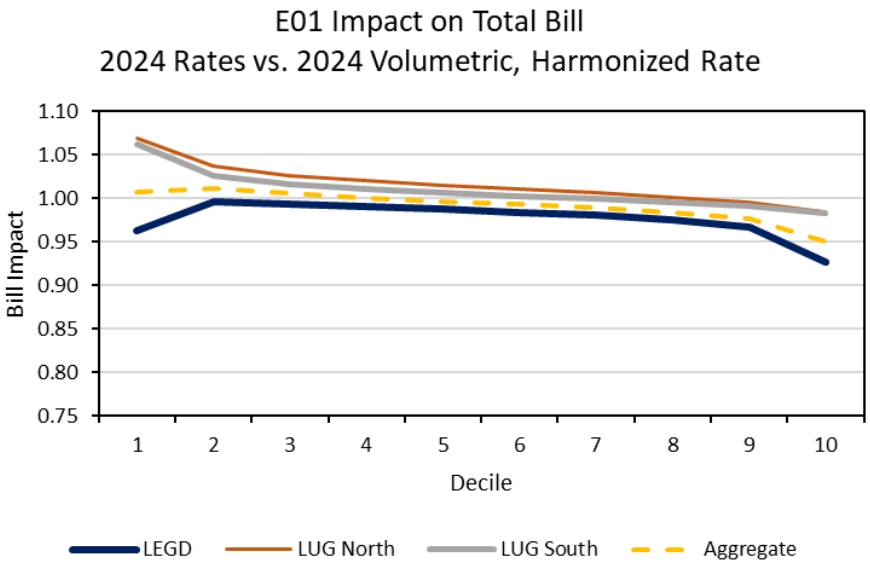
Volumetric Bill Impacts

Results of Introduction of Volumetric Pricing and Rate Harmonization

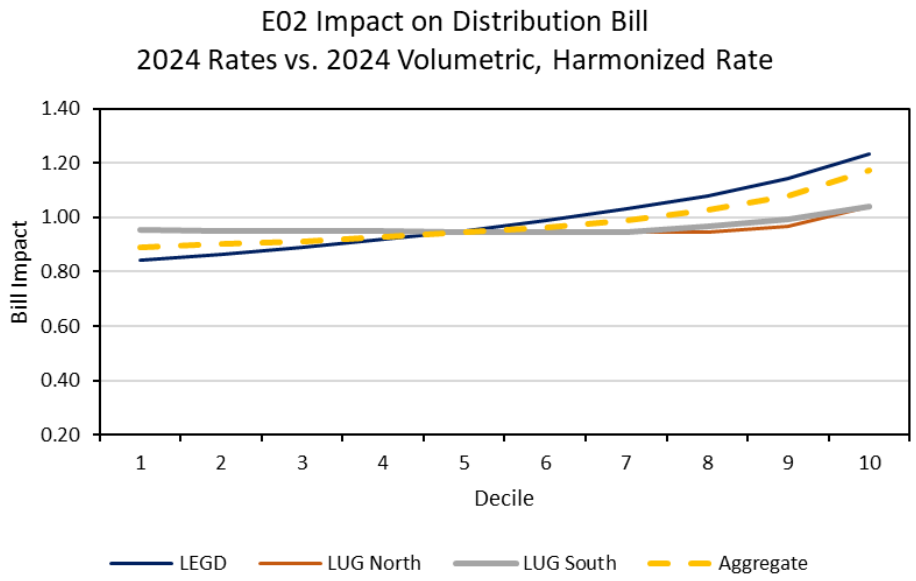
- As with SFVD, total bill impacts are less than those of distribution bill.
  - Most customers experience moderate bill impacts, given increases in average costs.
- E01 bill impacts decline as size increases; E02 bill impacts increase as size increases for LEGD customers; LUG customers experience modest bill reductions up to decile 7, then increase with customer size
- Smaller customers have lower average load factors
  - As size decile increases, distribution share of bill declines, reducing bill impacts if commodity price change is lower than distribution price change

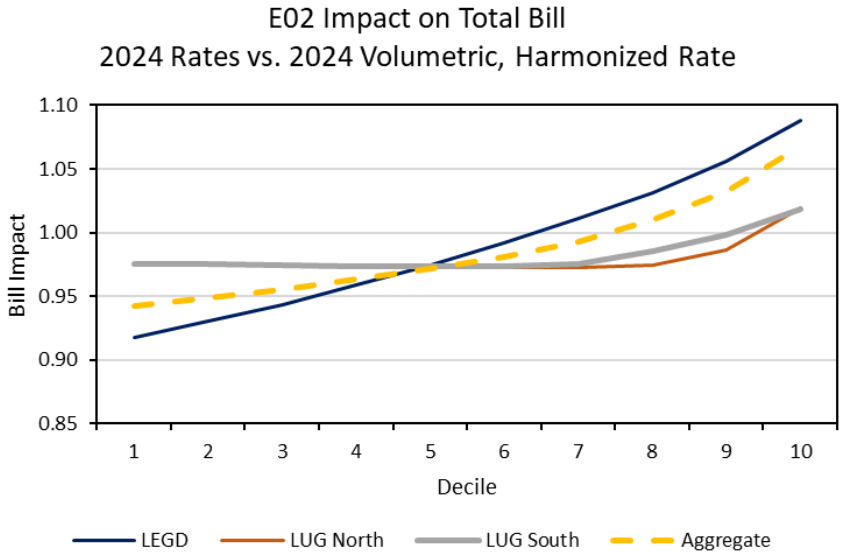
Impacts on 2024 Bills of Introduction of Volumetric and Rate Zone Harmonization – E01





Impacts on 2024 Bills of Introduction of Volumetric and Rate Zone Harmonization – E02





Results for Typical-Customer Bill Impacts

- Tables are illustrative; cover rates R1 (LEGD) for small customers and M2 (LUG South) for large customers
- Typical-customer bill impacts from introducing Volumetric with zone harmonization are small compared to SFV
  - Bill indexes range from 0.97 to 1.03
- With no demand charge, load factor does not influence bills

Typical-Customer Bill Impacts: Introduction of Volumetric and Rate Zone Harmonization – R1

Average Customer

Volume	**2,400**												
Daily Demand	**24.36**	**2023 Rates**				**2024 Rates**				**2024 Volumetric Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00	28.37	340.47		340.47
Demand	$												
Delivery	$		204.28	25.37	229.65		266.84	12.90	279.74		197.18	12.62	209.81
Load Balancing	$		16.66	14.38	31.04								
Transportation	$		1.81	92.44	94.24		(2.11)	48.73	46.61		(2.04)	47.24	45.20
Sales - Commodity	$		2.04	439.02	441.06		3.70	497.98	501.68		3.70	497.98	501.68
Carbon Charge	$		235.13	0.00	235.13		235.13	0.00	235.13		235.29	0.00	235.29
Total	$		**722.46**	**571.21**	**1,293.66**		**779.55**	**559.61**	**1,339.16**		**774.60**	**557.85**	**1,332.44**
Bill Index									**1.035**				**0.995**

Bill Impacts by Customer Size: Introduction of Volumetric and Rate Zone Harmonization – R1

Average Customer

		2023 Rates				2024 Rates				2024 Volumetric Rate, Harmonized			
Volume	**2,400**												
Daily Demand	**24.36**												
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00	28.37	340.47		340.47
Demand	$												
Delivery	$		204.28	25.37	229.65		266.84	12.90	279.74		197.18	12.62	209.81
Load Balancing	$		16.66	14.38	31.04								
Transportation	$		1.81	92.44	94.24		(2.11)	48.73	46.61		(2.04)	47.24	45.20
Sales - Commodity	$		2.04	439.02	441.06		3.70	497.98	501.68		3.70	497.98	501.68
Carbon Charge	$		235.13	0.00	235.13		235.13	0.00	235.13		235.29	0.00	235.29
Total	$		**722.46**	**571.21**	**1,293.66**		**779.55**	**559.61**	**1,339.16**		**774.60**	**557.85**	**1,332.44**
Bill Index									**1.035**				**0.995**

Small Customer

		2023 Rates				2024 Rates				2024 Volumetric Rate, Harmonized			
Volume	**1,081**												
Daily Demand	**10.97**												
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00	28.37	340.47	0.00	340.47
Demand	$												
Delivery	$		97.99	11.47	109.45		128.00	5.81	133.81		88.81	5.69	94.50
Load Balancing	$		7.50	6.48	13.98								
Transportation	$		0.81	41.63	42.45		(0.95)	21.95	21.00		(0.92)	21.28	20.36
Sales - Commodity	$		0.92	197.74	198.66		1.67	224.30	225.97		1.67	224.30	225.97
Carbon Charge	$		105.91	0.00	105.91		105.91	0.00	105.91		105.98	0.00	105.98
Total	$		**475.68**	**257.32**	**732.99**		**510.62**	**252.06**	**762.67**		**536.01**	**251.26**	**787.27**
Bill Index									**1.040**				**1.032**

Large Customer

		2023 Rates				2024 Rates				2024 Volumetric Rate, Harmonized			
Volume	**5,048**												
Daily Demand	**51.24**												
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	21.88	262.55		262.55	23.00	276.00		276.00	28.37	340.47	0.00	340.47
Demand	$												
Delivery	$		417.83	53.29	471.11		545.78	27.13	572.91		414.74	26.55	441.29
Load Balancing	$		35.04	30.24	65.28								
Transportation	$		3.80	194.42	198.22		(4.44)	102.49	98.05		(4.30)	99.36	95.06
Sales - Commodity	$		4.29	923.41	927.70		7.78	1,047.43	1,055.20		7.78	1,047.43	1,055.20
Carbon Charge	$		494.55	0.00	494.55		494.55	0.00	494.55		494.89	0.00	494.89
Total	$		**1,218.06**	**1,201.36**	**2,419.42**		**1,319.67**	**1,177.04**	**2,496.71**		**1,253.58**	**1,173.34**	**2,426.92**
Bill Index									**1.032**				**0.972**

Typical-Customer Bill Impacts: Introduction of Volumetric and Rate Zone Harmonization – M2

Average Customer

VOLUME	**73,000**												
DAILY DEMAND	**746.33**	**2023 Rates**				**2024 Rates**				**2024 Volumetric Rate, Harmonized**			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Monthly Charge	$	76.58	918.96		918.96	80.00	960.00		960.00	28.37	340.47		340.47
Demand	$												
Delivery	$		4,349.85	71.83	4,421.68		5,830.81	1,640.96	7,471.77		6,124.75	364.53	6,489.27
Storage	$		587.29	34.02	621.30								
Transportation	$										(57.32)	1,328.30	1,270.98
Commodity	$		(53.95)	16,326.11	16,272.17		112.48	15,147.00	15,259.48		112.50	15,147.00	15,259.51
Carbon Charge	$		7,156.99	0.00	7,156.99		7,156.99	0.00	7,156.99		7,156.63	0.00	7,156.63
Total	**$**		**5,802.15**	**16,431.96**	**29,391.10**		**14,060.28**	**16,787.96**	**30,848.24**		**13,677.03**	**16,839.84**	**30,516.87**
Bill Index									**1.050**				**0.989**

Bill Impacts by Customer Size: Introduction of Volumetric and Rate Zone Harmonization – M2

Average Customer

		2023 Rates				2024 Rates				2024 Volumetric Rate, Harmonized			
VOLUME	**73,000**												
DAILY DEMAND	**746.33**												
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Monthly Charge	$	76.58	918.96		918.96	80.00	960.00		960.00	28.37	340.47		340.47
Demand	$												
Delivery	$		4,349.85	71.83	4,421.68		5,830.81	1,640.96	7,471.77		6,124.75	364.53	6,489.27
Storage	$		587.29	34.02	621.30								
Transportation	$										(57.32)	1,328.30	1,270.98
Commodity	$		(53.95)	16,326.11	16,272.17		112.48	15,147.00	15,259.48		112.50	15,147.00	15,259.51
Carbon Charge	$		7,156.99	0.00	7,156.99		7,156.99	0.00	7,156.99		7,156.63	0.00	7,156.63
Total	**$**		**5,802.15**	**16,431.96**	**29,391.10**		**14,060.28**	**16,787.96**	**30,848.24**		**13,677.03**	**16,839.84**	**30,516.87**
Bill Index									**1.050**				**0.989**

Small Customer

		2023 Rates				2024 Rates				2024 Volumetric Rate, Harmonized			
VOLUME	**60,000**												
DAILY DEMAND	**613.42**												
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Monthly Charge	$	76.58	918.96		918.96	80.00	960.00		960.00	28.37	340.47		340.47
Demand	$												
Delivery	$		3,596.19	59.04	3,655.23		4,820.83	1,348.73	6,169.56		5,034.04	299.61	5,333.65
Storage	$		482.70	27.96	510.66								
Transportation	$										(47.11)	1,091.76	1,044.64
Commodity	$		(44.34)	13,418.72	13,374.38		92.45	12,449.59	12,542.04		92.47	12,449.59	12,542.06
Carbon Charge	$		5,882.46	0.00	5,882.46		5,882.46	0.00	5,882.46		5,882.16	0.00	5,882.16
Total	**$**		**4,953.51**	**13,505.72**	**24,341.70**		**11,755.74**	**13,798.33**	**25,554.06**		**11,302.03**	**13,840.96**	**25,142.99**
Bill Index									**1.050**				**0.984**

Large Customer

		2023 Rates				2024 Rates				2024 Volumetric Rate, Harmonized			
VOLUME	**250,000**												
DAILY DEMAND	**2,555.91**												
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Monthly Charge	$	76.58	918.96		918.96	80.00	960.00		960.00	28.37	340.47		340.47
Demand	$												
Delivery	$		14,137.52	246.00	14,383.52		18,941.14	5,619.73	24,560.86		20,975.16	1,248.38	22,223.54
Storage	$		2,011.25	116.50	2,127.75								
Transportation	$										(196.31)	4,548.99	4,352.68
Commodity	$		(184.75)	55,911.35	55,726.60		385.20	51,873.30	52,258.51		385.29	51,873.30	52,258.59
Carbon Charge	$		24,510.25	0.00	24,510.25		24,510.25	0.00	24,510.25		24,509.00	-	24,509.00
Total	**$**		**16,882.98**	**56,273.85**	**97,667.08**		**44,796.59**	**57,493.03**	**102,289.62**		**46,013.62**	**57,670.67**	**103,684.29**
Bill Index									**1.047**				**1.014**

Bill Extremes

Bill Increases Above 10 Percent by Harmonized Rate

	No. of Customers			Percentage of Rate Class		
	SFVD	SFV	Volumetric	SFVD	SFV	Volumetric
LEGD						
E01	28,510	195,242	18,952	2%	12%	1%
E02	5,470	25,012	120	13%	59%	0%
LUG-North						
E01	5,634	65,927	5,762	2%	21%	2%
E02	51	5,157	-	1%	69%	0%
LUG-South						
E01	19,013	206,938	18,827	2%	20%	2%
E02	454	13,461	-	2%	62%	0%

Bill Increases Above 10 Percent by Original Rate

	No. of Customers			Percentage of Rate Class		
	SFVD	SFV	Volumetric	SFVD	SFV	Volumetric
LEGD						
Rate 1	28,755	196,682	18,952	2%	12%	1%
Rate 6	5,225	23,572	120	4%	19%	0%
LUG-North						
Rate 1	5,672	71,034	5,762	2%	22%	2%
Rate 10	13	50	-	1%	3%	0%
LUG-South						
Rate M1	19,260	220,135	18,827	2%	21%	2%
Rate M2	207	264	-	3%	4%	0%

SFVD: Key Takeaways

- Harmonization of rates with SFVD results in moderate bill impacts in all rate zones and for most customers
- Most bill impacts remain below 10 percent

SFV: Key Takeaways

- SFV increases bills for smaller customers and decreases bills for larger customers
- SFV rates yield more extreme bill impacts than SFVD
  - Many smaller customers experience SFV bill increases greater than 10 percent

Volumetric: Key Takeaways

- The volumetric rate yields fewer bill increases greater than 10% than SFVD or SFV, as might be expected by retention of current rate structure.
- SFVD shares are closer to those of the volumetric rate than those of SFV.

Summary

Implications of Bill Impact Analysis

- SFVD achieves two objectives:
  - Improved match between fixed costs and fixed charges
  - Superior bill impacts from rate harmonization relative to other strategies.
- SFV's large bill impacts indicate difficulty in gaining acceptance
- Volumetric alternative approximates SFVD on average, but does not reduce cross subsidy and fails to match bill variation to cost variation
- Bill impact analysis confirms expectations

APPENDIX

Summary of Customers with DD Demand above 1,500 m^3/day

Region	Rate	Customer Count	Total Annual Consumption	Total DDD	Avg. Monthly Consumption	Avg DDD	Total Bill Impact Current: '23 - '24	Current '24 - SFVD	Current '24 - SFV	Current '24 - Volumetric
LEGD	R1	14	197,330	70,707	1,175	5,050	1.03	7.82	1.00	0.96
LEGD	R6	6,227	2,384,242,847	22,994,366	31,852	3,693	0.99	1.09	0.90	1.08
LUG North	1	1	147,067	1,695	12,256	1,695	0.85	1.02	0.87	0.97
LUG North	10	392	142,361,938	1,193,741	31,399	3,045	0.90	1.00	0.85	1.03
LUG South	M1	27	5,343,450	71,298	20,873	2,641	1.11	0.99	0.83	0.97
LUG South	M2	2,012	673,921,892	6,336,381	30,136	3,149	1.05	1.01	0.85	1.02

LEGD Price Changes

LEGD R1 to E01

	Distribution				Gas				Total			
Monthly Charge ($/mo)	**2024**	**SFVD**	**SFV**	**Vol**	**2024**	**SFVD**	**SFV**	**Vol**	**2024**	**SFVD**	**SFV**	**Vol**
Monthly Charge ($/mo)	23.00	28.37	44.83	28.37	0.00	0.00	0.53	0.00	23.00	28.37	45.36	28.37
Monthly Delivery Demand		0.67	0.00	0.00		0.01	0.00	0.00		0.68	0.00	0.00
Delivery ($/m3)		0.0000	0.0000	0.0822		0.0039	0.0026	0.0053		0.0039	0.0026	0.0874
First 30 m^3	0.1249				0.0054				0.1303			
Next 55 m^3	0.1161				0.0054				0.1214			
Next 85 m^3	0.1092				0.0054				0.1145			
Over 170 m^3	0.1040				0.0054				0.1094			
Transportation ($/m3)	-0.0009	-0.0009	-0.0009	-0.0009	0.0203	0.0197	0.0197	0.0197	0.0194	0.0188	0.0188	0.0188
Commodity ($/m3)	0.0015	0.0015	0.0015	0.0015	0.2075	0.2075	0.2075	0.2075	0.2090	0.2090	0.2090	0.2090
Federal Carbon ($/m3)	0.0980	0.0980	0.0980	0.0980	0.0000	0.0000	0.0000	0.0000	0.0980	0.0980	0.0980	0.0980

LEGD R6 to E02

	Distribution				Gas				Total			
	2024	**SFVD**	**SFV**	**Vol**	**2024**	**SFVD**	**SFV**	**Vol**	**2024**	**SFVD**	**SFV**	**Vol**
Monthly Charge ($/mo)	80.00	28.37	534.56	28.37	0.00	0.00	14.40	0.00	80.00	28.37	548.96	28.37
Monthly Delivery Demand		0.74	0.00	0.00		0.01	0.00	0.00		0.75	0.00	0.00
Delivery ($/m3)		0.0000	0.0000	0.0839		0.0038	0.0026	0.0050		0.0038	0.0026	0.0889
First 500 m^3	0.1128				0.0051				0.1179			
Next 1,050 m^3	0.0837				0.0051				0.0888			
Next 4,500 m^3	0.0633				0.0051				0.0684			
Next 7,000 m^3	0.0501				0.0051				0.0553			
Next 15,250 m^3	0.0443				0.0051				0.0494			
Over 28,300 m^3	0.0429				0.0051				0.0480			
Transportation ($/m3)	-0.0008	-0.0008	-0.0008	-0.0008	0.0193	0.0189	0.0182	0.0182	0.0184	0.0181	0.0174	0.0174
Commodity ($/m3)	0.0015	0.0015	0.0015	0.0015	0.2075	0.2075	0.2075	0.2075	0.2090	0.2090	0.2090	0.2090
Federal Carbon ($/m3)	0.0980	0.0980	0.0980	0.0980	0.0000	0.0000	0.0000	0.0000	0.0980	0.0980	0.0980	0.0980

LUG North Price Changes

LUG North 1 to E01

	Distribution				Gas				Total			
	2024	SFVD	SFV	Vol	2024	SFVD	SFV	Vol	2024	SFVD	SFV	Vol
Monthly Charge ($/mo)	23.00	28.37	44.83	28.37	0.00	0.00	0.53	0.00	23.00	28.37	45.36	28.37
Monthly Delivery Demand		0.67	0.00	0.00		0.01	0.00	0.00		0.68	0.00	0.00
Delivery ($/m3)		0.0000	0.0000	0.0822		0.0039	0.0026	0.0053		0.0039	0.0026	0.0874
First 100 m³	0.0809				-0.0072				0.0738			
Next 200 m³	0.0789				-0.0072				0.0717			
Next 200 m³	0.0757				-0.0072				0.0685			
Next 500 m³	0.0727				-0.0072				0.0655			
Over 1,000 m³	0.0703				-0.0072				0.0631			
Transportation ($/m3)	0.0132	-0.0009	-0.0009	-0.0009	0.0198	0.0197	0.0197	0.0197	0.0331	0.0188	0.0188	0.0188
Storage ($/m3)	0.0105				0.0118				0.0222			
Commodity ($/m3)	0.0015	0.0015	0.0015	0.0015	0.2075	0.2075	0.2075	0.2075	0.2090	0.2090	0.2090	0.2090
Federal Carbon ($/m3)	0.0980	0.0980	0.0980	0.0980	0.0000	0.0000	0.0000	0.0000	0.0980	0.0980	0.0980	0.0980

LUG North 10 to E02

	Distribution				Gas				Total			
	2024	SFVD	SFV	Vol	2024	SFVD	SFV	Vol	2024	SFVD	SFV	Vol
Monthly Charge ($/mo)	80.00	28.37	534.56	28.37	0.00	0.00	14.40	0.00	80.00	28.37	548.96	28.37
Monthly Delivery Demand		0.74	0.00	0.00		0.01	0.00	0.00		0.75	0.00	0.00
Delivery ($/m3)		0.0000	0.0000	0.0839		0.0038	0.0026	0.0050		0.0038	0.0026	0.0889
First 1,000 m³	0.0737				-0.0060				0.0677			
Next 9,000 m³	0.0601				-0.0060				0.0542			
Next 20,000 m³	0.0523				-0.0060				0.0463			
Next 70,000 m³	0.0473				-0.0060				0.0414			
Over 100,000 m³	0.0286				-0.0060				0.0227			
Transportation ($/m3)	0.0119	-0.0008	-0.0008	-0.0008	0.0185	0.0189	0.0182	0.0182	0.0303	0.0181	0.0174	0.0174
Storage ($/m3)	0.0085				0.0103				0.0188			
Commodity ($/m3)	0.0015	0.0015	0.0015	0.0015	0.2075	0.2075	0.2075	0.2075	0.2090	0.2090	0.2090	0.2090
Federal Carbon ($/m3)	0.0980	0.0980	0.0980	0.0980	0.0000	0.0000	0.0000	0.0000	0.0980	0.0980	0.0980	0.0980

LUG South Price Changes

LUG South M1 to E01

	Distribution				Gas				Total			
	2024	**SFVD**	**SFV**	**Vol**	**2024**	**SFVD**	**SFV**	**Vol**	**2024**	**SFVD**	**SFV**	**Vol**
Monthly Charge ($/mo)	23.00	28.37	44.83	28.37	0.00	0.00	0.53	0.00	23.00	28.37	45.36	28.37
Monthly Delivery Demand		0.67	0.00	0.00		0.01	0.00	0.00		0.68	0.00	0.00
Delivery ($/m3)		0.0000	0.0000	0.0822		0.0039	0.0026	0.0053		0.0039	0.0026	0.0874
First 100 m^3	0.1148				0.0239				0.1388			
Next 150 m^3	0.1092				0.0239				0.1331			
All over 250 m^3	0.0945				0.0239				0.1184			
Transportation ($/m3)		-0.0009	-0.0009	-0.0009		0.0197	0.0197	0.0197		0.0188	0.0188	0.0188
Commodity ($/m3)	0.0015	0.0015	0.0015	0.0015	0.2075	0.2075	0.2075	0.2075	0.2090	0.2090	0.2090	0.2090
Federal Carbon ($/m3)	0.0980	0.0980	0.0980	0.0980	0.0000	0.0000	0.0000	0.0000	0.0980	0.0980	0.0980	0.0980

LUG South M2 TO E02

	Distribution				Gas				Total			
Monthly Charge ($/mo)	**2024**	**SFVD**	**SFV**	**Vol**	**2024**	**SFVD**	**SFV**	**Vol**	**2024**	**SFVD**	**SFV**	**Vol**
Monthly Charge ($/mo)	80.00	28.37	534.56	28.37	0.00	0.00	14.40	0.00	80.00	28.37	548.96	28.37
Monthly Delivery Demand		0.74	0.00	0.00		0.01	0.00	0.00		0.75	0.00	0.00
Delivery ($/m3)		0.0000	0.0000	0.0839		0.0038	0.0026	0.0050		0.0038	0.0026	0.0889
First 1,000 m^3	0.0824				0.0225				0.1048			
Next 6,000 m^3	0.0809				0.0225				0.1034			
Next 13,000 m^3	0.0758				0.0225				0.0983			
All over 20,000 m^3	0.0705				0.0225				0.0930			
Transportation ($/m3)		-0.0008	-0.0008	-0.0008		0.0189	0.0182	0.0182		0.0181	0.0174	0.0174
Commodity ($/m3)	0.0015	0.0015	0.0015	0.0015	0.2075	0.2075	0.2075	0.2075	0.2090	0.2090	0.2090	0.2090
Federal Carbon ($/m3)	0.0980	0.0980	0.0980	0.0980	0.0000	0.0000	0.0000	0.0000	0.0980	0.0980	0.0980	0.0980

Typical Customer Bills

Rate M1

Volume	2,200												
Daily Demand	20.05	2023 Rates				2024 Rates				2024 SFVD, Harmonized			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	22.98	275.76		275.76	23.00	276.00		276.00	28.37	340.49		340.49
Demand	$										161.84	0.95	162.79
Delivery	$		133.58	3.07	136.64		239.80	52.67	292.47		0.00	8.66	8.66
Storage	$		18.74	1.12	19.86								
Transportation	$										(1.87)	43.25	41.38
Sales - Commodity	$		(1.63)	492.02	490.39		3.39	456.49	459.87		3.39	456.49	459.87
Carbon Charge	$		215.69	0.00	215.69		215.69	0.00	215.69		215.68	0.00	215.68
Total	$		**642.14**	**496.20**	**1,138.34**		**734.88**	**509.15**	**1244.04**		**503.85**	**509.34**	**1,228.87**
Bill Index									**1.093**				**0.988**

Volume	2,200												
Daily Demand	20.05	2023 Rates				2024 Rates				2024 SFV, Harmonized			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	22.98	275.76		275.76	23.00	276.00		276.00		537.93	6.38	544.30
Demand	$												
Delivery	$		133.58	3.07	136.64		239.80	52.67	292.47		0.00	5.74	5.74
Storage	$		18.74	1.12	19.86								
Transportation	$										(1.87)	43.30	41.43
Sales - Commodity	$		(1.63)	492.02	490.39		3.39	456.49	459.87		3.39	456.49	459.87
Carbon Charge	$		215.69	0.00	215.69		215.69	0.00	215.69		215.68	0.00	215.68
Total	$		**642.14**	**496.20**	**1,138.34**		**734.88**	**509.15**	**1244.04**		**755.12**	**511.90**	**1,267.02**
Bill Index									**1.093**				**1.018**

Volume	2,200												
Daily Demand	20.05	2023 Rates				2024 Rates				2024 Volumetric Rate, Harmonized			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	22.98	275.76		275.76	23.00	276.00		276.00	28.37	340.47		340.47
Demand	$												
Delivery	$		133.58	3.07	136.64		239.80	52.67	292.47		180.75	11.57	192.32
Storage	$		18.74	1.12	19.86								
Transportation	$										(1.87)	43.30	41.43
Sales - Commodity	$		(1.63)	492.02	490.39		3.39	456.49	459.87		3.39	456.49	459.87
Carbon Charge	$		215.69	0.00	215.69		215.69	0.00	215.69		215.68	0.00	215.68
Total	$		**642.14**	**496.20**	**1,138.34**		**734.88**	**509.15**	**1244.04**		**738.42**	**511.36**	**1,249.78**
Bill Index									**1.093**				**1.005**

Typical Customer Bills

Rate 01 - West

Volume	2,200												
Daily Demand	20	2023 Rates				2024 Rates				2024 SFVD, Harmonized			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	22.98	275.76		275.76	23.00	276.00		276.00	28.37	340.49		340.49
Demand	$										161.84	2.57	164.40
Delivery	$		239.39	1.43	240.81		174.95	-15.82	159.13		0.00	8.66	8.66
Transportation	$		(9.24)	108.03	98.79		29.06	43.66	72.72		(1.87)	43.25	41.38
Storage	$		37.49	12.70	50.19		23.02	25.89	48.91				
Sales - Commodity	$		4.59	397.44	402.03		3.39	456.49	459.87		3.39	456.49	459.87
Carbon Charge	$		215.69	0.00	215.69		215.69	0.00	215.69		215.68	0.00	215.68
Total	$		**763.67**	**519.60**	**1,283.27**		**722.11**	**510.21**	**1232.32**		**719.53**	**510.96**	**1,230.49**
Bill Index									**0.960**				**0.999**

Volume	2,200												
Daily Demand	20	2023 Rates				2024 Rates				2024 SFV, Harmonized			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	22.98	275.76		275.76	23.00	276.00		276.00		537.93	6.38	544.30
Demand	$												
Delivery	$		239.39	1.43	240.81		174.95	-15.82	159.13		0.00	5.74	5.74
Transportation	$		(9.24)	108.03	98.79		29.06	43.66	72.72		(1.87)	43.30	41.43
Storage	$		37.49	12.70	50.19		23.02	25.89	48.91				
Sales - Commodity	$		4.59	397.44	402.03		3.39	456.49	459.87		3.39	456.49	459.87
Carbon Charge	$		215.69	0.00	215.69		215.69	0.00	215.69		215.68	0.00	215.68
Total	$		**763.67**	**519.60**	**1,283.27**		**722.11**	**510.21**	**1232.32**		**755.12**	**511.90**	**1,267.02**
Bill Index									**0.960**				**1.028**

Volume	2,200												
Daily Demand	20	2023 Rates				2024 Rates				2024 Volumetric Rate, Harmonized			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	22.98	275.76		275.76	23.00	276.00		276.00	28.37	340.47		340.47
Demand	$												
Delivery	$		239.39	1.43	240.81		174.95	-15.82	159.13		180.75	11.57	192.32
Transportation	$		(9.24)	108.03	98.79		29.06	43.66	72.72		(1.87)	43.30	41.43
Storage	$		37.49	12.70	50.19		23.02	25.89	48.91				
Sales - Commodity	$		4.59	397.44	402.03		3.39	456.49	459.87		3.39	456.49	459.87
Carbon Charge	$		215.69	0.00	215.69		215.69	0.00	215.69		215.68	0.00	215.68
Total	$		**763.67**	**519.60**	**1,283.27**		**722.11**	**510.21**	**1232.32**		**738.42**	**511.36**	**1,249.78**
Bill Index									**0.960**				**1.014**

Typical Customer Bills

Rate 01 – East

Volume	2,200												
Daily Demand	20	2023 Rates				2024 Rates				2024 SFVD, Harmonized			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	22.98	275.76		275.76	23.00	276.00		276.00	28.37	340.49		340.49
Demand	$										161.84	2.57	164.40
Delivery	$		239.39	1.43	240.81		174.95	-15.82	159.13		0.00	8.66	8.66
Transportation	$		(3.57)	54.12	50.55		29.06	43.66	72.72		(1.87)	43.25	41.38
Storage	$		47.37	90.34	137.72		23.02	25.89	48.91				
Sales - Commodity	$		4.59	486.35	490.93		3.39	456.49	459.87		3.39	456.49	459.87
Carbon Charge	$		215.69	0.00	215.69		215.69	0.00	215.69		215.68	0.00	215.68
Total	$		**779.23**	**632.23**	**1,411.46**		**722.11**	**510.21**	**1232.32**		**719.53**	**510.96**	**1,230.49**
Bill Index									**0.873**				**0.999**

Volume	2,200												
Daily Demand	20	2023 Rates				2024 Rates				2024 SFV, Harmonized			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	22.98	275.76		275.76	23.00	276.00		276.00		537.93	6.38	544.30
Demand	$												
Delivery	$		239.39	1.43	240.81		174.95	-15.82	159.13		0.00	5.74	5.74
Transportation	$		(3.57)	54.12	50.55		29.06	43.66	72.72		(1.87)	43.30	41.43
Storage	$		47.37	90.34	137.72		23.02	25.89	48.91				
Sales - Commodity	$		4.59	486.35	490.93		3.39	456.49	459.87		3.39	456.49	459.87
Carbon Charge	$		215.69	0.00	215.69		215.69	0.00	215.69		215.68	0.00	215.68
Total	$		**779.23**	**632.23**	**1,411.46**		**722.11**	**510.21**	**1232.32**		**755.12**	**511.90**	**1,267.02**
Bill Index									**0.873**				**1.028**

Volume	2,200												
Daily Demand	20	2023 Rates				2024 Rates				2024 Volumetric Rate, Harmonized			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	22.98	275.76		275.76	23.00	276.00		276.00	28.37	340.47		340.47
Demand	$												
Delivery	$		239.39	1.43	240.81		174.95	-15.82	159.13		180.75	11.57	192.32
Transportation	$		(3.57)	54.12	50.55		29.06	43.66	72.72		(1.87)	43.30	41.43
Storage	$		47.37	90.34	137.72		23.02	25.89	48.91				
Sales - Commodity	$		4.59	486.35	490.93		3.39	456.49	459.87		3.39	456.49	459.87
Carbon Charge	$		215.69	0.00	215.69		215.69	0.00	215.69		215.68	0.00	215.68
Total	$		**779.23**	**632.23**	**1,411.46**		**722.11**	**510.21**	**1232.32**		**738.42**	**511.36**	**1,249.78**
Bill Index									**0.873**				**1.014**

Typical Customer Bills

Rate 10 - West

Volume	93,000												
Daily Demand	850	2023 Rates				2024 Rates				2024 SFVD, Harmonized			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	76.58	918.96		918.96	80.00	960.00		960.00	28.37	340.49		340.49
Demand	$										7,532.39	106.12	7,638.51
Delivery	$		7,818.44	14.88	7,833.32		5662.27	-553.44	5108.83		0.00	357.39	357.39
Transportation	$		(362.35)	4,026.46	3,664.11		1104.95	1717.12	2822.08		(76.04)	1,761.10	1,685.06
Storage	$		1,315.85	367.83	1,683.67		791.62	955.11	1746.73				
Sales - Commodity	$		193.91	16,801.01	16,994.91		143.30	19296.87	19440.16		143.30	19,296.87	19,440.16
Carbon Charge	$		9,117.81	0.00	9,117.81		9117.81	0.00	9117.81		9,117.35	0.00	9,117.35
Total	$		**19,002.62**	**21,210.17**	**40,212.79**		**17779.95**	**21415.66**	**39195.61**		**17,057.49**	**21,521.47**	**38,578.96**
Bill Index									**0.975**				**0.984**

Volume	93,000												
Daily Demand	850	2023 Rates				2024 Rates				2024 SFV, Harmonized			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	76.58	918.96		918.96	80.00	960.00		960.00		6,414.70	172.81	6,587.51
Demand	$												
Delivery	$		7,818.44	14.88	7,833.32		5662.27	-553.44	5108.83		0.00	242.41	242.41
Transportation	$		(362.35)	4,026.46	3,664.11		1104.95	1717.12	2822.08		(73.03)	1,692.22	1,619.20
Storage	$		1,315.85	367.83	1,683.67		791.62	955.11	1746.73				
Sales - Commodity	$		193.91	16,801.01	16,994.91		143.30	19296.87	19440.16		143.33	19,296.87	19,440.20
Carbon Charge	$		9,117.81	0.00	9,117.81		9117.81	0.00	9117.81		9,117.35	0.00	9,117.35
Total	$		**19,002.62**	**21,210.17**	**40,212.79**		**17779.95**	**21415.66**	**39195.61**		**15,602.35**	**21,404.31**	**37,006.66**
Bill Index									**0.975**				**0.944**

Volume	93,000												
Daily Demand	850	2023 Rates				2024 Rates				2024 Volumetric Rate, Harmonized			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	76.58	918.96		918.96	80.00	960.00		960.00	28.37	340.47		340.47
Demand	$												
Delivery	$		7,818.44	14.88	7,833.32		5662.27	-553.44	5108.83		7,802.76	464.40	8,267.16
Transportation	$		(362.35)	4,026.46	3,664.11		1104.95	1717.12	2822.08		(73.03)	1,692.22	1,619.20
Storage	$		1,315.85	367.83	1,683.67		791.62	955.11	1746.73				
Sales - Commodity	$		193.91	16,801.01	16,994.91		143.30	19296.87	19440.16		143.33	19,296.87	19,440.20
Carbon Charge	$		9,117.81	0.00	9,117.81		9117.81	0.00	9117.81		9,117.35	0.00	9,117.35
Total	$		**19,002.62**	**21,210.17**	**40,212.79**		**17779.95**	**21415.66**	**39195.61**		**17,330.88**	**21,453.49**	**38,784.37**
Bill Index									**0.975**				**0.990**

Typical Customer Bills

Rate 10 - East

Volume	93,000												
Daily Demand	850	2023 Rates				2024 Rates				2024 SFVD, Harmonized			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	76.58	918.96		918.96	80.00	960.00		960.00	28.37	340.49		340.49
Demand	$										7,532.39	106.12	7,638.51
Delivery	$		7,818.44	14.88	7,833.32		5662.27	-553.44	5108.83		0.00	357.39	357.39
Transportation	$		(148.89)	2,112.58	1,963.70		1104.95	1717.12	2822.08		(76.04)	1,761.10	1,685.06
Storage	$		1,474.97	2,875.57	4,350.54		791.62	955.11	1746.73				
Sales - Commodity	$		193.91	20,559.16	20,753.07		143.296	19296.87	19440.16		143.30	19,296.87	19,440.16
Carbon Charge	$		9,117.81	0.00	9,117.81		9117.81	0.00	9117.81		9,117.35	0.00	9,117.35
Total	$		**19,375.21**	**25,562.19**	**44,937.40**		**17779.95**	**21415.66**	**39195.61**		**17,057.49**	**21,521.47**	**38,578.96**
Bill Index									**0.872**				**0.984**

Volume	93,000												
Daily Demand	850	2023 Rates				2024 Rates				2024 SFV, Harmonized			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	76.58	918.96		918.96	80.00	960.00		960.00		6,414.70	172.81	6,587.51
Demand	$												
Delivery	$		7,818.44	14.88	7,833.32		5662.27	-553.44	5108.83		0.00	242.41	242.41
Transportation	$		(148.89)	2,112.58	1,963.70		1104.95	1717.12	2822.08		(73.03)	1,692.22	1,619.20
Storage	$		1,474.97	2,875.57	4,350.54		791.62	955.11	1746.73				
Sales - Commodity	$		193.91	20,559.16	20,753.07		143.296	19296.87	19440.16		143.33	19,296.87	19,440.20
Carbon Charge	$		9,117.81	0.00	9,117.81		9117.81	0.00	9117.81		9,117.35	0.00	9,117.35
Total	$		**19,375.21**	**25,562.19**	**44,937.40**		**17779.95**	**21415.66**	**39195.61**		**15,602.35**	**21,404.31**	**37,006.66**
Bill Index									**0.872**				**0.944**

Volume	93,000												
Daily Demand	850	2023 Rates				2024 Rates				2024 Volumetric Rate, Harmonized			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	76.58	918.96		918.96	80.00	960.00		960.00	28.37	340.47		340.47
Demand	$												
Delivery	$		7,818.44	14.88	7,833.32		5662.27	-553.44	5108.83		7,802.76	464.40	8,267.16
Transportation	$		(148.89)	2,112.58	1,963.70		1104.95	1717.12	2822.08		(73.03)	1,692.22	1,619.20
Storage	$		1,474.97	2,875.57	4,350.54		791.62	955.11	1746.73				
Sales - Commodity	$		193.91	20,559.16	20,753.07		143.296	19296.87	19440.16		143.33	19,296.87	19,440.20
Carbon Charge	$		9,117.81	0.00	9,117.81		9117.81	0.00	9117.81		9,117.35	0.00	9,117.35
Total	$		**19,375.21**	**25,562.19**	**44,937.40**		**17779.95**	**21415.66**	**39195.61**		**17,330.88**	**21,453.49**	**38,784.37**
Bill Index									**0.872**				**0.990**

Typical Customer Bills

Rate 6

Volume	22,606												
Daily Demand	211.78	2023 Rates				2024 Rates				2024 SFVD, Harmonized			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	76.58	918.91		918.91	80.00	960.00		960.00	28.37	340.49		340.49
Demand	$										1,876.55	26.44	1,902.98
Delivery	$		1,499.28	214.34	1,713.62		1869.68	115.65	1985.33		0.00	86.87	86.87
Load Balancing	$		145.55	127.11	272.66						0.00	0.00	0.00
Transportation	$		17.01	870.67	887.68		-18.82	435.56	416.73		(18.48)	428.08	409.60
Sales - Commodity	$		24.47	4,135.21	4,159.68		34.83	4690.59	4725.42		34.83	4,690.59	4,725.42
Carbon Charge	$		2,214.71	0.00	2,214.71		2214.71	0.00	2214.71		2,216.20	0.00	2,216.20
Total	$		**4,819.94**	**5,347.33**	**10,167.27**		**5060.39**	**5241.80**	**10302.19**		**4,449.59**	**5,231.98**	**9,681.57**
Bill Index									**1.013**				**0.940**

Volume	22,606												
Daily Demand	211.78	2023 Rates				2024 Rates				2024 SFV, Harmonized			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	76.58	918.91		918.91	80.00	960.00		960.00		6,414.70	172.81	6,587.51
Demand	$												
Delivery	$		1,499.28	214.34	1,713.62		1869.68	115.65	1985.33		0.00	58.92	58.92
Load Balancing	$		145.55	127.11	272.66						0.00	0.00	0.00
Transportation	$		17.01	870.67	887.68		-18.82	435.56	416.73		(17.75)	411.34	393.59
Sales - Commodity	$		24.47	4,135.21	4,159.68		34.83	4690.59	4725.42		34.84	4,690.59	4,725.43
Carbon Charge	$		2,214.71	0.00	2,214.71		2214.71	0.00	2214.71		2,216.20	0.00	2,216.20
Total	$		**4,819.94**	**5,347.33**	**10,167.27**		**5060.39**	**5241.80**	**10302.19**		**8,647.99**	**5,333.66**	**13,981.65**
Bill Index									**1.013**				**1.357**

Volume	22,606												
Daily Demand	211.78	2023 Rates				2024 Rates				2024 Volumetric Rate, Harmonized			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	76.58	918.91		918.91	80.00	960.00		960.00	28.37	340.47		340.47
Demand	$												
Delivery	$		1,499.28	214.34	1,713.62		1869.68	115.65	1985.33		1,896.66	112.88	2,009.54
Load Balancing	$		145.55	127.11	272.66						0.00	0.00	0.00
Transportation	$		17.01	870.67	887.68		-18.82	435.56	416.73		(17.75)	411.34	393.59
Sales - Commodity	$		24.47	4,135.21	4,159.68		34.83	4690.59	4725.42		34.84	4,690.59	4,725.43
Carbon Charge	$		2,214.71	0.00	2,214.71		2214.71	0.00	2214.71		2,216.20	0.00	2,216.20
Total	$		**4,819.94**	**5,347.33**	**10,167.27**		**5060.39**	**5241.80**	**10302.19**		**4,470.42**	**5,214.81**	**9,685.24**
Bill Index									**1.013**				**0.940**

Typical Customer Bills

Rate 6 - Extreme Load Factor

Volume	22,606												
Daily Demand	442.39	2023 Rates				2024 Rates				2024 SFVD, Harmonized			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	76.58	918.91		918.91	80.00	960.00		960.00	28.37	340.49	0.00	340.49
Demand	$										3,919.91	55.22	3,975.13
Delivery	$		1,499.28	214.34	1,713.62		1869.68	115.65	1985.33		0.00	86.87	86.87
Load Balancing	$		145.55	127.11	272.66								
Transportation	$		17.01	870.67	887.68		-18.82	435.56	416.73		(18.48)	428.08	409.60
Sales - Commodity	$		24.47	4,135.21	4,159.68		34.83	4690.59	4725.42		34.83	4,690.59	4,725.42
Carbon Charge	$		2,214.71	0.00	2,214.71		2214.71	0.00	2214.71		2,216.20	0.00	2,216.20
Total	$		**4,819.94**	**5,347.33**	**10,167.27**		**5060.39**	**5241.80**	**10302.19**		**6,492.95**	**5,260.77**	**11,753.72**
Bill Index									**1.013**				**1.141**

Volume	22,606												
Daily Demand	442.39	2023 Rates				2024 Rates				2024 SFV, Harmonized			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	76.58	918.91		918.91	80.00	960.00		960.00		6,414.70	172.81	6,587.51
Demand	$												
Delivery	$		1,499.28	214.34	1,713.62		1869.68	115.65	1985.33		0.00	58.92	58.92
Load Balancing	$		145.55	127.11	272.66		0.00	0.00	0.00				
Transportation	$		17.01	870.67	887.68		-18.82	435.56	416.73		(17.75)	411.34	393.59
Sales - Commodity	$		24.47	4,135.21	4,159.68		34.83	4690.59	4725.42		34.84	4,690.59	4,725.43
Carbon Charge	$		2,214.71	0.00	2,214.71		2214.71	0.00	2214.71		2,216.20	0.00	2,216.20
Total	$		**4,819.94**	**5,347.33**	**10,167.27**		**5060.39**	**5241.80**	**10302.19**		**8,647.99**	**5,333.66**	**13,981.65**
Bill Index									**1.013**				**1.357**

Volume	22,606												
Daily Demand	442.39	2023 Rates				2024 Rates				2024 Volumetric Rate, Harmonized			
		Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill	Rates	Distribution Only	Commodity Charge	Total Bill
Customer	$	76.58	918.91		918.91	80.00	960.00		960.00	28.37	340.47	0.00	340.47
Demand	$												
Delivery	$		1,499.28	214.34	1,713.62		1869.68	115.65	1985.33		1,896.66	112.88	2,009.54
Load Balancing	$		145.55	127.11	272.66		0.00	0.00	0.00				
Transportation	$		17.01	870.67	887.68		-18.82	435.56	416.73		(17.75)	411.34	393.59
Sales - Commodity	$		24.47	4,135.21	4,159.68		34.83	4690.59	4725.42		34.84	4,690.59	4,725.43
Carbon Charge	$		2,214.71	0.00	2,214.71		2214.71	0.00	2214.71		2,216.20	0.00	2,216.20
Total	$		**4,819.94**	**5,347.33**	**10,167.27**		**5060.39**	**5241.80**	**10302.19**		**4,470.42**	**5,214.81**	**9,685.24**
Bill Index									**1.013**				**0.940**

INNOVATIVE RESEARCH GROUP

2024 Rate Rebasing Customer Engagement:
Rate and Bill Design

ENBRIDGE

Qualitative Research with Residential and Business Customers

RESEARCH REPORT

July 2022

Table of Contents

Project Overview	3
Methodology	4
Key Findings	7
Bill Presentment	12
Rate Design	26
Communicating Changes	38
Out-of-Scope Comments	42
APPENDIX: Stimulus (Residential Version)	48
APPENDIX: Stimulus (Business Version)	55

Project Overview

Enbridge Gas 2024 Rate Rebasing Customer Engagement: Rate and Bill Design

Innovative Research Group Inc. (INNOVATIVE) was engaged by Enbridge Gas to assist in meeting its customer engagement commitments for its 2024 Rate Rebasing requirements. This preliminary report summarises the findings of a qualitative research engagement that included a series of 10 focus groups with residential customers and 20 one-on-one interviews conducted with small and medium-large business customers.

Research Objectives

- Enbridge Gas is considering changing the way they charge customers for fixed costs of service and what they show on their bills to more closely align with the directives the OEB has set for electrical utilities.
- The objective of this research was to gauge customer response to potential changes to the way Enbridge Gas bills customers for fixed costs, as well as a simplified version of the bill.

About Qualitative Research:

The value of in-depth interview and focus group research lies in the depth and range of information provided by the participants, rather than in the number of individuals holding each view.

Qualitative research is an exploratory research technique and does not hold the statistical reliability of quantitative research.

Methodology: Discussion Guide [1/3]

Research Methodology

The discussion guide was developed by Enbridge Gas and finalized with input from INNOVATIVE.

- The guide recognized that participants would have a range of existing knowledge and was planned to ensure even people with no knowledge of the natural gas system or bills would have enough information to provide meaningful feedback on potential changes.
- Visual stimuli were developed to provide participants with a system overview and then to progress the discussion from the relatively straightforward potential bill changes to the more complex issue of how to charge customers for fixed costs incurred by Enbridge Gas.
- Feedback was collected on existing bills before moving to potential changes.

Outline of the Discussion*

1. Core components of Natural Gas and Electricity Networks
2. Example of Enbridge Gas current bill
3. Mock-up of proposed Enbridge Gas bill charges
4. Explanation of Delivery Charges on Electricity and Natural Gas Bill
5. System Overview showing Fixed and Variable Costs
6. Current cost recovery
7. Ways to recover fixed charges
8. Impact on average customers
9. Impact on small and large demand customers

* See APPENDICES for accompanying stimulus

Methodology | Focus Groups [2/3]

- A total of 10 online focus groups with a total of 45 Enbridge Gas residential customers were held between June 22nd and July 5th, 2022. The groups lasted an average of 90 minutes and were conducted on Zoom.
- Eight of the 10 focus groups were moderated by Susan Oakes (Vice President at INNOVATIVE), while the other two were moderated by Greg Lyle (President).
- Participants were recruited using a combination of telephone and online methodologies, and screened to ensure they have sole or joint responsibility for decisions regarding natural gas, including viewing and paying their Enbridge Gas bill.
- All participants were paid a $100 honorarium in appreciation of their time.

The breakdown of the focus groups is shown below.

Date	Rate Zone	Region	# of Participants
June 22nd, 2022	Enbridge Gas	GTA	Group One: 5 / Group Two: 4
June 23rd, 2022	Enbridge Gas	Non-GTA	Group One: 4 / Group Two: 5
June 28th, 2022	Union Gas	Central	Group One: 3 / Group Two: 5
June 29th, 2022	Union Gas	North/East	Group One: 4 / Group Two: 4
July 5th, 2022	Union Gas	South/West	Group One: 6 / Group Two: 5

Methodology | In Depth-Interviews [3/3]

- A total of 20 in-depth interviews were held with small and medium-large businesses between July 6th and July 25th. Interviews lasted an average of 45 minutes and were conducted on Microsoft Teams.
- Sixteen of the 20 interviews were conducted by Brendan Frank (Senior Consultant at INNOVATIVE), while the other four were conducted by Olga Rodriguez Sierra (Director at INNOVATIVE).
- Potential participants were recruited via an email invitation from INNOVATIVE. This allowed the invitations to give background about the interviews and to ask to be referred to the most appropriate person to participate—that is, a person in the organization who makes decisions regarding the use of natural gas.
- In appreciation of their time, a $100 donation was made to a charity of the participants' choosing.

The breakdown of in-depth interviews is shown below.

Rate Zone	Size	# of Participants
Enbridge Gas	Medium-Large	4
Enbridge Gas	Small	6
Union Gas	Medium-Large	5
Union Gas	Small	5

Key Findings | Context

Context: Residential Customers

Most residential participants do not look at their Enbridge Gas bill closely from month to month. It is worth pointing out that almost all participants receive their bill electronically. Many simply look at what they owe and pay it without further consideration. Others will take a closer look to find the cause of a noticeable increase, or perhaps to do a quarterly review for budgeting purposes.

For many, looking at the current charges for natural gas on a sample Enbridge Gas bill was new to them. In several groups, there was a lack of understanding of the Customer Charge and confusion between the Delivery to You and Gas Supply Charge. Several remarked that the word “supply” implies delivery rather than consumption. Most wanted to be able to access a description of each line item, whether it be on their paper bill or accessible on their e-bill. Some mentioned www.enbridgegas.com as a source of such information, but the general preference was for a more “at your fingertips” option.

Context: Business Customers

Unlike residential customers, most business customers do look at their bills closely every month.

In other ways small business responses closely resembled those of residential customers. They tended to focus on the bottom line. Bill literacy and understanding was fairly low for small businesses, even among those that look at their bill monthly. Most do not pay close attention to the line items or other details on their bills.

For some of these smaller businesses, there was confusion around the current charges, particularly the customer charge, the transportation charge, and the cost adjustment. However, there was mixed interest in learning more about the bill. Several customers held the view that since they do not have a choice but to pay their natural gas bill, it was not worth investing any additional effort or time to understand it in greater depth.

Many medium-large customers indicated that they have a person on staff dedicated to energy management or invoice analysis. As such, these organizations are more likely to break out each line item in their bill and look for changes month over month. Bill literacy and understanding were much better among medium-large customers, though this was not universal. Several mentioned enbridgegas.com as a resource. Others said they found the website unhelpful given that most resources seem tailored for residential customers.

Key Findings | Bill Presentment

Reaction to Simplified Bill

Response to the simplified version of the bill was generally favourable for both business and residential customers. Many welcomed a simplified, streamlined approach. The main caveat is that just as some participants expressed a desire for descriptions of the line items on the current bill, they would also like the same for the simplified version.

In one focus group, a participant suggested that the Gas Supply Charge should appear before the Delivery Charge, as on the electricity utility bill. Others in the group agreed with this suggestion.

Learning that the simplified Enbridge Gas bill reflected the OEB's requirements for electricity bills was generally met with indifference among both residential and business customers. In a few cases, participants suggested the electrical utilities should change their bills to match the breakdown on the current Enbridge Gas bill.

Many customers who typically just look at the bottom line don't have an opinion one way or the other when it comes to how much detail is shown on their Enbridge Gas bill.

There were some suggestions related to combining Customer Charge, Delivery to You and Transportation to Enbridge into a single Delivery Charge:

- Some residential customers felt that it didn't make sense to combine the Customer Charge with the other two charges once they learned that it is currently a fixed charge, while the Delivery and Transportation charges are currently variable.
- When the simplified version of the bill was revisited after discussing options for how to charge customers for those costs, a few residential participants suggested that if Enbridge Gas proceeds with the Two-Charges option, the Customer Charge should remain a separate line item because it is fixed and not within their control. Whereas with conservation efforts or electrification, customers can monitor the decrease or increase in their yearly Delivery/Demand Charge over time.
- Some residential participants were concerned that combining the three existing "delivery" charges highlights the fact that they are paying more for delivery than they are for their gas consumption, which does not make intuitive sense to them.
- Some business customers suggested that combining charges was a way for Enbridge Gas to conceal new charges or collect more money from customers.

Key Findings | Rate Design

Gas Supply Charge

While it wasn't a focal point of the customer engagement, the lack of mark-up on natural gas was new (and welcome) information for many residential participants.

The lack of mark-up on natural gas was also new information to a few business customers. Many felt the name of the line item on the bill was confusing. Alternative suggestions included "commodity charge" or "gas usage".

Recovering Fixed Costs with Fixed Charges

Most residential participants agreed in principle with the practice of recovering fixed costs with fixed charges, though some preferred variability wherever possible. Informing participants that the OEB had instructed electrical utilities to take this approach starting in 2015 had little to no impact on how they felt about Enbridge Gas adopting a similar approach.

Most business customers were open to recovering fixed costs with fixed charges. Some were highly enthusiastic about this proposition, noting the benefits of forecasting. Some preferred variability wherever possible, feeling that this was a fairer approach that offers more incentive to conserve natural gas.

Key Findings | Rate Design

One Charge or Two (or the Status Quo)?

The proposed One-Charge and Two-Charge approaches both offer month-to-month predictability that the current variable charges do not. For some residential customers, this was appealing. Others prefer the status quo because every customer pays for what they use, and if they want predictability they can sign up for equal billing. Unlike the discussion of fixed charges for fixed costs, business customers were less likely to identify month-to-month predictability as a benefit.

Some residential participants initially liked the simplicity of the One-Charge approach. Residential customers were prepared to risk paying more than they might if their Demand Charge was based on their own peak demand (per the Two-Charge option). However, these views changed when participants learned that customers who use far more or far less natural gas would pay the same amount as the average residential customer. There was also concern that those with a lower income should not have to pay the same amount as those who can afford to live in larger houses that would tend to use more natural gas.

Many residential participants initially struggled to understand the Demand Charge in the Two-Charge option, but once they understood it, most felt it was fairer than the One-Charge approach. Some participants felt the Two-Charge option left them with some control in terms of lowering their Demand Charge year-over-year if they make significant efforts to reduce natural gas consumption.

Business customers were quite evenly split in their preferences for the One-Charge, Two-Charge, or Current approaches. Most gravitated to the system that they believed would offer them the greatest financial benefit, though some customers were mistaken about what rate class they actually belong to. Some participants initially liked the simplicity of the One-Charge approach. Others viewed the Two-Charge option as fairer because larger peak users would tend to pay more. A few business customers like the current approach because it is the most responsive to their efforts to reduce their natural gas consumption. Many of these customers offered the Two-Charge as their second choice. There was no clear favourite.

Key Findings | Communicating Changes

Why Change?

Several residential participants wondered why Enbridge Gas was considering making any changes, and there were some skeptics who felt it is an attempt for Enbridge Gas to get away with charging customers more by providing less transparency. The fact that the changes Enbridge Gas is considering mirror the directives given by the OEB to electrical utilities did not, for most, justify the changes. For those participants, it was a simple matter of "if it ain't broke, don't fix it". For some, this fear was addressed when shown examples of the different options that showed the total average cost remained the same.

Some business customers were particularly skeptical of utilities and the rate-setting process. Those less familiar with their bills and the natural gas system tended to be more wary of combining charges. In a minority of cases, some were angered by the discussion of changing the bill. A few suggested the change was an underhanded way to hide new costs. Others suggested this change may offer some financial benefit to Enbridge Gas and did not see a benefit to the customer.

Communicating Changes to Customers

Should Enbridge Gas decide to proceed with any changes to its bills or how it calculates customer charges, participants generally felt that the utility should communicate such changes to customers in a way that is most likely to get their attention. Some felt a newsletter sent in the mail would be most appropriate as it would reach all customers, not just those who receive a paper bill, and it would be more likely to capture the attention of those on e-billing. Some business customers said a letter would be insufficient, as they generally throw away mailers and fliers. Others felt that the mode of communication should match the form in which customers receive their bill. Participant responses suggested a need for active communication of any changes. No participants felt that a notice on the Enbridge Gas website would suffice.

INNOVATIVE RESEARCH GROUP

Bill Presentment

Current Enbridge Gas Bill [1/4]

Overview: Most residential customers do not typically pay close attention to their bills. Small business customers tend to look at their bills less carefully than med/ large business customers. Most small businesses view natural gas as an expense like any other, with little consideration for anything other than the total at the bottom of the bill. Some larger business customers are rigorous with analysis of their bills, and many have a dedicated employee who looks at utility costs.

Little attention paid, with some exceptions

"I just look at the end monthly costs, I might look at the individual items, maybe once a year." –EGD Other Residential

"I get the email. I look at the balance showing. And then it's electronically paid. So, I haven't looked at a bill in the last 10 years, frankly. Providing that the balances appear reasonable and consistent with the past, I'm happy." –Union North/East Residential

"If by closely you mean the bottom line, I look at it pretty closely, I kind of just skim the rest of the email until I see what the cost is. But I look at that every month." –Union South/West Residential

"I know that there's a lot of different breakdowns on the bill. But I also know I have no control over any of them. So I don't really pay attention." –EGD Small Business

"To be honest with you, after seeing [the bill] one or two times, you give up. There's nothing you can do. You just have to live at their mercy, more or less. This is my strong word for it." –EGD Small Business

"To be honest, now, when I get my monthly bills, I just look at what was being charged. I don't go through it by line by line anymore." –Union Small Business

"Knowing that we can't change anything, we do track everything. I have a spreadsheet that somebody sends to me monthly that tracks all of these costs and our cubic meter usage. So I do quite a bit of analysis on it and have obviously also been watching the carbon charge." –Union Med/Large Business

Current Enbridge Gas Bill [2/4]

Overview: While most customers do not typically pay close attention to their bill, some review it for comparison across months and occasionally years. This is more common with business customers who keep close track of expenses.

Looking for changes

"Yes, I sometimes look at it because I've found differences with estimated numbers. And sometimes it's a big difference with the real number." –Union Central Residential

"I'm on the monthly payment plan. So nothing has changed. And about every three months, I'll see how I'm doing against that budget plan, and look for any anomalies." –Union South/West Residential

"Yeah, I review it. And I've actually monitored over the years too, so I know the highs, the peak and the lows." –Union Central Residential

"I look at the charges daily. I'm always looking at bills, the changes, doing something with them. I see them on a regular basis." –EGD Small Business

"We've been in the space for less than a year, so we're still in the very early stages of going through the year and figuring out what our pattern of gas use will be over the course of the different seasons." –EGD Small Business

"I take a quick peek at them just to see if there's any anomalies, but it's very superficial in some ways." –EGD Med/Large Business

Current Enbridge Gas Bill [3/4]

Overview: Both business and residential customers were generally satisfied with the level of detail on their bill but expressed a lack of understanding as to what the charges actually are, often reporting confusion about the customer charge, the gas supply charge, and the cost adjustment.

Lack of understanding

"I see this every month, but I don't know what a lot of these things are. Like a gas supply charge. I don't know what that is. Because we've already paid for the gas with the customer charge." – EGD GTA Residential

"I don't really know what I'm looking at, like, I understand obviously, what the words mean, but like, in terms of the service they provide, I have no clue." – Union Central Residential

"When you look at it and say, well, there's a delivery charge, there's a supply charge. For me, that sounds like it should be the same thing, right? And then there's the customer charge. So it looks like there's multiple ways of saying similar things and then there's just values for it." –Union Central Residential

"I have no idea why there's a cost adjustment, to be honest." –EGD Small Business

"There are storage charges, transportation charges… the gas comes through a pipeline that's been there for 20 or 30 years. That hasn't changed. I wish they'd just say your gas bill was $200 this month, and that's it. I don't need all the other stuff… why don't we just get a bill for gas?" –Union Small Business

"I don't find there's enough information about what that cost adjustment is and why it's made." –Union Med/Large Business

Current Enbridge Gas Bill [4/4]

Level of detail

"I think detail is great. But if nobody understands what the detail means then it's kind of irrelevant." – EGD Other Residential

"To me, it seems okay. It'd be nice to know what each one actually means. Like, what is a customer charge? Is that the actual cost of the gas or is that something else?"— EGD Other Residential

"I like the amount of detail but I feel like it could have even more because even amongst us there has been a bit of confusion about what charge is really for what, so if there could be some distinction between what the charges are, that could be helpful for some people." – Union North/East Residential

"I actually really like it, because instead of just seeing one complete price, I like how it's kind of broken down so you can kind of see what portions went towards what part of it." –Union North/East Residential

"I guess it's about right. The truth is, I just scan right down to the bottom when I look at it, I honestly don't think I've ever looked at those line items before. But I mean, looking at it now, it is nice to see that detail if you cared to do that." – Union South/West Residential

"It does seem a lot. It's like, 'Okay, there's a lot that goes into this bill.' I'd like an explanation somewhere that told me what made up the delivery, and the supply, but I think simpler is better." –EGD Med/Large Business

"Like I said, I don't understand why we pay some of those charges. They're breaking it down, but to me, we're just a customer, right? It should be a direct, buy-one price." –Union Small Business

New Enbridge Gas Bill [1/6]

Overview: Most customers preferred the new bill, motivated by simplicity. Even if they preferred fewer line items, some still wanted information on the charges without having to expend too much energy looking for them. Some customers favoured the detail of the current bill, reporting a sentiment along the lines of "if it ain't broke, don't fix it."

Prefer simplicity

"I think the simpler one is better actually. I don't think I get that much from more headings. I mean, my initial comment was that the headings weren't that meaningful to me anyway." – EGD GTA Residential

"It's not as overwhelming as the other ones. More simplified." – Union Central Residential

"Even though I said the other one needs more details, I do like the simplified version only because I feel like there's less questions that I have when I look at it. I just kind of accept that." – Union Central Residential

"This does simplify it, so for someone like myself, you can look at it and say okay, it was costing me this much for the gas. So, in this case for delivery, and then you've got your carbon charge. So, it simplifies it a fair bit." – Union Central Residential

"I prefer this. It doesn't seem so overwhelming." – Union South/West Residential

"I like it. It's simplified in my mind. Even on the other bill, that delivery charge to Enbridge and Enbridge to me, I'm still paying the same thing when you add those two lines up. It made no difference, right? It doesn't make it any cheaper or not. It's going to be the same price whether up or down." – Union South/West Residential

"Seems a lot less confusing and scary, more straightforward." –EGD Small Business

"I don't see why I would need all that extra information about the bill, because I can't control it. At the end of the day, most people don't want to know how you cook the chicken, we just want to know how the chicken tastes… things that we can control, that's what I need to see." –Union Med/Large Business

New Enbridge Gas Bill [2/6]

Note: Some residential customers who liked the simplified bill expressed an interest in more detail or description of what the charges actually cover. This view was somewhat less common among business customers, but still present.

Like the simplicity, but want an option for detail

"I like to see detail. But, I mean, I do like to look at the simpler invoice just for quick reference. But I would like maybe if I can see the simple one on my billing, but then have the option to click to see more detail if I want to on those specific areas." – EGD GTA Residential

"I like it a lot more. Just wish the detail like the delivery charge are changed to more, I guess, descriptive labels. Once again, I'd like to see, a footnote at the bottom of the bill." – EGD Other Residential

"I understand it better. I would still like an explanation of why I'm getting charged 50 bucks to get gas delivered to my house. But if it's one or the other, I prefer this one over the other one." – Union Central Residential

"I guess since I didn't completely understand the charges on the previous bill, this makes more sense now that it's broken down into literally just the three pieces that deal with it: what I used, what it costs to get to me, and then, of course, the federal government's portion of it. So to me, this is simple, but [...], if different things make up the delivery charge, and only one of those pieces of the delivery charge changes, how do we know? I mean, I like this, it's simple, it's clean. But again, so long as we can understand when it changes, what is involved in the change." – Union South/West Residential

"Speaking in more layman's terms, I would say that a customer charge is kind of generic. There isn't too much detail as far as what that entails considering there's six other charges on there as well. So having something just called customer charge without an explanation is could be misleading for most people." –EGD Med/Large Business

"I guess for those who are unaware or don't care, that's fine. But I would just want more detail somewhere." –Union Med/Large Business

New Enbridge Gas Bill [3/6]

Prefer current bill

"I'd like the original bill, just leave it as is. It's just a little bit clearer. It's a little bit more itemized." – EGD Other Residential

"I personally prefer the old version; I like to know how the cost is breaking down. So if I had just the delivery charge where it was like that $52, I would want to know what is incorporated in that." – Union North/East Residential

"I personally prefer the previous version. If there's going to be a large fluctuation in price between one of the categories on the previous bill, I might have more information about where that fluctuation is happening. But if it's all combined in the delivery charge line, I don't have as much information to start with when I inquire." – Union Central Residential

"I definitely liked it better when it was broken down into more specific things. Because now when you're combining charges, but keeping it with the same name, it just seems like you're hiding a charge." – Union South/West Residential

"The number of charges is very reasonable. It's actually a lot less than compared to a lot of the Alberta utilities. We don't find the number of charges on these bills to be excessive... Having the customer charge rolled up, that's something that we would want separate, because it's always good to know what kind of standard fee that's being charged by the utilities." –EGD Med/Large Business

"I think it's good. Like it gives you the exact breakdown of how they came up to the number." –Union Small Business

"Probably the more detail, the better. People nowadays are really concerned about what each portion is getting them." –Union Med/Large Business

"My initial comment would be now I'm scared, skeptical, right? Why do you have to combine them? At least before I could be watching and making sure that things were in line, but now you're just moving to one big pot. So I'm a skeptic in terms of how these are being charged." –Union Med/Large Business

New Enbridge Gas Bill [4/6]

Note: Some customers expressed concern over a higher delivery charge that combines certain costs. Concerns fell into two broad categories: the amount of the new Demand Charge (more common for residential customers), and the lack of transparency related to the new line item (more common for business customers).

Transparency

"If they switch to the simpler one, a lot of people are gonna see an increased cost on a certain thing all of a sudden not realizing that they combined stuff." – EGD GTA Residential

"[It] draws my attention to the delivery charge, and I would question that. Will it change anything? I would doubt it, but I will be upset looking at those numbers month in and month out." – Union Central Residential

"I do I like the old bill, I prefer to see the breakdown. I also don't like, it also just sort of shows a bit more blatantly, that I'm paying almost double in delivery fee for my actual usage. So from a number perspective, it's nice to see smaller numbers next to my actual usage versus it all into one." – Union South/West Residential

"I mean, I'm fine with it. But at the end of the day, there's still all them [sic] charges. They're just hiding them." –Union Small Business

"I don't want to go to have to go somewhere else to get the information. I just want it on the bill. Like it was simple. I don't like having to go search for it. I just want it the way it was. To me that's more transparent. It's the information is all there. Why not do that? Why dumb it down?" –Union Med/Large Business

New Enbridge Gas Bill [5/6]

Building understanding

"I think I mostly care about the end result, the final bill, but it would be kind of nice to have on the back of the bill, a descriptor of each of those items. Just because I would imagine people have questions about them." – Union North/East Residential

"I think I'd rather see it on the actual statement. I think just from a usability perspective. Not everyone is proficient with computers enough to go to the website. If they're receiving a paper bill, then it's probably easier for them just to look at the bill." – Union Central Residential

"My basic question here is last year, we were using 16 cubic metres. This year, 11 cubic metres. But it does not really tell us dollar value of that. We are not here a corporation with 20 accountants working in it that can dig out everything. It's like a family business, one guy looking after everything. He doesn't have time, right? Let me put this way. Sure, big corporations, they want to see their $50,000 bill for the gas. They have reason to find out what is happening, why it is like this. When my bill is only $300, how much I can really dig into it? Why does it make sense for me to spend two hours on that?" –EGD Small Business

"I don't think having all of those charges adds any value. In fact, it just opens a Pandora's box to questions and speculation as to, you know, are these really valid? Delivery and supply? Seems to mean the same thing to me. I'm not sure what the distinction is. Should be on the bill itself." –EGD Med/Large Business

"It should be enough for the normal guy. For me, I'm a little bit more of a detail person. I don't know if it's if there's any way Enbridge can solve it, but there is no mention of exactly how much the meter is. There is no meter reading on this bill. I don't see any place where it says the meter reading this month and the meter reading next month." –Union Small Business

New Enbridge Gas Bill [6/6]

Building understanding

"I'm not sure if it's feasible, but if we're downloading them from the online site, if there's some sort of like clickable link, that brings up some sort of definition or, like, a breakdown in customer-friendly terms." –Union Central Residential

"You could have an 'i' that stands for information somewhere after delivery charge, and if you hover the mouse over that you see what delivery charge means actually to you or as footnotes on the same page if it's a printed invoice." –EGD GTA Residential

"I think if, like, for people who do like to see the older version if this one came out, there should almost be like a drop down box or something that would give you that information. People who just quickly skim over it, they can just look, but if you want more information, then you can click the drop down, and it will show you the breakdown." –Union South/West Residential

"Whenever I talk to customer service agents and ask 'Well, where's this particular policy?' … There's information for homeowners, but nothing for commercial? There was nothing they could point me to online. So yeah, in general I don't think the website is great." –EGD Small Business

"If [the details on the bill] were easy to find on the website, I would. I rely on the website a lot." –Union Small Business

Note: One residential customer made a suggestion regarding the order of the line items, and the rest of the group agreed:

"Can we put the gas charge above the delivery charge? […]The gas is the actual product that we're purchasing. The delivery charges. […] It's kind of like, you know, if you buy a pizza, there's a total for the pizza, and then you have your delivery charge after in the sense that your product is going to be the top thing you look for." – Union Central Residential

Gas Bill vs Electricity Bill [1/3]

Overview: Most residential participants appreciated the more simplified and streamlined approach to their bills that aligning gas and electricity charges offered. The remainder reported mostly indifference. Some cited a preference for increased detail and differences in what they look for on the bills. A few were opposed based on concerns over combining fixed and variable costs into a single line item, and some preferred the transparency of the current Enbridge Gas bill.

Streamlined

"I think it makes some sense, because almost everybody's going to have both gas and electric. It makes it more digestible and more easily consumable for a wider variety of audiences if they look similar." –EGD Other Residential

"I like the idea of like the continuity between, like, going in this direction, just because I think consumers kind of pair the two together a lot and to have more similarities might make it easier for understanding." – Union Central Residential

"Well, I like the simplified version, and, like, aligning it with the same as the electricity style bill, only because it just kind of streamlines things for people. But I agree, it might raise more questions when you don't have all the information. And people don't like change. So it could be an adjustment for sure. But I do think there's a good call for simplicity when it comes to our bills. And either way, it doesn't change the final amount that we pay." – Union North/East Residential

"I feel like it makes it more understandable for the consumer if they see things that they can understand across the board and make it easier so if they see just a delivery charge on both bills, instead of having three different charges, […] that could make just more consistency and just more understanding." – Union North/East Residential

"I think you wouldn't have to spend as much time trying to go through the detail of it. You know, because you pretty much know where you should be looking, as opposed to the two different bills and trying to figure out the difference of the two. So, it'd be just to simplify where you're going and what you're looking for, and, you know, less time." – Union Central Residential

Gas Bill vs Electricity Bill [2/3]

Different bills

"I like the way that the electricity bills are laid out right now, you know, we can see the off peak and on peak charges and the consumption that we have for each level, the prices for each level. But I don't think that really matters with the gas because there isn't different price tiers for the gas. It's a standard price regardless, so I can't really compare the two like an apple to apple kind of thing." – EGD GTA Residential

"I'm happy with two approaches, as long as I understand what each line item is." – EGD GTA Residential

"I still think it's the more intelligent choice to break it down for everyone, as opposed to follow the other company. Just because they're not doing it doesn't mean everybody's company should follow suit." – Union South/West Residential

"I don't care what it looks like to be honest, I only care about the impacts to my to my bills." – EGD Other Residential

Note: A few residential participants expressed concern over fixed and variable costs being combined into one line item as on the electricity bill and made the following comments:

"Having seen the explanation at the bottom box, how the customer charge is fixed, I don't agree. I don't think that should be put in the same space as delivery as a delivery heading, because it affects customer charge and does not explain to me my consumption. This is just what you're charging me for being a member or having to have gas from Enbridge. But it does not talk to me about the variability of my consumption, or the delivery charge that can change by month. And so I don't know if customer charge under delivery would be the most telling of what it is." – Union Central Residential

"Because the two ones on the bottom there are variable, I think it's good to have them apart so that, you know, based on your usage while you're paying more or less." – Union North/East Residential

Gas Bill vs Electricity Bill [3/3]

Note: Most business customers were entirely indifferent to aligning their electricity and natural gas utility bills. A few smaller businesses saw some minor benefits to aligning the bills, but these were not strong preferences. A few were surprised that the Ontario Energy Board did not already require utility bills to look alike.

Indifference

"From a visual perspective, understanding intuitively where things are placed on a bill, how the information is presented. Really, that to me is the main benefit of having electric and natural gas utility bills look similar. Yeah, I don't necessarily have an opinion either way." –EGD Small Business

"We'd look at them as different utilities. I don't think most people know whether that's regulated by this board or that board. We both know their consumption. We know they're both consumption bills. The more you use, the more it's going to cost. And we all feel a little helpless that we don't have any impact on what those things are going to cost." – EGD Small Business

"To be honest, the breakdown is not really important to me. I need to be able to extract how much I owe for the bill and I need to immediately be able to extract the amount of the HST because a portion of the HST is recoverable for me as a charitable organization. [The number of charges is] fine. I wouldn't want to see more. But, I mean, the bill is what it is. I gotta pay, it doesn't matter where the charges came from, to be honest." –EGD Small Business

"To me, I see very little point in comparing the two for what I'm doing, for my needs, because they're completely different functions." –EGD Small Business

"I don't see a benefit, but I would think that [the Ontario Energy Board] should be telling both utilities how to present it to the customer." –EGD /MedLarge Business

"It's not going to impact anything for me." –Union Small Business

"I can't see how that would make a big difference… but I think simpler is generally better." –Union Small Business

INNOVATIVE RESEARCH GROUP

Rate Design

Network Connection and Capacity [1/4]

Overview: Both business and residential customers were divided in their consideration of these types of charges. Some residential customers believed the connection and capacity charges were different enough to warrant both fixed and variable charges wherever possible. Others believed that if Enbridge Gas knew what it would cost, and as long as it was calculated fairly, fixed charges would be the simplest option. Many offered alternative names for these costs.

Different and varied

"So for example, the natural gas storage, it's under network capacity, I would think that should be a variable cost based on consumption, because if I consume 10 times more than [another customer], then for me, Enbridge should build the largest storage capacity." – EGD GTA Residential

"Well, the seven factors are line items and the network connection are available equally to every customer. Or they receive a service, each customer receives the same service. So the cost of that is fixed and notionally should be borne equally amongst all of the customers. Whereas the other four because of volumes, that volume of use dictates how much of the storage space you need, how soon the pipeline has to be replaced, and all of those things. And so volume is very much at the essence of the cost. And I think that's exactly why it can't be treated as a fixed cost and divvied out to everybody, because then you would end up with those who use the least and, most likely, the least capable of paying more, being charged more in order to subsidize those who use the greatest volume." – LUG North/East Residential

"But think, well, network connection says fixed costs, the network capacity can vary. So would they really be able to combine them and treat them as the same when one's fixed and one varies?" – LUG North/East Residential

"So if I pay based on what I use, then they want to go to just fixed with everybody, who's to say I'm not going to pay more for it?" – Union South/West Residential

Network Connection and Capacity [2/4]

Fixed

"So it sounds like Enbridge knows how much it costs them to build the, let's say, the infrastructure for peak capacity. And so that cost doesn't change. And so, if you know what that total cost was divided by the number of customers, that kind of makes sense to me. So I don't see how the variable from like, from the low period to a peak period, it's a fixed cost, the cost is what it cost to build that infrastructure." – EGD Other Residential

"If the costs are already fixed, then they know how much it's going to cost. Why not just charge the customer the fixed amount as well? So then it's not changing." – Union North/East Residential

"I think the category makes sense. Your network connection fees are kind of like your overhead costs. Your network capacity is more just the actual production capital that's involved in in getting the gas to customers. So I think that makes sense. But when people want to know more than whether, you know, this is just a fixed cost or even to break it down in those two categories. I don't know if there's value there." – Union Central Residential

"Yeah, for gas, it doesn't matter how big your house is, but so long as the service it takes to support me is the same, then I don't object to having the service divided equally amongst us." – Union South/West Residential

Alternative names

"Maintenance as the network connection, because my understanding is that that's exactly standard service, which we're paying for the staff, which needs to happen every year. So we get the gas to our houses, like maintenance of them, like gas meters needs to be changed. That kind of stuff." – EGD GTA Residential

"Infrastructure charge?" – EGD GTA Residential

Network Connection and Capacity [3/4]

Overview: Some business customers really liked the idea of more fixed costs, noting that this would help them with forecasting. Others, mostly small businesses, were interested in keeping more variable charges because they want a fairer system that rewards them for conservation efforts and forces customers who use the system more to pay more. Others wanted assurances that any savings associated with a new approach would be passed on to them. A few wanted to understand the financial impact of fixed vs. variable charges on their business before expressing an opinion.

Fixed

"Fantastic. They're making a lot of sense by doing this. You don't know how complicated and annoying it is for commercial entities to forecast cost when they themselves don't know what they're going to use. To calculate a month of natural gas consumption, you'd have break out the gigajoules into the variable-based consumption model that they're using. And it takes a lot of time. So utilities inadvertently are making it complicated by using that approach. On the forecasting side, I understand there's going to be challenges associated with that fixed approach, but I think it makes the bill more simple to understand, easier to replicate for the business, and easy to forecast." –EGD Small Business

"If they're looking to take all those variable costs and turn them into fixed costs, I would just be concerned as a customer that I'm overpaying every month. If maintenance is good, and there's no maintenance that month, then why am I paying part of a fixed costs for maintenance?" –EGD Med/Large Business

"It's hard to budget when you're whatever small business or schoolboard or a residential customer. So it does help, I think, give us as consumers a more budget-specific amount to look at." –EGD Med/Large Business

Excellent. I think that's the way it should be. If you can predict it with accuracy then let's bill on a fixed basis. And for the variable component, I understand there'll be a reconciliation, and that's fine." –EGD Med/Large Business

"For budgeting, it would be more useful to have a fixed charge. And sure, there would be some overages or underages [sic] for the costs of the system, but it should for the most part be fixed. So I'd be okay with that." –Union Med/Large Business

Network Connection and Capacity [4/4]

Different and varied

"That doesn't sound great for me because I'm a low user. So I'd much rather have something pegged to gas usage because that's what I can control and I can always decide to heat my space less or more to save money versus a fixed cost I can't control." –EGD Small Business

"So I wouldn't see moving to more fixed charges an enhancement. I would say it made it more confusing… Like anyone else, what we're mostly interested in is how we can reduce our bill." –EGD Small Business

"I don't think you ever should be fixed. Like I said, it should be based on percentage used." –Union Small Business

"The thing is, the user is not in control a lot. Because if you get a month in December that is really, really cold, the user can't just turn their furnace off. So I understand what you're saying, the capacity has got to be there for peak times. That might be peak for a lot of different people also, like if everybody's got a poorly insulated house, then it's going to cost everybody. They're going to all have greater demands for gas at a certain time of the year. So yeah, you're saying should we treat these things differently, when they charge it to you? Yes. When you charge it to us, they should charge it differently." –Union Small Business

Unsure

"Does it favour or not favour the big guys? It needs to be fair." –EGD Small Business

"What kind of impact would that have on my bill? I'd have to see it in action to really pass judgment." –Union Small Business

Cost Recovery
One Fixed Charge [1/2]

Overview: Through the exploration of the different methods of cost recovery, residential and business customers expressed a range of views and named various motivating factors for their preference. Business and residential customers who preferred a single fixed charge were driven primarily by a desire for simplicity, especially since the difference to the average bill did not seem overly significant, and a sense of fairness would be achieved by sharing the cost across users.

Simplicity

"I think I prefer though, one charge because it's more predictable. You can always count on having paid the same. Well, at least on that one part every month." – Union North/East Residential

"I do notice those adjustments sometimes. But I haven't noticed them to be very significant. I just take them as part and parcel of the bill. And, just as other people have said, I'm not sure there's a better method of calculating the charges. So, and the thing too, is like, the more granular, for lack of a better word, that you get with, you know, how much you're exactly charging people, the more money it costs us anyway, in administrative fees. […]. To me, the differences that end up on your bill, whether it's plus or minus, are not that significant." – EGD GTA Residential

"I would probably prefer one charge to keep things simple, right? As opposed to the two charges, because I guess unlike electricity, there is no use per or peak usage everyday that I can control."— Union Central Residential

"I just feel like it's simpler and probably easier for me to manage, than if it fluctuated too much, if that makes sense." – Union North/East Residential

"Demand can change significantly depending on business needs. I think a one charge approach, it's the most simple approach, I think, and easily understandable by everyone." –EGD Small Business

"In keeping with the simplicity theme, I would just go with the one charge." –EGD Med/Large Business

Cost Recovery
One Fixed Charge [2/2]

Note: The theme of balance was much more common among residential customers. Very few business customers discussed this idea of treating all customers equally.

Balance

"So the one charge makes more sense to me. Because I think it's a fair approach across everybody. And I think if we look at people who are on fixed income, whether that's because they're low income or retired, they may end up needing to use more gas through no fault of their own. And the one charge kind of insulates them from a higher bill by spreading it across everybody." – EGD Other Residential

"As residential, you know, everybody's paying the same. What they're doing is they're supporting the network. Work is very expensive. And I think everybody should pay that share of the network." – EGD Other Residential

"We like to keep our house warm, we have a younger child. So obviously, we don't want to freeze out our kid. So [the one charge option] would be better for us, I would think because it's going to be balanced out by lumping us in with everybody else. Whereas I think if we wanted to keep our costs low, the two charge would be better, because, you know, it's based on our individual consumption on peak day. I think it just depends on each – I mean, for us, the one charge is better, I think, based on how I'm understanding it." – Union North/East Residential

"We have a lot of days that are minus 40. So I tend to use a lot of gas in the winter, even with a woodstove to try to offset that. So I think, I don't know, for me, I think having the fluctuating costs could be a little bit scary to me. I'd rather the one charge, I think." – Union North/East Residential

"I think one charge is probably more democratic in some ways. It's kind of making sure everybody goes under one umbrella and allows some equity of sorts, more equal." –Union Small Business

Cost Recovery
Two Charges [2/5]

Fairness

"The two charges seems to be better, because one person could use a lot more than the other person. So why should they be being charged the same?" – EGD Other Residential

"If you live in a 1500 square foot bungalow, you're gonna use a certain amount of gas. If you live in a 5000 square foot mansion or whatever, you're going to use more, right? You go to the one charge that's going to average out, but it's actually going to benefit the person who lives in the mansion, because it's averaged on the lower side. And the person who lives in the bungalow is actually going to pay a little bit higher because that's the way everything averages out with the one charge. Am I right in saying [two charges] is a little bit more fair? Because the bungalow person is going to be paying for what they use on their smaller square footage compared to what a larger household would have just in general." – Union Central Residential

"Based on what you've said, the fact that the current charge is a little more fair, that matters more than the simplicity of the one charge." –EGD Small Business

"Likely, it would hurt us. But probably it should be based on the use of customers. Somebody else shouldn't be potentially subsidizing me." –EGD Small Business

"I think it's more fair. If you have a 6000 square foot house as a residential customer, or you have a 1000 square foot house, I would think that those charges should be different. It'd be the same for industry, right? If you're a huge user of gas of natural gas, then you can absorb the costs more than a smaller user." –Union Med/Large Business

"The two charges would be preferable in my opinion. Every customer pays the same regardless of how much they use on a peak day? I don't agree with that. You should you should pay for what you use, right? If I'm running three furnaces, a generator, a pool heater and everything else, should I not pay more than the person beside me?" –Union Med/Large Business

Cost Recovery Two Charges [3/5]

Incentives

"I think it will make people make more responsible decisions of being, you know, more efficient with their home and their use of their natural gas costs as well, if they see that they're using too much. If it's too expensive, then they should see what the real cost is that they're incurring." – EGD GTA Residential

"The two charges one seems fairer in the sense that you get a reward, in effect, if you do things to make your house more environmentally efficient, and so on. So there's, you know, there's a reward built in for that." – EGD GTA Residential

"I think the two charges is good. It encourages, like, reducing your usage and being more environmentally friendly by saving you money." –EGD Other Residential

"To me, the more charges that can be put into a variable, the better from my perspective. I think also, when people can see that they can have a direct impact in terms of what they pay on a monthly basis by reducing their consumption, there's an incentive. If you have more charges that are fixed, there's less of a sort of, 'oh, well, I can make a difference here in my bill.'" —Union Central Residential

Control

"If I've suffered all year, then two charges is better, because hey, I'm gonna have some control built in that demand charge now." – EGD Other Residential

"I think two charges might give me more agency to reduce or watch my consumption of natural gas." – Union Central Residential

"I think I would probably go with the two charge. Personally, […] because I know, we watch our numbers for our consumption with both electricity and gas. Because especially with, like, the additional charges of the carbon tax and stuff like that, the only way to really help is just to keep consumption down. So, the two charge I think would be better, even though it's still the same as one charge, you can try to help control it a little bit." – Union North/East Residential

"Two charges seem fair, gives you some control. The savings is not that significant, but at least you see some return on your investment." – EGD GTA Residential

Cost Recovery Two Charges [4/5]

Note: Some residential customers who supported the Two-Charge option commented that they would like to see this broken down on their bill, similar to the concerns customers had with the combined fixed and variable costs when discussing line items. They made the following comments:

Transparency

"If it's all fixed, give me one line. Let's say, 'delivery charge (fixed cost),' like we know that's it. If they're going with the two, with fixed and variable, then 'delivery charge fixed,' 'delivery charge variable,' then I'd be satisfied. Okay, then I know what the fixed charges are and I can calculate in my head, you know, the delivery charge variable based on my usage." – EGD Other Residential

"From my perspective, I want to see the broken down numbers on how that charge is determined. Even if I know that it's the same each month, I still want to know how they came to that total charge." – Union North/East Residential

"Even though you're paying the same amount all year, it would still be nice, just to see it broken down. And then when next year rolls around, you can kind of see how the prices compared to the previous year, like kind of the fixed rate, see if it did, if that part changed at all, and then the variable rate, if that changed at all, because if you group it all together, then it's hard to decide if your usage affected it or if it was just the fixed rate that changed. That would just be nice to kind of see how it continues on throughout the years and how it changes." – Union North/East Residential

"Well, if you're going to go with the one price one, then it's the same for everybody. So that point, it doesn't matter. Because, you know, everybody's paying the same. If you're gonna go with a two step one, then yeah, I think it's worth it because you want to see what it is that you're getting." – Union Central Residential

Cost Recovery Two Charges [5/5]

Note: Many business customers solely considered the impact of the cost recovery model on their bottom line and considered all questions around their preferences in this context. Some larger businesses tended to prefer the One-Charge over the Two-Charge for this reason, while small business customers tended to prefer the Two-Charge over the One-Charge.

Bottom line

"A lot of this is an internal Enbridge thing. I understand the point of the survey that they're required by law to do these things before they can submit for increases to Ontario Energy Board. That's fine. But I use direct withdrawal and it just goes out of my bank account. I don't have an option. And then if I see my account, and it says $411, I make a mental note, put another blanket on the bed and turn the furnace down. But I don't have any control over it... But as a large customer, we'd prefer the one charge." –EGD Small Business

"Two charges looks better… One charge looks like you'd be paying more. Actually. I'm a small customer. If I'm a big consumer, I'd definitely go for the one charge." –EGD Small Business

"I guess the two charges is better, in my mind, for someone who's in my position who is a low user? I'll potentially pay less than with the one charge." –EGD Small Business

"I just don't know what that threshold is for large user is, right, versus a small volume. But assuming that I am a large user, I'd would prefer the one charge based on just the pure numbers." –EGD Med/Large Business

"So the one charge would be a little bit more beneficial for large users, and the two charge would be a little bit more beneficial for small users. Yeah, so I would say that for me, the one charge would probably be most beneficial." –Union Small Business

Cost Recovery
Current Method

Overview: Some residential customers were of the opinion that the current system should remain in place as it offered more opportunity for variability on their bills. It is worth noting, however, that many of this opinion did not seem to fully understand or appreciate that the issue at hand was cost recovery, and not change for change's sake. A few business customers shared this view.

Variability

"With a more variable monthly charge, I can see potentially significant decreases in costs on a monthly basis. I want to – if more costs are variable, I don't have to wait till the next year to see those reductions by maybe reducing my thermostat. I can see, you know, last February I used, you know, 375 cubic meters. And by reducing my usage from January to February, I can see an almost immediate reduction based on a variable change." – Union Central Residential

"I'm basic, and I just like to be charged exactly what I use. So, just what we have now." – Union South/West Residential

"I want to be charged when I'm using. If I'm using a lot then I'll pay for it. If I'm being frugal and trying to save energy then I want to see it reflected in my costs." – Union South/West Residential

"Based on the cost of living today, and the fact that I'm a retiree, and it's not anything to do with Enbridge at all, it has to do with maintaining a house over my head, and being able to live, I want the current system to stay because I would scrimp and save and put sweaters on in order to continue to live where I am. But if I was in a two charge or one charge system, that would be out of my control, I wouldn't be able to control that." – Union South/West Residential

"I still agree that I think I would prefer still that current model with the more variable from month to month, I think it encourages customers to understand their usage more than having the fixed one charge or two charge. With it being fixed, it doesn't promote the customers to be understanding of what they're paying for as much or their usage more so." – Union Central Residential

"I like the current way they're doing it better, because it's based on how much natural gas you use." –Union Small Business

INNOVATIVE RESEARCH GROUP

Communicating Changes

Communicating Changes [1/3]

Overview: When asked how Enbridge Gas should communicate any changes, customers offered a range of methods. Many preferred email or however their bill is received, while others explained that a newsletter or pamphlet in the mail would be most likely to get their attention. Generally, participants felt that any notice should outline the changes and the reasoning behind them, as well as offer a breakdown of the line items. Some suggested a transition period that allows customers to compare the new bill and charges.

Mail

"I feel like I don't read my emails from Enbridge. Honestly, I think I would prefer that in the mail. Just yeah, it would allow me to go back and reflect on it. But I feel like when I get just promotional stuff from any company, or like information stuff, I don't tend to take time to read it unless it's something that I feel is really important to read. But if I got it in the mail, I would take the time to read it." – Union North/East Residential

"I guess I think a letter in the mail that, you know, planning that they're simplifying the terms, it's not a change in price or anything like that. But it's just to make the make the bill a little bit easier to understand and stuff like that. And then at the same time, explain there and then on the bill itself, at least for the first little while what is included in in the delivery charge. So you know, a letter that says the delivery charge actually includes the cost to you and all the other the other things that were there that they have, you know, so that explains to the customer what it is." – Union Central Residential

"We get our bills mailed to us. I would just put it in the bill. We know they put those little pieces of paper in there all the time, the little pamphlets that tell you what's changing, what's this and all that. Do the same thing." –Union Small Business

"You can write me a nice long letter in that regard. If you switch overnight, and all of a sudden I'm seeing a new bill, and I don't understand why I'm seeing this new bill, I think that will be a little bit frightening." –Union Med/Large Business

Communicating Changes [2/3]

Email (or how bills are received)

"Probably the same way that the bills are sent. I guess the only concern with that is if people aren't really looking at their bills, then it might be missed. So I guess if you're going to get an email bill, put something on the front page or put like a cover page so that, if they're going to download the bill, or actually that won't even work, if it's just going to be an amount in an email that they pay. So, perhaps within the body of the email, you have to catch their eyes before they get to the amount they need to know that this change is going to happen." – Union Central Residential

"I personally don't really pay attention to the stuff that comes in the mail. Like, I think it should kind of be like, so, when I get the email, it's like two pages, maybe just add an additional page in there just to kind of outline what changes are coming when it's going to come into effect. And that because, yeah, most of the stuff that comes in the mail, the paper itself, I just don't even really glance at it at all. So like, I personally would like it just as like an extra page inside the electronic bill, just to see what's going to be changing." – Union North/East Residential

"If they literally want us to know, the [information] should be in the email, not attachment. They can copy to the email so that you got to pull down to look at the whole thing instead of just open the attachment." – Union North/East Residential

"We get our bills electronically. So the same way, just a communication that comes in that says your bill is changing." –EGD Small Business

"I don't think I get paper bills. So I would say an infographic-heavy handout that came with your bill, but I guess it would have to be delivered through the online billing system in my case… I would appreciate more diagrams and pictures than fine print."—EGD Small Business

"Just send an email, same way you send a bill. Easy." –Union Small Business

Communicating Changes [3/3]

Transition period or example bill

"My suggestion would be if you send e-bills, it would be a good idea, if possible, to have a transition period where you have both bills and maybe side by side so that you understand what's changing, and you can see that the total is identical. So there's no surprise there." – EGD GTA Residential

"If I remember correctly, […] when I log in to collect my bills, there's a section that talks similar information, but presented in a different format, right? Is there a way that this information can be the breakdown, one to six lines can be kept in the web page for now and then maybe change the bill and say if they need further breakdown, it's in the website? And if, if there's no demand for that data, at a later point, you can remove it and from the website." – Union Central Residential

"I think they'd want to give a good amount of advanced warning, probably send out multiple communications. I think it would almost be better to have something separately, not just something sitting on the bill. Because people will just look at their bill, and they're just going to pay it. They're not going to read the back or read the side or anything like that. But if there's actually a separate email going out, or for customers who are on paper billing an actual separate piece of paper so people don't get caught off guard." –EGD Med/Large Business

"As long as it's as transparent as it can be on the initial creation of accounts and changes to accounts, then having it simplified month to month is would be perfectly fine for us... We've seen that plenty of times in the past, accidentally shuffled on to the full commercial and Enbridge rate [when changes are made]." – EGD Med/Large Business

"I would say email and letter, well, well in advance. I think you can't rely on everybody's email coming through given all the filters and things, so I would say it should be noted on the bill that it's changing, but a letter and an email should come to the registered user." –Union Med/Large Business

INNOVATIVE RESEARCH GROUP

Out of Scope Comments

Out Of Scope Comments [1/4]

Overview: Throughout the groups, participants made several comments not directly related to the conversation on billing and rates. Most of these had to do with wanting to better understand natural gas usage in a way that would save them money, observations about high estimated meter readings, and normalizing peak demand calculations to diminish the burden on people across different socio-economic positions and regions. Notably, despite the groups occurring in the weeks leading up to and days following a well-publicized increase in natural gas rates, this was mentioned by only one customer in the last focus group.

Understanding usage

"Quick suggestion for consideration. You know, we get these bills, we see our consumption in terms of cubic meters per month. But I suspect most people might benefit from knowing how their property compares to the average Ontario residential property. […] If I'm like, my consumption is 20% higher than the average residential household in Ontario, that may be a cue that maybe I need to take a little bit of a look to see if I can be more efficient. On the other hand, if my consumption is 10% less than the Ontario average, I might say, 'Hey, I'm doing quite well.' So it might be another benefit that Enbridge could provide to the customers to see whether they can make some efficiency enhancements for the use of natural gas that could show up on the bill." – Union Central Residential

"It doesn't provide me any tips or any ways or methods to kind of clue me into how I improve this condition and use less energy. Though naturally, the way that electricity breaks down is I can look at the low, maybe I spend more time on the evening or less time here, you know, the different time of use. […] And one thing I don't see is like, how many cubic meters am I using, volume wise? And it's hard for me to gauge what can I do and what influence I had. I don't see that. If I use less, maybe like, if you put in the cubic meters, the amount of actual cubic meter used to come up with a gas supply charge, then this will clue me in and say, if I use less gas, it will reduce this bill in this section. And maybe delivery charge to write how my usage can influence that. I just don't see how I can do that, or what tips I can pick up from this bill to improve my usage." – Union Central Residential

"I think if you're using the two part billing, it would be good to show people that you can save money by reducing your usage." – EGD Other Residential

Out Of Scope Comments [2/4]

High estimated meter readings and missed meter readings

"I've found the difference with estimated numbers. And sometimes it's a big difference with the real number." – Union Central Residential

"So I'm not on equal billing. So I check my bill monthly. I always want to see if it's an actual read or if it's an estimate, because the estimates are usually more than what we actually use." – Union North/East Residential

"I've had a lot of issues with Enbridge trying to get my bill charged accurately. And I thought we finally got that sorted. But the last three months, I've been overcharged based on an estimate of usage rather than what the meter is reading… I was steeling myself to go back into customer service hell to call them and get it sorted out." –EGD Small Business

"We're having a big issue right now with meter reading. I'm sure other customers have told you that, too. Some of our sites haven't been read in like 18 months. So yeah, I'm keeping an eye on that because we're getting adjustments that are like $30,000 for like one site because of the lack of meter readings. So yeah, more than I wanted to, I've been very familiar with what's going on with Enbridge." –EGD Med/Large Business

"There's a lot of issues with having meters read regularly. We have a list of accounts that have 12 to 48 months without an actual meter read, which is quite difficult for the customer." –EGD Med/Large Business

Note: Some business customers declined the invitation for an interview but still replied and noted that they have been awaiting meter readings for some time.

Out Of Scope Comments [3/4]

Equity

"The coldest day of the year? Is that separated by region? Or is it the coldest day of the year in Ontario? […] As more north, on the demand day, I'm probably going to be using more gas, just because it's so much colder where I am. So it's going to cost me a lot more because it's minus 20. [..] So I think I prefer the one charge because they set it on the coldest day, if it's province wide, it doesn't seem fair". – Union North/East Residential

"My peak demand would be different because I'm in northern Ontario. So would that impact me more so than say, yourself who's living in Southern Ontario?" – Union North/East Residential

"The people we support are intellectually and physically disabled… I've been in not-for-profit my entire work life and I'm always advocating on behalf of my clients. If I save money as an agency, then it means I can charge my residents less. And they live on such minimal fixed incomes. In our case, we've not been able to increase the cost of rent for our residents since 2014 because they don't have the ability to pay any more money. So we, as a not-for-profit, have to find other means in which to raise money and be able to subsidize the living costs for our residents. That's not the way a not-for-profit should have to function. It's not fair to our residents. More support for gas costs would make a meaningful difference." –EGD Small Business

Out Of Scope Comments [4/4]

Customer service / billing

"I have customer service complaints, but I'm guessing that's not the scope of your report." –EGD Small Business

"Enbridge customer service really is not making it easy to get meters repaired... I'll call Enbridge Gas and talk to them about [our clients' accounts] and they'll say, 'Yep, here's a list of meters that have issues with them, and the [store owners] need to call in and book an appointment for a technician to come in and do the repair.' Then I'll contact the stores and then [the store owners] will call in Enbridge. And then Enbridge will actually give them a hard time and say, 'No, you're not allowed to call in. Why are you calling in? You don't understand what's wrong with the meter. If you can't tell us what's wrong with the meter, we can't book it.'" –EGD Med/Large Business

"Some of the things that, from our perspective, need to improve is a lot more quality control in terms of adjustment bills. They actually create a lot of errors on them. Sometimes they'll cancel a bill. And then they'll say, 'Oh, we're canceling the bill that was issued from April 15 to May 15.' But in reality, there wasn't even a bill for that billing period, the actual bills issued had a different billing period. So there's just these weird errors. After the Union merger, there were actually a lot of cases where they would cancel a bill and re-issue it, but they would forget to even include the credit. So they never actually credited our customers for a lot of the bills as well. So it's been a process that has not been resolved at this point." –EGD Med/Large Business

Note: Some business customers declined to be interviewed but still replied to the invitation noting that customer service phoneline wait times are unacceptable.

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RESEARCH GROUP

Building Understanding.

Personalized research to connect you and your audiences.

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INNOVATIVE RESEARCH GROUP

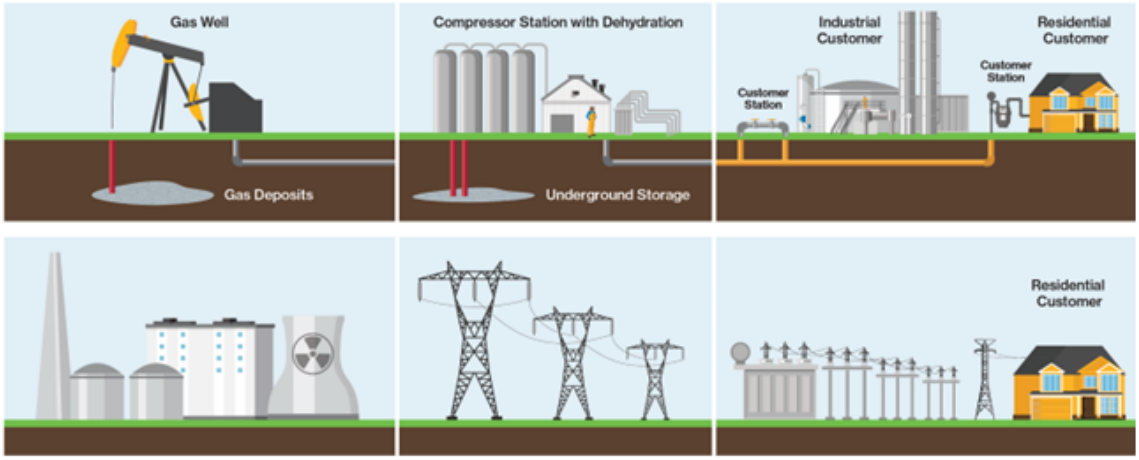
APPENDIX: Stimulus

(Residential Version)

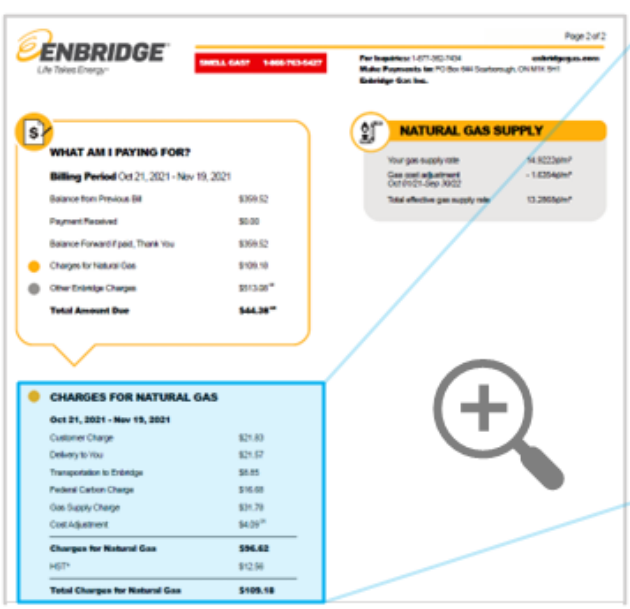
Residential Stimulus [1/6]

Core components of natural gas and electricity networks

	Generation Where the energy comes from	**Transmission** How it travels to Ontario and across it	**Distribution** How it gets to end-consumers
Natural gas	Gas Well; Gas Deposits	Compressor Station with Dehydration; Underground Storage	Industrial Customer; Customer Station; Customer Station; Residential Customer
Electricity			Residential Customer



Example of Enbridge Gas bill (charges)



CHARGES FOR NATURAL GAS

Oct 21, 2021 - Nov 19, 2021

Customer Charge	$21.83
Delivery to You	$21.57
Transportation to Enbridge	$8.85
Federal Carbon Charge	$16.68
Gas Supply Charge	$31.78
Cost Adjustment	$4.09 CR
Charges for Natural Gas	**$96.62**
HST*	$12.56
Total Charges for Natural Gas	**$109.18**

Residential Stimulus [2/6]

Mock-up of proposed Enbridge Gas bill charges

Using previous sample bill:

CHARGES FOR NATURAL GAS

Apr 05, 2022 - May 03, 2022

Delivery Charge	$0.00	$52.25
Gas Supply Charge	$0.00	$31.78
Federal Carbon Charge	$0.00	$16.68
Cost Adjustment	*$0.00*	*$4.09CR*
Charges for Natural Gas	**$0.00**	**$96.62**
HST*	$0.00	$12.56
Total Charges for Natural Gas	**$0.00**	**$109.18**

Delivery Charge	$52.25
Customer Charge	$21.83
Delivery to You	$21.57
Transportation to Enbridge	$8.85

Explanation of delivery charges on electricity and natural gas bill

- ✓ Your electricity bill shows only **one Delivery charge** to cover all the Transmission and Distribution charges and is comprised of 4-line items
- ✓ Some of these charges are variable and some of these are fixed
- ✓ The largest, the fixed customer service charge, covers the entire cost of the network
- ✓ Your Enbridge Gas bill shows **three charges** for delivery to cover the cost of the network

Your Electricity Charges

Electricity	
448 kWh Off-peak (lowest price) @ X.X ¢/kWh	0.00
126 kWh Mid-peak (mid price) @ X.X ¢/kWh	0.00
126 kWh On-peak (highest price) @ X.X ¢kWh	0.00
Delivery	0.00
Regulatory Charges	0.00
Your Total Electricity Charges	0.00
H.S.T.	0.00
Ontario Electricity Rebate	(0.00)
Total Amount	**$0.00**

Delivery charge	Type of charge
Customer Service Charge	Fixed
Distribution Charge	Variable based on consumption
Transmission Charge	Variable based on consumption
Line Loss Adjustment	Adjustment factor

CHARGES FOR NATURAL GAS

Oct 21, 2021 - Nov 19, 2021

Customer Charge	$21.83
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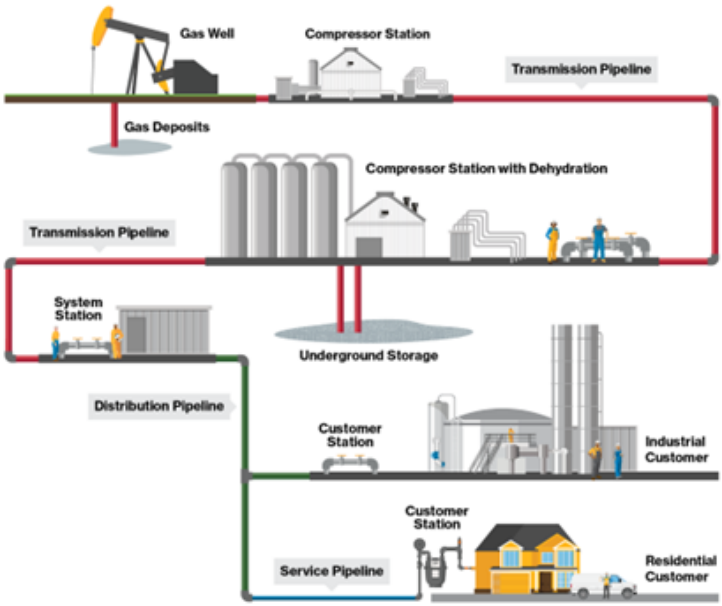
Delivery charge	Type of charge
Customer Charge	Fixed
Delivery to You	Variable based on consumption
Transportation to Enbridge	Variable based on consumption

Residential Stimulus [3/6]

System overview



- Natural gas comes from wells (or renewable sources)
- Moved along a transmission system to Ontario
  - Natural gas can be stored in underground reservoirs to draw from when demand is high
- Metered and delivered to customers along the distribution system

Costs: the natural gas

Gas Supply Charge

The costs of buying natural gas and transporting it to Ontario are passed on to customers at cost and **varies** for customers and for Enbridge Gas – buy more when demand is high and buy less when demand is low (and utilizing storage as much as possible).

You pay what Enbridge Gas pays

$ = $

- ✓ Enbridge Gas reviews and adjusts rates in January, April, July and October to reflect changes in the market price of natural gas
- ✓ The Cost Adjustment reflects the true-up between the actual and forecast prices for prior periods

Residential Stimulus [4/6]

Costs: network connection and capacity

What's left to pay for is the delivery network and its operation in Ontario. Many of these network costs are **fixed**. There are two types:

Network connection

- ✓ Fixed costs for Enbridge Gas that do not vary by how much natural gas used and includes:

Service line
Pressure regulator
Gas meter
Meter reading
Billing
Contact centre
Operations support

Network capacity

- ✓ Built to meet peak demand of all customers and once built is a fixed cost for Enbridge Gas
- ✓ Cost by customer varies based on their level of peak demand for natural gas (i.e., how much gas you use on the peak day that decides the system's capacity) and includes:

Network infrastructure
Pipeline
Maintenance
Natural gas storage

Current cost recovery

Currently costs are recovered by fixed and volumetric charges that vary by area (based on the pre-amalgamated utilities and rate zones)

Current list of charges

Delivery charges:	Type of charge
Customer Charge	Fixed
Delivery to You	Variable based on consumption
Transportation to Enbridge	Variable based on consumption

If the total paid by customers is **less** than the cost of the system (when annual usage is **less** than expected, for example, when we have milder weather) → Then future rates will need to be higher to reflect that the costs were not fully paid

If the total paid by customers is **more** than the cost of the system (when annual usage is **more** than expected, for example, when we have a really cold winter) → Then future rates will need to be lower to reflect that more was paid than the costs incurred

Residential Stimulus [5/6]

Impact on an average customer – an illustration

Impacts on customers who use the average of 2,400 m^3 per year would be very minimal as shown below:

	Current	One charge	Two charges
Customer Charge – same for all customers	$242 (~$20/month)	$411 (~$34/month)	$258 (~$21/month)
Demand / Delivery Charge	$169 (based on how much natural gas you use, varies monthly by usage)	Included in the customer charge	$153 (based on peak demand, fixed monthly for each customer, but varies across customers)
Sub Total	***$411***	***$411***	***$411***
Gas Supply Charge	$383	$383	$383
Federal Carbon Charge	$141	$141	$141
Total	$935	$935	$935

Note: numbers are rounded.

Ways to recover fixed costs with fixed charges

If fixed costs are recovered by fixed charges, how should these costs be distributed across customers?

One charge

1. **Monthly fixed charge (same for every residential customer)**
   - Pays for network connection + network capacity
   - Every residential customer pays the same (regardless of how much natural gas they use in total or on peak day)

Monthly fixed charge ($) =
Total monthly fixed costs ($) / Number of customers

$34

Two charges

1. **Monthly fixed charge (same for every residential customer)**
   - Pays for network connection
2. **Demand charge (same for you each month, but different for each residential customer, depending on use)**
   - Pays for network capacity, which vary for each customer based on how much natural gas they use on peak day

$21 + demand charge ($13) = $34

Based on current costs the monthly fixed charge would be as shown here.
The total combined, for the average residential customer, will be the same.

Residential Stimulus [6/6]

Impact on a small and large demand customer – an illustration

Impacts on a customer who uses more or less than the average of 2,400 m^3 per year would be as shown below:

		Current	One charge	Two charges
Average 2,400 m^3	Customer Charge + Demand Charge	$242	$411	$258
		$169	Included	$153
		$411	***$411***	***$411***
Small 1,081 m^3	Customer Charge + Demand Charge	$242	$411	$258
		$81	Included	$69
		$323	***$411***	***$327***
Large 5,048 m^3	Customer Charge + Demand Charge	$242	$411	$258
		$344	Included	$322
		$586	***$411***	***$580***

Note: numbers are rounded.

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APPENDIX: Stimulus

(Business Version)

Business Stimulus [1/6]

Core components of natural gas and electricity networks

	Generation Where the energy comes from	**Transmission** How it travels to Ontario and across it	**Distribution** How it gets to end-consumers
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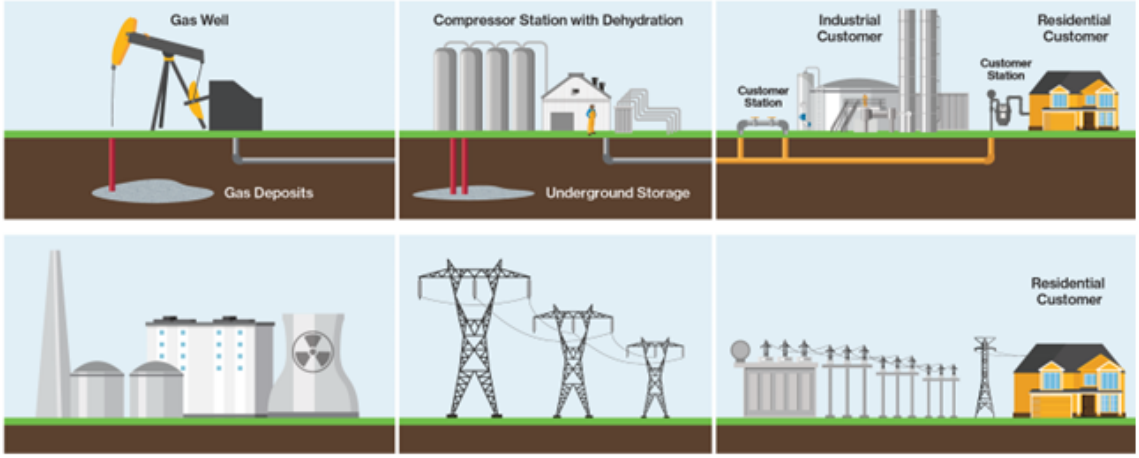
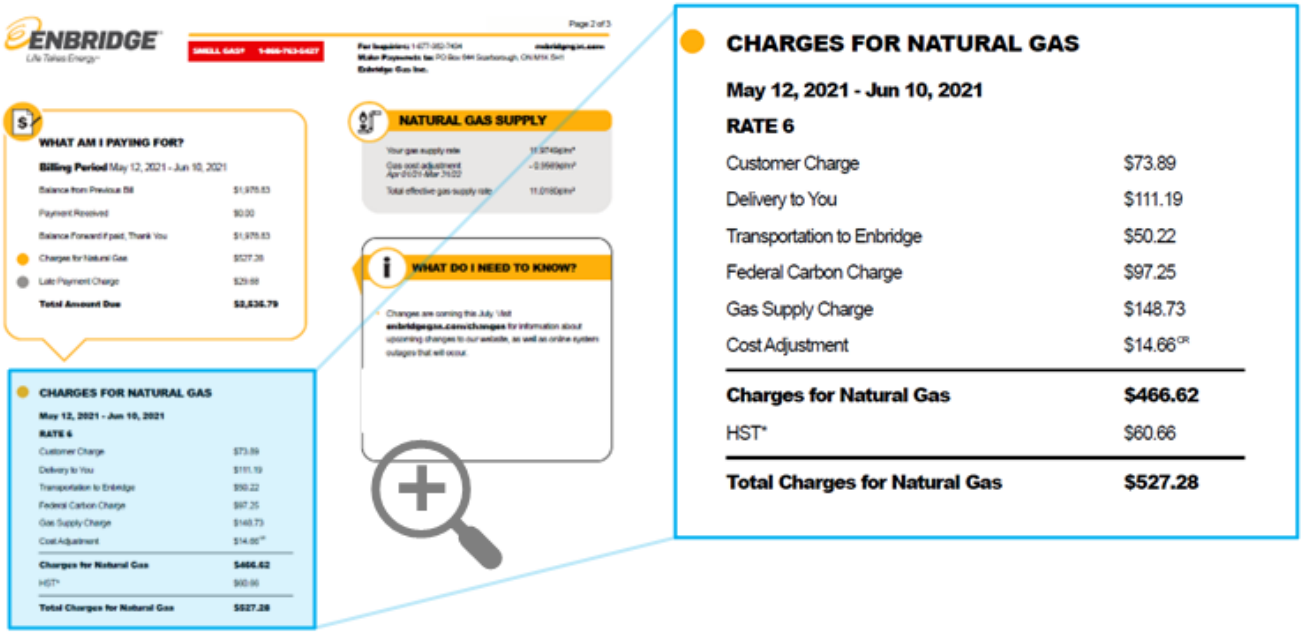


Example of Enbridge Gas bill (charges)



Business Stimulus [2/6]

Mock-up of proposed Enbridge Gas bill charges

Using previous sample bill:

CHARGES FOR NATURAL GAS

Apr 05, 2022 - May 03, 2022

Delivery Charge	$0.00	$235.30
Gas Supply Charge	$0.00	$148.73
Federal Carbon Charge	$0.00	$97.25
Cost Adjustment	*$0.00*	*$14.66CR*
Charges for Natural Gas	**$0.00**	**$466.62**
HST*	$0.00	$60.66
Total Charges for Natural Gas	**$0.00**	**$527.28**

Delivery Charge	$235.30
Customer Charge	$73.89
Delivery to You	$111.19
Transportation to Enbridge	$50.22

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Regulatory Charges	0.00
Your Total Electricity Charges	0.00
H.S.T.	0.00
Ontario Electricity Rebate	(0.00)
Total Amount	**$0.00**

Delivery charge	Type of charge
Customer Service Charge	Fixed
Distribution Charge	Variable based on consumption
Transmission Charge	Variable based on consumption
Line Loss Adjustment	Adjustment factor

CHARGES FOR NATURAL GAS

May 12, 2021 - Jun 10, 2021

RATE 6

Customer Charge	$73.89
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Business Stimulus [3/6]

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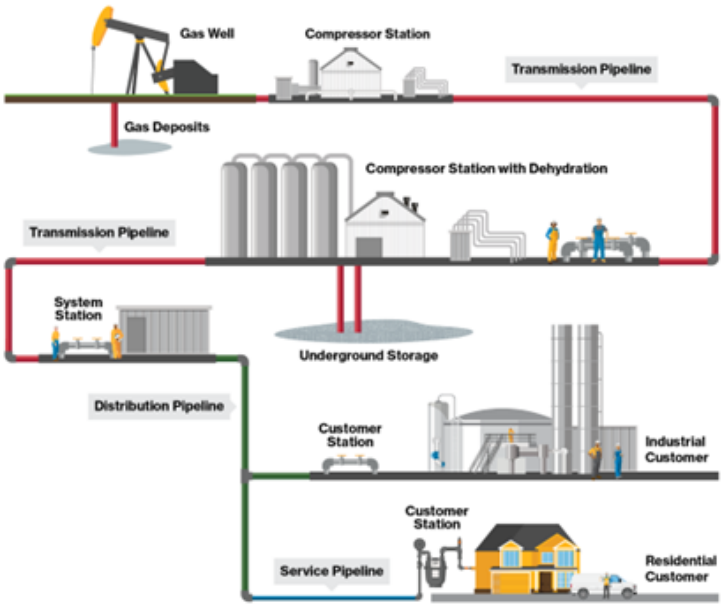

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Business Stimulus [4/6]

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Transportation to Enbridge	Variable based on consumption

If the total paid by customers is **less** than the cost of the system (when annual usage is **less** than expected, for example, when we have milder weather) → Then future rates will need to be higher to reflect that the costs were not fully paid

If the total paid by customers is **more** than the cost of the system (when annual usage is **more** than expected, for example, when we have a really cold winter) → Then future rates will need to be lower to reflect that more was paid than the costs incurred

Business Stimulus [5/6]

Impact on an average residential customer – an illustration

Impacts on customers who use the average of 2,400 m^3 per year would be very minimal as shown below. For business customers, a similar impact would apply.

	Current	One charge	Two charges
Customer Charge – same for all customers	$242 (~$20/month)	$411 (~$34/month)	$258 (~$21/month)
Demand / Delivery Charge	$169 (based on how much natural gas you use, varies monthly by usage)	Included in the customer charge	$153 (based on peak demand, fixed monthly for each customer, but varies across customers)
Sub Total	***$411***	***$411***	***$411***
Gas Supply Charge	$383	$383	$383
Federal Carbon Charge	$141	$141	$141
Total	$935	$935	$935

Note: numbers are rounded.

Ways to recover fixed costs with fixed charges

If fixed costs are recovered by fixed charges, how should these costs be distributed across customers?

One charge

1. **Monthly fixed charge (same for every customer in the same class)**
   - Pays for network connection + network capacity
   - Every residential customer pays the same (regardless of how much natural gas they use in total or on peak day)

Monthly fixed charge ($) = Total monthly fixed costs ($) / Number of customers

$34 *(residential)*

Two charges

1. **Monthly fixed charge (same for every customer in the same class)**
   - Pays for network connection
2. **Demand charge (same for you each month, but different for each customer, depending on use)**
   - Pays for network capacity, which vary for each customer based on how much natural gas they use on peak day

$21 + demand charge (avg: $13) = $34 *(residential)*

Based on current costs the monthly fixed charge would be as shown here. The total combined, for the average customer, will be the same.

Business Stimulus [6/6]

Impact on a small and large residential customer – an illustration

Impacts on a customer who uses more or less than the average of 2,400 m^3 per year would be as shown below.
For business customers, a similar impact would apply.

		Current	One charge	Two charges
Average 2,400 m^3	Customer Charge + Demand Charge	$242	$411	$258
		$169	Included	$153
		$411	***$411***	***$411***
Small 1,081 m^3	Customer Charge + Demand Charge	$242	$411	$258
		$81	Included	$69
		$323	***$411***	***$327***
Large 5,048 m^3	Customer Charge + Demand Charge	$242	$411	$258
		$344	Included	$322
		$586	***$411***	***$580***

Note: numbers are rounded.

INNOVATIVE RESEARCH GROUP

Example of the Simplified bill

Simplified bill

CHARGES FOR NATURAL GAS

Dec 01, 2022 – Dec 31, 2022

Natural Gas	$84.36
Delivery	$73.60
Federal Carbon	$29.86
Charges for Natural Gas	**$187.82**
HST*	$24.42
Total Charges for Natural Gas	**$212.24**

Comparing Charges for Natural Gas on the Current bill and the Simplified bill

Current bill

CHARGES FOR NATURAL GAS

Dec 01, 2022 – Dec 31, 2022

Customer Charge	$22.12
Delivery to You	$27.85
Transportation to Enbridge	$23.63
Federal Carbon Charge	$29.86
Gas Supply Charge	$84.36
Charges for Natural Gas	**$187.82**
HST*	$24.42
Total Charges for Natural Gas	**$212.24**

Simplified bill

CHARGES FOR NATURAL GAS

Dec 01, 2022 – Dec 31, 2022

Natural Gas	$84.36
Delivery	$73.60
Federal Carbon	$29.86
Charges for Natural Gas	**$187.82**
HST*	$24.42
Total Charges for Natural Gas	**$212.24**

IN-FRANCHISE CONTRACT RATE DESIGN

AMY MIKHAILA, MANAGER RATE DESIGN
JACKIE COLLIER, SPECIALIST RATE DESIGN

1. The purpose of this evidence is to request OEB approval of the rate design for the in-franchise contract rate classes. This evidence includes the proposed rate design for in-franchise contract delivery and storage charges.

2. The Company has designed 2024 in-franchise contract delivery and storage charges for current rate classes and harmonized rate classes. The proposed rate design for current and harmonized gas supply commodity and transportation charges is provided at Exhibit 8, Tab 2, Schedule 2. A description of the proposed rate design for the monthly customer charge is provided at Exhibit 8, Tab 1, Schedule 4 and Exhibit 8, Tab 2, Schedule 6.

3. Enbridge Gas designed rates for current and harmonized in-franchise contract rate cases based on a straight fixed variable rate design where customer and demand-related costs are recovered in fixed monthly customer charges and demand charges and commodity costs are recovered in commodity charges, except where otherwise noted. The Company analyzed resulting bill impacts from the rate design proposed in the Application for each customer in the forecast and incorporated this analysis into the rate mitigation plan provided at Exhibit 8, Tab 2, Schedule 6.

4. This evidence is organized as follows:
    1. Rate Design Changes for Current Rate Classes
    2. Rate Design for Harmonized Rate Classes

1. Rate Design Changes for Current Rate Classes

5. Enbridge Gas has derived 2024 delivery and storage charges for current in-franchise contract rate classes using the rate design structure of the current rate class. Current contract rate classes will remain in effect until the proposed harmonized contract rate classes are implemented, which is planned for April 2026. The derivation of the proposed 2024 rates for the current classes is provided at Exhibit 8, Tab 2, Schedule 8, Attachment 2.

6. The Company is proposing the following changes to the delivery and storage rate design for current rate classes, effective January 1, 2024, as described in this section of evidence:

    1.1 Straight Fixed Variable Rate Design
    1.2 Rate 300 Rate Design
    1.3 Rate 200 Applicability
    1.4 Average Interruptible Rate Adjustment
    1.5 Elimination of Transportation Account Charge
    1.6 Storage Services Rate Design
    1.7 Negotiated Interruptible Rates for Integrated Resource Planning

1.1. Straight Fixed Variable Rate Design

7. Enbridge Gas has designed rates for contract rate classes in 2024 based on a straight fixed variable rate design where possible. A straight fixed variable rate design recovers customer and demand-related costs in monthly customer charges or demand charges. This rate design ensures the fixed nature of the Utility's costs are recovered in fixed charges. Enbridge Gas considers all delivery costs as fixed costs except for the gas supply optimization credit margin and the gas supply administration charge, which is a component of the gas supply commodity charge. This approach also ensures that the rate design for the contract rate classes is

consistent regardless of past practice for each rate zone. The level of the monthly customer charge proposed for each rate class is provided at Exhibit 8, Tab 1, Schedule 4. To the extent that the customer-related costs are not recovered in the fixed monthly customer charge, the Company has proposed to recover the costs in the fixed demand charges for the rate class.

8. Enbridge Gas has not implemented the straight fixed variable rate design for the current contract rate classes in the following cases:
   a) Current contract rate classes that do not have demand charges in the current rate structure will continue to have fixed costs recovered through variable charges. This proposal applies to Rate 135 in the EGD rate zone and the interruptible rate classes (Rate 25, Rate M4, Rate M5, Rate M7, Rate T1, Rate T2) in the Union rate zones. Enbridge Gas is proposing no changes to the rate structure for these rate classes in 2024 as they are proposed to be replaced with the harmonized rate classes in 2026. Any changes in rate structure would require additional customer communication and changes to business systems; and
   b) The fixed variable rate design of Rate M4 firm service in the Union South rate zone has also been maintained, where 40% of the fixed costs are recovered in volumetric charges consistent with the 40% load factor commitment of the rate class.[1]

1.2. Rate 300 Rate Design

9. The Company offers unbundled firm and interruptible distribution service in the EGD rate zone under Rate 300. There are no customers in the 2024 Test Year Forecast taking service under Rate 300 and accordingly, no allocation of costs to Rate 300 in

[1] Rate M4 delivery volumes below 40% are subject to minimum annual volume charges, which reduces the fixed costs recovery risk for this rate class.

the Cost Allocation Study. The Company will continue to offer the unbundled firm and interruptible distribution service under Rate 300 in the EGD rate zone in 2024.

10. Rate 300 includes a monthly customer charge, a demand charge, and an unaccounted-for gas (UFG) ratio. As there are no allocation of costs to Rate 300 in the Cost Allocation Study, the Company is proposing to set these charges based on a proxy, as follows:
    a) The monthly customer charge is set at $1,500 based on the harmonized Rate E22 monthly customer charge, which is the equivalent harmonized unbundled rate class. The $1,500 is also equivalent to the proposed Rate 100 monthly customer charge in the Union North rate zone in 2024;
    b) The demand charge is set by adjusting the 2023 demand charge relative to the percentage change of Rate 125 revenue from 2023 to 2024; and
    c) The UFG ratio is equal to the average UFG ratio for all customers.

1.3. Rate 200 Applicability

11. Enbridge Gas is proposing to limit the applicability of Rate 200 wholesale service in the EGD rate zone to existing distributors in the rate class. This change aligns with similar applicability limits for wholesale service under Rate M9 and Rate T3 in the Union South rate zone. Further discussion on the applicability limit for wholesale service rate classes is discussed in this evidence at Section 2.7.

1.4. Average Interruptible Rate Adjustment

12. Enbridge Gas proposes to adjust negotiated interruptible commodity rates for Rate 25, Rate M7, Rate T1 and Rate T2 by a common percentage for 2024. Interruptible commodity rates for these rate classes are customer specific and negotiated within an approved range. As part of the current practice, the customer specific negotiated

rates are adjusted for rate changes by applying the average rate class interruptible unit rate change to all customers taking interruptible service within the rate class.

13. Enbridge Gas is proposing to change this practice for this Application, as the average rate class interruptible unit rate changes proposed for 2024 are decreasing. Applying a common unit rate change to each customer would disproportionately impact customers and for some customers, the average unit rate change would result in a negative rate. To apply the rate changes to each customer in a fair and proportionate manner, Enbridge Gas proposes to adjust each customer specific negotiated rate by a common percentage based on the average unit rate change for each rate class in this Application. The common percentage changes for customer specific negotiated rates are provided in Rider O as part of the rate handbook provided at Exhibit 8, Tab 2, Schedule 7, Attachment 1. In subsequent rate applications, Enbridge Gas will resume the current practice of adjusting rates based on the average unit rate change.

1.5. Elimination of the Transportation Account Charge

14. The Company is proposing to eliminate the monthly transportation account charge which is currently charged to Union North rate zone unbundled customers under Rate 20, Rate 25 and Rate 100. This charge was originally designed to recover the cost of telemetry equipment for unbundled customers. The Company proposes to recover these costs consistent with the recovery of customer-related costs for each rate class in 2024.

1.6. Storage Services Rate Design

15. The Company is proposing to charge for storage services based on the average of total utility storage costs. Storage service charges apply to semi-unbundled customers in the Union South rate zone (Rate T1, Rate T2, Rate T3), unbundled

customers in the Union North rate zone (Rate 20 and Rate 100) and unbundled customers in the EGD rate zone (Rate 315 and Rate 316).

16. Based on the results of the Cost Allocation Study, which reflects one rate zone, average cost-based storage charges applicable to each rate class were developed to recover costs for storage space, storage deliverability and injection and withdrawals. The storage charges for Rate 315 storage service in the EGD rate zone and the unbundled storage service in the Union North rate zone also include transportation costs to move gas from storage to the point of consumption. This rate design methodology is consistent with the current derivation of storage charges which were underpinned by EGD and Union cost allocation studies. Exhibit 8, Tab 2, Schedule 8, Attachment 5 provides the derivation of the storage rates for the current rate classes.

1.7. Negotiated Interruptible Rates for Integrated Resource Planning

17. The Company is proposing to introduce a provision to the 2024 rate schedules which provides the ability to charge negotiated interruptible rates that are below the posted rates for Rate 145 and Rate 170 in the EGD rate zone and Rate M4 and Rate M5 in the Union South rate zone. The purpose of this provision is to incent customers to adopt interruptible service to support integrated resource planning (IRP), further to the already discounted interruptible rates relative to firm. The application of negotiated rates will be requested by the Company through an IRP plan application and is intended to be limited to targeted geographic areas where a system constraint has been identified. This provision will continue when harmonized rates are implemented in April 2026. Additional details are provided in the Interruptible Rates Study provided at Exhibit 8, Tab 4, Schedule 7.

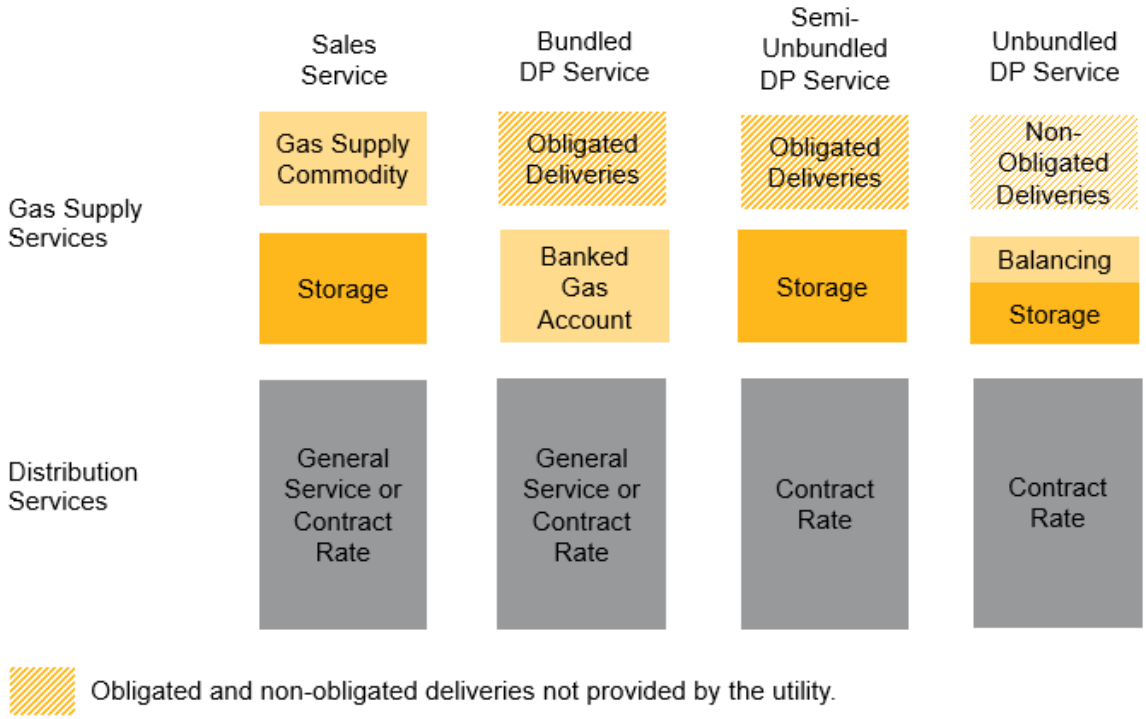
2. Rate Design for Harmonized Rate Classes

18. In designing the rates for in-franchise harmonized contract services, the Company was informed by the input received from customers through the customer engagement process. Please see Exhibit 1, Tab 6, Schedule 1 for a description of the customer engagement process. Through this process, customers indicated that they were satisfied with the distribution services they receive today. As a result, Enbridge Gas incorporated elements from the existing services into the proposed harmonized rates and services and set the applicability criteria to mitigate disruption to existing contract rate customers.

19. The harmonized rate class design and rate implementation plan are provided at Exhibit 8, Tab 2, Schedule 1. Enbridge Gas proposes to implement the harmonized in-franchise contract rate classes on April 1, 2026, which aligns with the timing of the proposed harmonized services for these customers. A description of the service harmonization proposals are provided at Exhibit 8, Tab 4.

20. Figure 1 provides an illustrative example of the different service options available to in-franchise customers as an aid to the harmonized rate class discussion that follows. As shown in Figure 1, all in-franchise customers have a distribution service and various gas supply options. Detailed evidence describing each service option is provided at Exhibit 8, Tab 4, Schedule 1.

Figure 1: Distribution and Gas Supply Services



21. The proposed harmonized rate design in this evidence focuses on charges for distribution and storage services, including delivery charges for bundled contract rate classes and transportation and storage charges for semi-unbundled and unbundled contract rate classes. The costs recovered through the delivery, transportation and storage rates include the following costs from the Cost Allocation Study:
    a) Load balancing commodity costs;[2]
    b) Storage demand and commodity costs;
    c) Transmission demand and commodity costs; and

[2] Load balancing commodity includes gas supply load balancing costs to meet above average day demands. These costs are incurred by contracting for peaking services and purchasing incremental gas supply over the winter period to meet seasonal and design day demands for all customers.

d) Distribution demand and commodity costs.

22. Enbridge Gas prepared a harmonized customer forecast for the 2024 Test Year to support the derivation of rates for the harmonized rate classes. The harmonized customer forecast was prepared by placing customers into harmonized rate classes based on the rate class eligibility and their current parameters and service option. This approach ensured that there was no judgment by the Company on what service option a customer may elect upon rate harmonization. The Company is proposing a new Rate Harmonization Variance Account to capture variances due to this approach to set the harmonized customer forecast, provided at Exhibit 9, Tab 1, Schedule 3.

23. The derivation of the proposed rates for the harmonized rate classes is provided at Exhibit 8, Tab 2, Schedule 9, Attachment 2. Enbridge Gas designed rates for the harmonized rate classes based on a straight fixed variable rate design where the demand, customer and commodity costs are generally recovered in monthly demand charges, customer charges and commodity charges, respectively. To the extent that the customer-related costs are not recovered in the fixed monthly customer charge, the Company has proposed to recover the costs in the fixed demand charges for the rate class.

24. The rate design for in-franchise contract rate classes is reflected in the harmonized rate handbook provided at Exhibit 8, Tab 2, Schedule 7, Attachment 2.

25. Table 1 provides a summary of the proposed harmonized contract rate classes and service offerings. Detailed descriptions and rationale used in the development of the harmonized contract rate classes are provided below. A description of the

proposed harmonized distribution service is provided at Exhibit 8, Tab 4, Schedule 2.

Table 1
Proposed Contract Rate Distribution Services by Rate Class

Rate Class	Character of Service	Applicability (1)
Rate E10	Firm (Bundled)	CD of at least 1,800 m^3/day
Rate E20	Firm/Interruptible (Semi-unbundled)	CD of at least 13,000 m^3/day
Rate E22	Firm/Interruptible (Unbundled)	Firm and/or interruptible CD of at least 13,000 m^3/day
Rate E24	Firm/Interruptible (Unbundled)	Firm and/or interruptible CD of at least 1,200,000 m^3/day
Rate E30	Interruptible (Bundled)	CD of at least 1,800 m^3/day
Rate E34	Seasonal Firm (Bundled)	CD of at least 1,800 m^3/day
Rate E38	Storage Service (Unbundled)	Available to unbundled customers in Rate E22 or Rate E24.
Rate E62	Firm/Interruptible (Bundled)	Existing Wholesale Customers
Rate E64	Firm/Interruptible (Semi-unbundled)	Existing Wholesale Customers

Note:
(1) CD refers to contract demand.

26. This section of evidence is organized as follows:

2.1 Firm Bundled Contract Rate Design

2.2 Semi-Unbundled Contract Rate Design

2.3 Unbundled Contract Rate Design

2.4 Interruptible Bundled Contract Rate Design

2.5 Seasonal Firm Bundled Contract Rate Design

2.6 Unbundled Storage Contract Rate Design

2.7 Wholesale Contract Rate Design

2.1. Firm Bundled Contract Rate Design

27. Enbridge Gas proposes to establish a new harmonized firm bundled rate class, Rate E10, to replace the existing bundled contract service options currently available in the EGD and Union rate zones. An overview of the rate class mapping is provided in Table 2.

Table 2
Harmonized Firm Bundled Contract Rate Class Mapping Summary

Line No.	Service Type	Harmonized Rate Class	Rate Zone / Rate Class		
			EGD	Union North	Union South
		(a)	(b)	(c)	(d)
1	Firm Bundled Contract Service	Rate E10	Rate 100	Rate 20	Rate M4
2			Rate 110	Rate 100	Rate M5
3			Rate 115		Rate M7

28. Rate E10 will be available to sales service and bundled direct purchase (DP) customers in all service areas across the Company's franchise area. A description of the proposed harmonized bundled DP service is provided at Exhibit 8, Tab 4, Schedule 3.

29. Based on the harmonized customer forecast, Rate E10 will constitute the largest contract rate class comprising 765 customers representing approximately 78% of Enbridge Gas's contract rate customers based on the 2024 Test Year Forecast.

Rate E10 Applicability

30. Enbridge Gas proposes to set the applicability for Rate E10 to customers with a minimum firm contract demand (CD) of 1,800 m^3 per day. The minimum firm CD was set so that all current bundled contract service customers continue to be

eligible for the same service option under the rate harmonization proposal. Currently, access to contract service applicability begins at 1,165 m^3 per day for the EGD rate zone, 14,000 m^3 per day for the Union North rate zone and 2,400 m^3 per day for the Union South rate zone.[3] The Rate E10 proposed applicability level allows for access to contract service for more customers because it is lower than the minimum level for the Union South and Union North rate zones. There is no impact to the EGD rate zone contract customers as all forecast contract customers in 2024 have a firm CD of greater than 1,800 m^3.

31. As part of assessing a proposal for rate harmonization, Enbridge Gas reviewed an alternative approach for firm bundled contract service which included multiple rate classes differentiated by load factor eligibility requirements. This alternative recognized that customers with lower load factors use the Company's system less efficiently and require more storage. The resulting rate classes yielded slightly higher rates for rate classes with lower load factor requirements. Enbridge Gas concluded that the rates were not materially different enough between rate classes to justify the increased complexity and administrative burden, and thus rejected this alternative. The proposal for one firm bundled rate class simplifies rates for customers, reduces the administrative burden for the OEB and Enbridge Gas and maintains the same level of service for customers.

Rate E10 Monthly Rates and Charges

32. Enbridge Gas proposes the following monthly rates and charges for Rate E10.

[3] Rate 115, Rate 20, and Rate M4 for the EGD, Union North and Union South rate zones, respectively.

33. The proposed monthly customer charge is set at $500 per month to manage bill impacts, as provided at Exhibit 8, Tab 1, Schedule 4 and Exhibit 8, Tab 2, Schedule 6.

34. Enbridge Gas proposes delivery demand charges to recover demand-based costs, including storage, transmission, and distribution costs from the Cost Allocation Study, and any distribution customer costs not recovered through the monthly customer charge.

35. The proposed rate design for the delivery demand charge includes two demand block tiers. The first demand block unit rate is charged up to the first 20,000 m^3 per day of CD, which captures all demand for roughly 70% of the customers. Approximately 60% of the costs are recovered in the first demand block. The second demand block unit rate is charged for all CD in excess of 20,000 m^3 per day at a lower rate than the first block. The demand block tiers allow for management of customer impacts and continuity with other rate classes.

36. The proposed demand overrun methodology approach is provided at Exhibit 8, Tab 4, Schedule 2. Authorized demand overrun and unauthorized demand overrun first occurrence charges are set to the Rate E10 commoditized first block delivery demand charge plus the delivery commodity charge. Enbridge Gas also proposes to apply the authorized demand overrun charge in place of the delivery demand charge for commissioning and decommissioning volumes at the Company's sole discretion.

37. Enbridge Gas proposes a delivery commodity charge to recover commodity-related costs from the Cost Allocation Study, with the exception of gas supply commodity which is recovered from sales service customers only in the gas supply commodity

charge provided at Exhibit 8, Tab 2, Schedule 2. The delivery commodity charge is a common volumetric charge applied to each cubic metre of gas consumed.

38. A minimum annual volume (MAV) charge is not required for Rate E10 as customer load factor is not an eligibility requirement and there are no fixed costs recovered in volumetric rates.

2.2. Semi-Unbundled Contract Rate Design

39. Enbridge Gas proposes to establish a new harmonized semi-unbundled rate class, Rate E20, to replace the existing semi-unbundled contract service options currently available in the Union South rate zone. Rate E20 includes both firm and interruptible service options. An overview of the rate class mapping is provided in Table 3.

Table 3
Harmonized Semi-Unbundled Contract Rate Class Mapping Summary

Line No.	Service Type	Harmonized Rate Class	Rate Zone / Rate Class		
			EGD	Union North	Union South
		(a)	(b)	(c)	(d)
1	Semi-Unbundled Contract Service	Rate E20	--	--	Rate T1
2					Rate T2

40. The proposed semi-unbundled contract rate class does not include a sales service option for customers. All customers in Rate E20 must have a DP arrangement with Enbridge Gas consistent with Union's current semi-unbundled service option. Therefore, the gas supply commodity rates are not applicable to Rate E20. A

description of the proposed harmonized semi-unbundled DP service is provided at Exhibit 8, Tab 4, Schedule 4.

Rate E20 Applicability

41. Enbridge Gas proposes to set the applicability for Rate E20 to customers located in the South or Central service area with a minimum combined firm and interruptible CD of 13,000 m^3 per day. The minimum CD was set so that all current semi-unbundled contract service customers are eligible for the same service option under the rate harmonization proposal. Currently, the applicability for a semi-unbundled service option begins at a minimum of 2,500,000 m^3 annual consumption in the Union South rate zone. Enbridge Gas chose to base the applicability for all rate classes on a minimum CD level rather than annual consumption for consistency and continuity between rate classes. There are no semi-unbundled customers in the Union South rate zone who have a combined firm and interruptible CD of less than 13,000 m^3 per day in the 2024 Test Year Forecast.

42. The availability of semi-unbundled service is proposed to be limited to the South and Central service areas due to operational limitations to extend the service beyond service areas with transportation owned and operated by Enbridge Gas between storage and the customer's plant. Please see further discussion of expanding the availability of the semi-unbundled service to EGD rate zone customers at Exhibit 8, Tab 4, Schedule 4, Section 2. The inclusion of the Central service area allows for the service option to be expanded to a majority of EGD rate zone customers.

43. Rate E20 customers may combine multiple points of consumption for purposes of DP gas supply and balancing but each consumption point must meet the applicability of the rate class.

44. An interruptible service option is included as part of Rate E20, consistent with the existing semi-unbundled service options, to allow the customer to contract for storage parameters to manage both firm and interruptible contracted amounts within the same contract. The availability of interruptible service is limited to customers who can accommodate an interruption and reduce their demands on the system to their firm contracted parameters when required.

45. The applicable storage space and injection/withdrawal methodologies for the harmonized semi-unbundled service are provided at Exhibit 8, Tab 4, Schedule 4, Section 3.

Rate E20 Monthly Rates and Charges - Transportation

46. Enbridge Gas proposes the following monthly rates and charges for Rate E20.

47. The monthly customer charge is set at $3,000 per month to manage bill impacts, as provided at Exhibit 8, Tab 1, Schedule 4 and Exhibit 8, Tab 2, Schedule 6.

48. Enbridge Gas proposes transportation demand charges to recover demand-based costs including storage operational contingency, transmission, and distribution function costs from the Cost Allocation Study, and any distribution customer costs not recovered through the monthly customer charge.

49. The firm transportation demand charge proposed rate design includes three demand block tiers. The first demand block unit rate is charged up to the first 30,000 m^3 per day of CD, the second demand block unit rate is charged for all CD in excess of 30,000 m^3 per day and less than 150,000 m^3 per day and the third demand block unit rate is charged for all CD in excess of 150,000 m^3 per day. The

demand block tiers were designed based on the blocking structure of the current Rate T1 and Rate T2 rate design, and to allow for management of customer bill impacts and continuity with other rate classes.

50. Enbridge Gas proposes an interruptible transportation demand charge for interruptible CD which is a change from the current rate design. Under the current semi-unbundled rate classes in the Union South rate zone, interruptible transportation charges are set at a negotiated rate per cubic metre of gas consumed with no charges based on CD. Currently in the EGD rate zone, interruptible rate classes do contain a charge based on CD. As part of the rate harmonization proposal, Enbridge Gas has included a demand charge applied to the interruptible CD consistent with the straight fixed variable rate design methodology. The interruptible transportation demand charge is a common charge for each cubic metre of CD.

51. Enbridge Gas proposes an incremental firm transportation commodity charge for customers located in the Central service area. The incremental charge for the Central service area customers recognizes the transportation cost difference between the South and Central service areas. The Central transportation charge is calculated as the difference between the transportation components of the firm bundled delivery charges in Rate E10, which reflect the rate class average blended transportation costs, and the transportation components of the firm semi-unbundled transportation charges in Rate E20.

52. The commodity-related costs for Rate E20 are related to compressor fuel, UFG and company use gas costs and are recovered through a customer supplied fuel ratio applied to each cubic metre of gas consumed.

53. Enbridge Gas proposes to set the charge for the pre-authorized interruptible service at the commoditized interruptible transportation demand charge plus the customer supplied fuel ratio. The pre-authorized interruptible service is offered to customers where both firm and interruptible capacity is exhausted in the system servicing the customer. Under the current rate design for service, the charge is set at a customer-specific negotiated interruptible transportation commodity rate. Enbridge Gas is proposing the pre-authorized interruptible service be charged based on a volumetric use, similar to the current charges. For more information on the pre-authorized interruptible service, please see Exhibit 8, Tab 4, Schedule 2, Section 1.3.

54. Authorized transportation overrun and unauthorized transportation overrun first occurrence charges are set to the Rate E20 commoditized first block transportation demand charge for firm and interruptible rates, respectively, and also include a customer supplied fuel ratio. The proposed transportation overrun methodology approach is provided at Exhibit 8, Tab 4, Schedule 2 including the charges for subsequent occurrences of unauthorized transportation overrun. Enbridge Gas also proposes to apply the authorized transportation overrun charge in place of the transportation demand charge for commissioning and decommissioning volumes at the Company's sole discretion.

55. The proposed unauthorized transportation demand overrun interruption non-compliance charge of $60/GJ is applicable to interruptible customers who do not comply with a notice of interruption. Please see Exhibit 8, Tab 4, Schedule 2, Section 3.2 for discussion on the harmonized proposal for interruption non-compliance.

Rate E20 Monthly Rates and Charges - Storage

56. Enbridge Gas proposes annual storage space and injection and withdrawal right demand charges recover the applicable demand-based storage function costs from the Cost Allocation Study, consistent with the rate design for Rate T1 and Rate T2 in the Union South rate zone.

57. The commodity-related storage costs for Rate E20 are related to compressor fuel, UFG and company use gas and are recovered through a customer supplied fuel ratio applied to each cubic metre of gas injected or withdrawn from storage.

58. The proposed storage rates were derived based on the average utility storage costs as provided at Exhibit 8, Tab 2, Schedule 9, Attachment 5. The average storage unit rate methodology is consistent with the approach to deriving cost-based storage rates for current rate classes in both EGD and Union rate zones. The storage space and deliverability rates are the same for service under Rate E20, Rate E38, and Rate E64.

59. Authorized storage space overrun is available to the customer as short-term storage/balancing service at negotiated prices. Authorized storage space overrun is available at no charge to interruptible customers in an amount equal to their obligated deliveries less firm CD multiplied by the days of distribution interruption. Unauthorized storage space overrun incurs a $6/GJ/month charge for the greatest excess for each occurrence during the month. The unauthorized storage space overrun methodology approach is provided at Exhibit 8, Tab 4, Schedule 4.

60. Authorized storage injection and withdrawal overrun is available to the customer provided advanced authorization is provided by Enbridge Gas. The authorized storage injection and withdrawal overrun charges are set equal to the Rate E20

commoditized storage injection/withdrawal demand charge. Unauthorized storage injection/withdrawal overrun incurs a $1.75/GJ charge. The unauthorized storage injection/withdrawal overrun methodology approach is provided at Exhibit 8, Tab 4, Schedule 4.

2.3. Unbundled Contract Rate Design

61. Enbridge Gas proposes to establish two new harmonized unbundled rate classes, Rate E22 and Rate E24, to replace the existing unbundled contract service options which currently exist in the EGD and Union rate zones. Rate E22 and Rate E24 include both firm and interruptible service options. An overview of the rate class mapping is provided in Table 4.

Table 4
Harmonized Unbundled Contract Rate Class Mapping Summary

Line No.	Service Type	Harmonized Rate Class	Rate Zone / Rate Class: EGD	Union North	Union South
		(a)	(b)	(c)	(d)
1	Unbundled Contract Service	Rate E22	Rate 300	Rate 20	--
2				Rate 25	
3				Rate 100	
4	Extra-Large Unbundled Contract Service	Rate E24	Rate 125	Rate 20	Rate T2 (CMS)
5				Rate 25	
6				Rate 100	

62. Rate E22 and Rate E24 will be available to customers in all service areas across the Company's franchise area.

63. The proposed unbundled contract rate classes do not include a sales service option for customers. All customers in these rate classes must have a DP arrangement with Enbridge Gas. Additionally, transportation and load balancing services are not included in these rate classes, with one exception for transportation in the South service area. Customers also have the proposed unbundled balancing service available for balancing. A description of the proposed harmonized unbundled DP service is provided at Exhibit 8, Tab 4, Schedule 5, including a description of the unbundled balancing service.

Rate E22 and Rate E24 Applicability

64. Enbridge Gas proposes to set the applicability for Rate E22 and Rate E24 to customers with a minimum combined firm and interruptible CD of 13,000 m^3 and 1,200,000 m^3 per day, respectively. The minimum CD for Rate E22 was set so that all current unbundled contract service customers are eligible for the same service option under the rate harmonization proposal and aligns with the minimum eligibility for Rate E20. There are no unbundled contract customers who have a combined firm and interruptible CD of less than 13,000 m^3 in the 2024 Test Year Forecast. The minimum CD for Rate E24 was set equal to the Union definition of a large gas-fired power generation customer of 1,200,000 m^3 per day or greater although the rate class is not limited to customers in this industry.

65. The availability of interruptible service is limited to customers who can accommodate an interruption and reduce their demands on the system to their firm contracted parameters when required.

66. Applicability for Rate E24 is based on the customers operational demand regardless of whether the customer has a billing contract demand (BCD) for billing purposes.

Rate E22 and Rate E24 Monthly Rates and Charges

67. Enbridge Gas proposes the following monthly rates and charges for Rate E22 and Rate E24.

68. The monthly customer charge for Rate E22 is set at $1,500 per month to manage bill impacts, as provided at Exhibit 8, Tab 1, Schedule 4 and Exhibit 8, Tab 2, Schedule 6. The monthly customer charge for Rate E24 is set at $15,031.46 per month, equal to the customer related cost per customer per month.

69. The transportation rate design for Rate E22 and Rate E24 includes transportation demand charges for firm and interruptible CD, a transportation fuel ratio applied to each cubic metre of gas consumed and a pre-authorized interruptible commodity charge.

70. Enbridge Gas proposes transportation demand charges to recover demand-based costs, including storage operational contingency and distribution function costs from the Cost Allocation Study, and any distribution customer costs not recovered through the monthly customer charge.

71. Enbridge Gas also proposes an incremental firm South transportation demand charge and fuel ratio for Rate E22 and Rate E24 customers located in the South service area. The incremental charge for South service area customers is necessary to recognize the transportation required to provide service to these customers. Customers located in the South service area are integrated into Enbridge Gas's transmission and distribution system and can't contract for transportation apart from Enbridge Gas, whereas customers located in other service areas can contract for third-party transportation services and are responsible for their own transportation needs. The South transportation demand

charge and fuel ratio are calculated from the allocation of transportation costs to Rate E22 and Rate E24 from the Cost Allocation Study.

72. Enbridge Gas is proposing to continue with the Transportation from Dawn service for unbundled customers who contracted for the service with no changes to the rates charged. Further information on this service option is provided at Exhibit 8, Tab 4, Schedule 5, Section 1.2.

73. Authorized transportation overrun and unauthorized transportation overrun first occurrence charges are set to the Rate E22 and Rate E24 commoditized first block transportation demand charges plus the transportation commodity charge for firm and interruptible rates, respectively. The proposed transportation overrun methodology approach is provided at Exhibit 8, Tab 4, Schedule 2 including the charges for subsequent occurrences of unauthorized transportation overrun. Enbridge Gas also proposes to apply the authorized transportation overrun charge in place of the transportation demand charge for commissioning and decommissioning volumes at the Company's sole discretion.

74. The proposed unauthorized transportation demand overrun interruption non-compliance charge of $60/GJ is applicable to interruptible customers who do not comply with a notice of interruption. Please see Exhibit 8, Tab 4, Schedule 2, Section 3.2 for a description of the harmonized proposal for interruption non-compliance.

2.4. Interruptible Bundled Contract Rate Design

75. Enbridge Gas proposes to establish a new harmonized interruptible rate class, Rate E30, to replace the existing interruptible bundled contract service options which currently exist in the EGD and Union rate zones. Customers may contract for

stand-alone interruptible service under Rate E30 or in addition to firm service available under Rate E10. An overview of the rate class mapping is provided in Table 5.

Table 5
Harmonized Interruptible Bundled Contract Rate Class Mapping Summary

Line No.	Service Type	Harmonized Rate Class	Rate Zone / Rate Class		
			EGD	Union North	Union South
		(a)	(b)	(c)	(d)
1	Interruptible Bundled Contract Service	Rate E30	Rate 145	Rate 25	Rate M4
2			Rate 170		Rate M5
3					Rate M7

76. Rate E30 will be available to sales service and bundled DP customers in all service areas across the Company's franchise area. The harmonized interruptible service design is provided at Exhibit 8, Tab 4, Schedule 2, Section 2.2. Additional details are provided in the Interruptible Rates Study provided at Exhibit 8, Tab 4, Schedule 7.

Rate E30 Applicability

77. Enbridge Gas proposes to set the applicability for Rate E30 to customers with a minimum interruptible CD of 1,800 m^3 per day. The minimum firm CD was set to align with the minimum CD requirement for firm service under Rate E10. The customer must be able to accommodate the interruption of gas through either a shutdown of operations or a demonstrated ability and readiness to switch to an alternative fuel source.

78. Enbridge Gas proposes to include a small firm service as part of the Rate E30 rate class limited to a maximum CD of less than 1,800 m^3 per day. The firm service is available to customers who primarily want an interruptible service but require a small firm component. Firm requirements greater than 1,800 m^3 contract demand can be contracted for under Rate E10.

Rate E30 Monthly Rates and Charges

79. Enbridge Gas proposes the following monthly rates and charges for Rate E30.

80. Enbridge Gas proposes to set the monthly customer charge at $500, consistent with Rate E10 and Rate E34, to manage bill impacts as provided at Exhibit 8, Tab 1, Schedule 4 and Exhibit 8, Tab 2, Schedule 6.

81. Enbridge Gas proposes to apply the monthly customer charge to customers who only take service under Rate E30. That is, if a customer also takes firm service under Rate E10, the monthly customer charge will not apply under the Rate E30 interruptible service. This approach to charging the monthly customer charge ensures customers pay the charge only once as part of their firm service, or their interruptible service if no firm service is contracted for. Charging the monthly customer charge once is consistent with the incurrence of customer-related costs. Enbridge Gas does not incur additional customer-related costs because a customer contracts for both firm and interruptible service as part of two different rate classes.

82. Enbridge Gas proposes an interruptible delivery demand charge to recover demand-based costs, including storage, transmission, and distribution functions from the Cost Allocation Study, and any distribution customer costs not recovered as part of the monthly customer charge. Charging customers based on demand results in appropriate contracting by interruptible customers, similar to the rate

design for firm rate classes. The delivery demand charge also provides a more consistent price spread between firm and interruptible services for all customers, regardless of the customer's rate class, size or load factor. The price spread between firm and interruptible rates for the harmonized rate classes is provided at Exhibit 8, Tab 4, Schedule 7, Figure 7.

83. The delivery demand charge for the firm service in Rate E30 is equal to the Rate E02 delivery demand charge as the contracted firm service amount contracted would otherwise be applicable under Rate E02 without the interruptible service contract.

84. Enbridge Gas proposes a delivery commodity charge to recover commodity-related costs from the Cost Allocation Study, with the exception of gas supply commodity which is recovered from sales service customers only in the gas supply commodity charge provided at Exhibit 8, Tab 2, Schedule 2. The delivery commodity charge is a common volumetric charge applied to each cubic metre of gas consumed.

85. Enbridge Gas proposes to set the pre-authorized interruptible rate at the commoditized interruptible delivery demand charge, as described in Section 2.2. No customers are forecasted to take this service under Rate E30. For more information on the pre-authorized interruptible service, please see Exhibit 8, Tab 4, Schedule 2, Section 1.3.

86. The proposed demand overrun methodology approach is provided at Exhibit 8, Tab 4, Schedule 2. Authorized demand overrun and unauthorized demand overrun first occurrence charges are set to the Rate E30 commoditized delivery demand charge plus the delivery commodity charge. Enbridge Gas also proposes to apply the

authorized demand overrun charge in place of the delivery demand charge for commissioning and decommissioning volumes at the Company's sole discretion.

2.5. Seasonal Firm Bundled Contract Rate Design

87. Enbridge Gas proposes to establish a new harmonized seasonal firm bundled rate class, Rate E34, to replace the existing seasonal firm bundled contract service options currently available in the EGD and Union South rate zone. Customers may contract for stand-alone seasonal firm service under Rate E34 or in addition to the firm service available under Rate E10. An overview of the rate class mapping is provided in Table 6.

Table 6
Harmonized Seasonal Firm Bundled Contract Rate Class Mapping Summary

			Rate Zone / Rate Class		
Line No.	Service Type	Harmonized Rate Class	EGD	Union North	Union South
		(a)	(b)	(c)	(d)
1	Seasonal Firm Bundled Contract Service	Rate E34	Rate 135	--	Rate M7

88. Rate E34 will be available to sales service and bundled DP customers in all service areas across the Company's franchise area. The harmonized seasonal firm service design is provided at Exhibit 8, Tab 4, Schedule 2, Section 2.3.

Rate E34 Applicability

89. Enbridge Gas proposes to set the applicability for Rate E34 to customers with a minimum seasonal firm CD of 1,800 m^3 per day. The minimum CD was set to align with the minimum CD requirement for firm service under Rate E10. The customer must be able to demonstrate that their annual load profile can comply with the CD

reduction that occurs during the December to March months as part of the seasonal service design.

Rate E34 Monthly Rates and Charges

90. Enbridge Gas proposes the following monthly rates and charges for Rate E34.

91. Enbridge Gas is proposing to set the monthly customer charge at $500, consistent with Rate E10 and Rate E30, to manage bill impacts as provided at Exhibit 8, Tab 1, Schedule 4 and Exhibit 8, Tab 2, Schedule 6.

92. Consistent with the approach for Rate E30, Enbridge Gas proposes to apply the monthly customer charge to customers who only take service under Rate E34. That is, if a customer also takes firm service under Rate E10, the monthly customer charge will not apply under the Rate E34 firm seasonal service. This approach to charging the monthly customer charge ensures customers pay the charge only once as part of their firm service, or their firm seasonal service if no firm service is contracted.

93. Enbridge Gas proposes a seasonal firm delivery demand charge to recover demand-based costs, including storage, transmission, and distribution functions from the Cost Allocation Study, and any distribution customer costs not recovered through the monthly customer charge.

94. The proposed delivery demand charge is applied to the customer’s CD each month of the year. The customer’s CD is reduced to 10% of the seasonal CD in the winter months of December through March and the delivery demand charge is applied to the lower CD in the winter months.

95. Authorized demand overrun and unauthorized demand overrun first occurrence charges are set to the Rate E34 commoditized delivery demand charge plus the delivery commodity charge. The proposed demand overrun methodology approach is provided at Exhibit 8, Tab 4, Schedule 2, including the charges for subsequent occurrences of unauthorized demand overrun during non-winter months. Enbridge Gas also proposes to apply the authorized demand overrun charge in place of the delivery demand charge for commissioning and decommissioning volumes at the Company's sole discretion.

96. Enbridge Gas proposes a volumetric charge applicable to subsequent occurrences of unauthorized demand overrun during the winter months of December through March when seasonal customers are operating under a reduced CD. This approach is similar to the existing Rate 135 seasonal overrun charges in the EGD rate zone, which has been effective to incent customers to contract for an appropriate CD. The general unauthorized overrun approach of establishing a new billing CD during these months would not match the customer's peak seasonal demand in the non-winter months. If a seasonal customer is not able to operate within their reduced winter contract parameters, they are able to contract for additional firm demand under Rate E10. The winter unauthorized demand overrun subsequent occurrence charge is set to the Rate E34 authorized demand overrun rate multiplied by 121 days of winter at 120%. This rate design methodology is consistent with the methodology for non-winter months but does not require the customer to increase their contracted CD.

97. Enbridge Gas proposes a delivery commodity charge to recover commodity-related costs from the Cost Allocation Study, with the exception of gas supply commodity which is recovered from sales service customers only in the gas supply commodity

charge provided at Exhibit 8, Tab 2, Schedule 2. The delivery commodity charge is a common volumetric charge for each cubic metre of gas consumed.

2.6. Unbundled Storage Contract Rate Design

98. Enbridge Gas proposes to establish a new harmonized cost-based unbundled storage service rate class, Rate E38, to replace the existing storage service options currently available in the EGD and Union rate zones. An overview of the rate class mapping is provided in Table 7.

Table 7
Harmonized Unbundled Storage Service Rate Class Mapping Summary

Line No.	Service Type	Harmonized Rate Class	Rate Zone / Rate Class		
			EGD	Union North	Union South
		(a)	(b)	(c)	(d)
1	Unbundled Storage Service	Rate E38	Rate 315	Rate 20	Rate T2
2			Rate 316		

99. Further details on the harmonized cost-based storage service is provided at Exhibit 8, Tab 4, Schedule 5, Section 4, including the proposed storage space and deliverability allocation methodologies and required nominations.

Rate E38 Applicability

100. The Rate E38 cost-based storage service is applicable to Enbridge Gas customers with an unbundled distribution service option under Rate E22 or Rate E24. Cost-based storage under Rate E38 is not available as a stand-alone service.

Rate E38 Monthly Rates and Charges

101. The monthly rates and charges for the Rate E38 cost-based storage service are the same as described for the semi-unbundled Rate E20 storage rates at Section 2.2 of this evidence.

102. Transportation from Dawn storage to the customer's point of consumption may be included for some customers. Rate E38 includes a transportation rate for the use of the Dawn Parkway System and the cost of TransCanada short-haul capacity necessary to transport gas for these customers. Customers without transportation by Enbridge Gas included as part of the Rate E38 service will have to secure the transportation through another means.

2.7. Wholesale Contract Rate Design

103. Enbridge Gas proposes to establish a new harmonized wholesale bundled rate class, Rate E62, and a new wholesale semi-unbundled service rate class, Rate E64, to replace the existing wholesale contract service options which currently exist in the EGD and Union rate zones. An overview of the rate class mapping is provided in Table 8.

Table 8
Harmonized Wholesale Contract Rate Class Mapping Summary

Line No.	Service Type	Harmonized Rate Class	Rate Zone / Rate Class: EGD	Union North	Union South
		(a)	(b)	(c)	(d)
1	Wholesale Bundled Contract Service	Rate E62	Rate 200	--	Rate M9
2	Wholesale Semi-Unbundled Contract Service	Rate E64	--	--	Rate T3

104. The rate design for the harmonized wholesale transportation service, Rate E60, which replaces the Union South Rate M17 is provided at Exhibit 8, Tab 2, Schedule 5.

Rate E62 and Rate E64 Applicability

105. Enbridge Gas proposes to set the applicability for Rate E62 and Rate E64 to existing distributors with a minimum firm CD of 13,000 m^3 per day. The minimum firm CD was set so that all current bundled and semi-unbundled wholesale contract service distributors are eligible for the same service option under the rate harmonization proposal. Currently, there is no minimum applicability for wholesale bundled contract service for EGD rate zone Rate 200 and the minimum applicability for Union South rate zone Rate M9 and Rate T3 is annual transportation of 2,000,000 m^3 and 700,000 m^3, respectively. There are no wholesale service distributors who have a firm CD of less than 13,000 m^3 in the 2024 Test Year Forecast. Enbridge Gas set the harmonized applicability at a minimum CD of 13,000 m^3 consistent with the applicability for semi-unbundled and unbundled service under Rate E20 and Rate E22, respectively.

106. Enbridge Gas proposes to limit the applicability of the harmonized bundled and semi-unbundled wholesale service under Rate E62 and Rate E64 to distributors who commenced service under Rate 200 in the EGD rate zone or Rate M9 or Rate T3 in the Union South rate zone prior to January 1, 2024. The OEB approved limiting the applicability of Rate M9 and Rate T3 rate schedules to gas distributors that existed in those rate classes at the time Rate M17 was approved.[4] The OEB found it reasonable that new distributors should not have access to an allocation of

[4] EB-2019-0183, OEB Decision and Order, April 9, 2020, p.1. Rate M17 is a point-to-point transportation service for gas distributors. In its decision, the OEB approved Rate M17 and limiting Rate M9 and Rate T3 to existing gas distributors that who took the service prior to January 1, 2019.

utility cost-based storage, as included in the Rate M9 and Rate T3 services.[5] The proposal to limit the applicability of Rate E62 and Rate E64 is consistent with the OEB's approval of the limit to Rate M9 and Rate T3.

107. A point-to-point transportation service is available under Rate E60 (previously Rate M17) to distributors who are not eligible for wholesale service under Rate E62 or Rate E64 due to the proposed applicability limit. Under Rate E60, distributors manage their own gas supply arrangements and utilize market-based storage for their storage needs. A description of the proposed harmonized service under Rate E60 is provided at Exhibit 8, Tab 4, Schedule 6.

Rate E62 Monthly Rates and Charges

108. Enbridge Gas proposes the following monthly rates and charges for Rate E62. The charges are consistent with the charges for firm bundled service offered under Rate E10, with the exception of the Rate E62 interruptible charge.

109. The monthly customer charge is set at $500 per month to manage bill impacts, consistent with Rate E10 and Rate E30, as provided at Exhibit 8, Tab 1, Schedule 4 and Exhibit 8, Tab 2, Schedule 6.

110. Enbridge Gas proposes a delivery demand charge to recover demand-based costs, including storage, transmission, and distribution functions from the Cost Allocation Study, and any distribution customer costs not recovered through the monthly customer charge.

111. The proposed demand overrun methodology approach is provided at Exhibit 8, Tab 4, Schedule 2. Authorized demand overrun and unauthorized demand overrun first

[5] EB-2019-0183, OEB Decision and Order, April 9, 2020, p.26.

occurrence charges are set to the Rate E10 commoditized first block delivery demand charge plus the delivery commodity charge.

112. Enbridge Gas proposes a delivery commodity charge to recover commodity-related costs from the Cost Allocation Study with the exception of gas supply commodity which is recovered from sales service customers only in the gas supply commodity charge provided at Exhibit 8, Tab 2, Schedule 2. The delivery commodity charge is a common volumetric charge for each cubic metre of gas consumed. Enbridge Gas proposes to apply the delivery commodity charge to firm and interruptible consumption.

Rate E64 Monthly Rates and Charges

113. Enbridge Gas proposes the following monthly rates and charges for Rate E64. The charges are consistent with the charges for semi-unbundled service offered under Rate E20.

114. The monthly customer charge is set at $31,938.65 per month which is based on the allocation of distribution customer costs from the Cost Allocation Study, as provided at Exhibit 8, Tab 1, Schedule 4. The monthly customer charge is set based on the allocated costs for the rate class, consistent with the current rate design for this service.

115. Enbridge Gas proposes transportation demand charges to recover demand-based costs including storage operational contingency, transmission, and distribution function costs from the Cost Allocation Study.

116. The commodity-related costs for Rate E64 are related to compressor fuel, UFG and company use gas costs and are recovered through a customer supplied fuel ratio applied to each cubic metre of gas consumed.

117. Authorized transportation overrun and unauthorized transportation overrun first occurrence charges are set to the Rate E64 commoditized first block transportation demand charge for firm and interruptible rates, respectively, and include a customer supplied fuel ratio. The proposed transportation overrun methodology approach is provided at Exhibit 8, Tab 4, Schedule 2 including the charges for subsequent occurrences of unauthorized transportation overrun.

118. Enbridge Gas proposes annual storage space and injection and withdrawal right demand charges recover the applicable demand-based storage costs from the Cost Allocation Study.

119. The commodity-related storage costs for Rate E64 are all related to compressor fuel, UFG and company use gas and are recovered through a customer supplied fuel ratio applied to each cubic metre of gas injected or withdrawn from storage.

120. The proposed storage rates were derived based on the average utility storage costs as provided at Exhibit 8, Tab 2, Schedule 9, Attachment 5. The average storage unit rate methodology is consistent with the approach to deriving cost-based storage rates for current rate classes in the EGD and Union rate zones. The storage space and deliverability rates are the same under Rate E20, Rate E38, and Rate E64.

121. Authorized storage space overrun is available to the customer as short-term storage/balancing service at negotiated prices. Unauthorized storage space overrun

incurs a $6/GJ/month charge for the greatest excess for each occurrence during the month, consistent with the current approved charges. The unauthorized storage space overrun methodology approach is provided at Exhibit 8, Tab 4, Schedule 4.

122. Authorized storage injection and withdrawal overrun is available to the customer provided advanced authorization is provided by Enbridge Gas. The authorized storage injection and withdrawal overrun charges are set equal to the Rate E64 commoditized storage injection/withdrawal demand charge. Unauthorized storage injection/withdrawal overrun incurs a $1.75/GJ charge. The unauthorized storage injection/withdrawal overrun methodology approach is provided at Exhibit 8, Tab 4, Schedule 4.

EX-FRANCHISE RATE DESIGN

AMY MIKHAILA, MANAGER RATE DESIGN
KENT KERRIGAN, SPECIALIST RATE DESIGN

1. The purpose of this evidence is to request OEB approval of the rate design changes for the ex-franchise rate classes. This evidence includes the proposed rate design changes for ex-franchise services for both the current and harmonized rate classes and an update to the non-utility cross charge for 2024. The approved rate design for ex-franchise rate classes has been used to derive rates for current and harmonized rate classes, unless otherwise noted in evidence.

2. This evidence also addresses the Rate C1 Dawn to Dawn-TCPL rate which was deferred for review to the 2024 Rebasing proceeding in the OEB Decision from Enbridge Gas's 2020 Rates proceeding[1].

3. Enbridge Gas's ex-franchise service harmonization proposals are provided at Exhibit 8, Tab 4, Schedule 6. Enbridge Gas's rate handbook, which reflects the service proposals and rate design proposals described in this evidence is provided at Exhibit 8, Tab 2, Schedule 7.

4. This evidence is organized as follows:
    1. Rate Design Changes for Current Rate Classes
    2. Rate Design Changes for Harmonized Rate Classes
    3. Non-Utility Cross Charge Update

[1] EB-2019-0194, OEB Decision and Order, May 14, 2020, pp.16-18.

5. The rate design for certain ex-franchise service charges is not based on an allocation of costs from the Cost Allocation Study but rather on a rate design that provides a contribution towards the recovery of fixed costs. This approach recognizes that not all ex-franchise services require the use of the Enbridge Gas system on design day and therefore, may not be allocated costs based on the cost allocation methodologies. This approach also simplifies the Cost Allocation Study where direct assignments to allocate minimal amounts of costs would complicate the Cost Allocation Study. The net revenue for these ex-franchise services flows as a benefit to in-franchise rate classes through storage and transportation (S&T) margin. The S&T margin is to the benefit of in-franchise rate classes, as it partly offsets the allocated costs to these rate classes. Please see Exhibit 8, Tab 2, Schedule 8, Attachment 11 for the S&T margin for the 2024 Test Year.

1. Rate Design Changes for Current Rate Classes

6. Enbridge Gas has derived 2024 ex-franchise charges using the rate design structure of the current rate class, unless otherwise noted in this evidence. Current contract rate classes will remain in effect until the proposed harmonized rate classes are implemented, which is planned for April 2026. The derivation of the proposed 2024 rates for the current classes is provided at Exhibit 8, Tab 2, Schedule 8, Attachment 2.

7. The Company is proposing the following changes to the ex-franchise rate design for current rate classes, effective January 1, 2024, as described in this section of evidence:

    1.1 Dawn Parkway Rate Design Proposal
    1.2 Rate C1 Firm Transportation between St. Clair, Bluewater, Ojibway and Dawn Rate Design Proposal
    1.3 Rate C1 Dawn to Dawn-TCPL

1.4 Rate M13 Producer Service Rate Design Proposal

1.1. Dawn Parkway Rate Design Proposal

8. Enbridge Gas is proposing a change to the current approved rate design for Rate M12/C1 transportation demand charges on the Dawn Parkway System effective January 1, 2024. Consistent with the proposed cost allocation methodology changes for Dawn Station and Parkway Station, provided at Exhibit 7, Tab 1, Schedule 4, Enbridge Gas is proposing to recover the demand costs associated with Dawn Station, Kirkwall Station and Parkway Station in the demand charges for the Dawn Parkway transportation service options that use each station.

9. The Dawn Parkway rate design proposal is also designed to correct an identified pricing anomaly that exists in the current approved rate design. Under the current rate design, the demand charge for the transportation service option from Kirkwall to Dawn is more expensive than the sum of the demand charges for transportation from Kirkwall to Parkway (easterly) and Parkway to Dawn (westerly). In both cases the gas transportation begins at Kirkwall and ends at Dawn but in the latter, the sum of the demand charges for two paths with further distance travelled is less expensive than the direct path. This pricing anomaly is primarily due to:
    a) A low allocation of costs to transport gas from Kirkwall to Parkway through the current approved rate design due to the distance weighted design day methodology. The distance between Kirkwall to Parkway is 40 km (or 18%) relative to 229 km for the Dawn Parkway System; and
    b) The higher days use assumption for westerly Dawn Parkway flow of 214 days for the Kirkwall to Dawn service option compared to 100 days for the Parkway to Dawn.

10. The current approved cost allocation, however, does not recognize the incremental cost for the use of Parkway Station when transporting gas from Kirkwall to Parkway and then from Parkway to Dawn. As illustrated at Table 1, the pricing anomaly is corrected under the proposed rate design, which recovers the demand costs associated with Dawn Station, Kirkwall Station and Parkway Station in the demand charges for Dawn Parkway transportation service options that use each station.

Table 1
Comparison of Rate M12/C1 Kirkwall to Dawn Demand Cost

Line No.	Service Options ($/GJ/mo)	2024 Current Approved Rate Design	2024 Proposed Rate Design	
		(a)	(b)	
1	Kirkwall to Parkway (Rate M12/C1)	0.595	1.431	/u
2	Parkway to Dawn (Rate C1)	0.971	0.938	/u
3	Total Kirkwall to Dawn (sum of paths)	1.566	2.369	/u
4	Kirkwall to Dawn (Rate C1)	1.730	1.372	/u
5	Difference (line 3 - line 4)	(0.164)	0.996	/u

Current Approved Rate Design

11. Enbridge Gas's current Rate M12 and Rate C1[2] demand charges are designed to recover the allocated Rate M12 and firm Rate C1 Dawn Parkway transmission and Dawn compression demand costs. The rate design is cost-based and maintains a revenue-to-cost ratio of 1.0 amongst all the easterly and westerly Rate M12 and firm Rate C1 Dawn Parkway System transportation service options. A list of the Rate M12 and firm Rate C1 service options are provided below:

[2] Dawn Parkway long term firm easterly transportation service is offered under Rate M12, which requires a term of 5 years or greater. Firm Dawn Parkway transportation is also offered Rate C1 for any term on any path.

a) M12/C1 Dawn to Parkway (easterly);
b) M12/C1 Dawn to Kirkwall (easterly);
c) M12/C1 Kirkwall to Parkway (easterly);
d) C1 Parkway to Dawn (westerly);
e) C1 Parkway to Kirkwall (westerly);
f) C1 Kirkwall to Dawn (westerly); and
g) M12-X (easterly/westerly) – for service between Dawn, Kirkwall and Parkway.

12. Consistent with the current approved cost allocation methodology, Enbridge Gas classifies the Dawn Parkway System demand costs as Dawn Parkway and Dawn Station transmission. Enbridge Gas recovers the Dawn Parkway System demand costs based on the distance weighted demands on the Dawn Parkway System and Dawn Station demand costs based on the compression demands at Dawn. Enbridge Gas also recovers a portion of the allocated Dawn Parkway System costs from the westerly firm Rate C1 and M12-X services, which reduces the amount of Dawn Parkway System demand costs recovered in easterly Rate M12/C1 rates. The westerly Parkway to Dawn and Kirkwall to Dawn demand rates are set based on the Dawn to Parkway demand rate recovered over 100 days and the westerly Rate C1 demand rate is set based on Kirkwall to Dawn demand rate recovered over 214 days. The derivation of Rate M12/C1 demand charges based on the current approved rate design and proposed cost allocation is provided at Exhibit 8, Tab 2, Schedule 8, Attachment 12, page 2.

Proposed Rate Design

13. Enbridge Gas is proposing to change the recovery of Dawn Station, Kirkwall Station and Parkway Station demand costs based on the use of the assets required to provide each service option, consistent with the proposed cost allocation of Dawn

Station and Parkway Station provided at Exhibit 7, Tab 1, Schedule 4. These costs will be recovered based on the design day demands at each station. The remaining Dawn Parkway System demand costs will continue to be recovered based on distance weighted design day demands. Please see Table 2 which illustrates, with a yes or no (Y / N), the recovery of the applicable station costs for each service option.

Table 2
M12/C1/M12-X Station Cost Recovery by Service Option

Line No.	Service Options	Dawn Station	Kirkwall Station	Parkway Station	Dawn-Parkway
		(a)	(b)	(c)	(d)
1	M12/C1 Dawn to Parkway	Y	N	Y	Y
2	M12/C1 Dawn to Kirkwall	Y	Y	N	Y
3	M12/C1 Kirkwall to Parkway	N	Y	Y	Y
4	C1 Parkway to Dawn	Y	N	Y	Y
5	C1 Parkway to Kirkwall	Y	N	Y	Y
6	C1 Kirkwall to Dawn	Y	Y	N	Y
7	M12-X	Y	N	Y	Y

14. This proposed change recognizes the use of each station by recovering the costs from each of the respective Rate M12/C1 demand rates by path. The derivation of Rate M12/C1 demand charges based on the proposed cost allocation and rate design is provided at Exhibit 8, Tab 2, Schedule 8, Attachment 12, page 1.

15. The rate impacts of the proposed rate design for Rate M12/C1 demand charges are provided at Table 3

Table 3
Comparison of the Current and Proposed M12/C1 Dawn Parkway
Transportation Demand Charges

Line No.	Services Options ($/GJ/mo)	2024 Current Approved Rate Design	2024 Proposed Rate Design	2024 Change	2024 Change %	
		(a)	(b)	(c)	(d)	
1	M12/C1 Dawn to Parkway	3.545	3.423	(0.123)	(3%)	/u
2	M12/C1 Dawn to Kirkwall	2.950	2.429	(0.522)	(18%)	/u
3	M12/C1 Kirkwall to Parkway	0.595	1.431	0.836	141%	/u
4	C1 Parkway to Dawn	0.971	0.938	(0.034)	(3%)	/u
5	C1 Parkway to Kirkwall	0.971	0.938	(0.034)	(3%)	/u
6	C1 Kirkwall to Dawn	1.730	1.372	(0.357)	(21%)	/u
7	M12-X	4.516	4.360	(0.156)	(3%)	/u

16. As illustrated in Table 3, the proposed rate design does not have a significant impact on the Dawn Parkway transportation demand charges and results in a rate decrease for all paths with the exception of the Kirkwall to Parkway path. The Kirkwall to Parkway rate increases as a result of the Dawn Parkway rate design proposal because Parkway Station is a larger component of the rate compared to the current rate design where the Kirkwall to Parkway rate only includes a proportionate share of the Parkway Station based on distance travelled. This increase to the Kirkwall to Parkway rate provides a cost-based price that is appropriate relative to the other Dawn Parkway transportation service options and corrects the pricing anomaly described in this section of evidence.

Customer Engagement

17. Enbridge Gas sought feedback from customers on the Parkway Station cost allocation as part of its ex-franchise customer engagement process. Please see

Exhibit 1, Tab 6, Schedule 1, Attachment 2, pages 17-18 for the detailed customer engagement report for transportation (Rate M12/C1) customers. As part of the question, Enbridge Gas indicated the change in cost allocation of the Parkway Station would result in an increase to Rate M12 of approximately 4%.

18. Approximately half of respondents (7 of 15) indicated that in their view Enbridge Gas should not change the recovery of the Parkway Station and all Rate M12 paths should pay for it. Three respondents favoured the change, and five respondents had no opinion or didn't know how to respond. The responses are in line with the Company's expectations of the responses considering the proposal increases the costs allocated to this group of customers.

19. Enbridge Gas did not request feedback from in-franchise customers on the proposed allocation of Parkway Station costs but anticipates that the feedback would be favourable given the lower bill impacts and past submissions on the topic. In Union's 2013 Cost of Service[3] proceeding, evidence was submitted on behalf of intervenor groups and supported by various parties that argued the use of the Parkway Station was unique from the Dawn Parkway System as a whole and the costs should be allocated and recovered from rate classes that use Parkway facilities.

20. As discussed above, allocating Parkway Station separately is more reflective of cost causation principles and as such, Enbridge Gas is proposing the change in cost allocation to the Parkway Station.

[3] EB-2011-0210.

1.2. Rate C1 Firm Transportation between St. Clair, Bluewater, Ojibway and Dawn Rate Design Proposal

21. Enbridge Gas is proposing a change to the current approved rate design for Rate C1 firm transportation demand charges between St. Clair, Bluewater, Ojibway and Dawn effective January 1, 2024. The rate design for transportation between St. Clair, Bluewater, Ojibway and Dawn was last approved in Union's 2013 Cost of Service[4] proceeding and discussed in evidence as part of the Union's Panhandle Reinforcement Project[5] proceeding and Enbridge Gas's 2020 Rates[6] proceeding.

22. Enbridge Gas proposes to change the rate design for firm transportation from St. Clair, Bluewater and Ojibway to Dawn, while maintaining the current approved rate design for transportation from Dawn to St. Clair, Bluewater and Ojibway.

23. The current approved rate design is based on the average unit rate of the transmission systems used to provide the transportation service regardless of the direction of the transportation service. Gas flowing from Dawn to St. Clair, Bluewater and Ojibway is in the same direction (in-flow) as gas flows on the system to meet in-franchise peak day demand. As such, the Dawn to St. Clair, Bluewater and Ojibway firm transmission charge should continue to be based on the average unit rate of the transmission system to ensure recovery is based on cost causality and consistent with the recovery from in-franchise customers.

24. The St. Clair, Bluewater and Ojibway to Dawn transportation is flowing in the opposite direction (counter flow) of gas flows on the system to meet in-franchise peak day demand. Transportation to Dawn on these paths provides a system

[4] EB-2011-0210.
[5] EB-2016-0186.
[6] EB-2019-0194.

benefit because gas arriving at St. Clair, Bluewater or Ojibway is consumed in the local market area which reduces the gas needs from Dawn and does not require additional facilities to provide the service. Enbridge Gas proposes to introduce a firm transportation demand charge for transportation from St. Clair, Bluewater and Ojibway to Dawn that is separate from the Dawn to St. Clair, Bluewater and Ojibway firm transportation demand charge. The rate design is based on 100 days use as it is only during certain days in the summer months, when gas requirements in the local area market are lowest, that the gas may be required to be physically transported to Dawn. The 100 days use rate design to derive a rate for counterflow activity that can provide a system benefit is consistent with the current approved rate design for westerly Parkway to Dawn.

25. The revenue generated from the transportation service is used to reduce in-franchise customer rates through the S&T margin, providing a benefit to all in-franchise customers. The S&T margin for the 2024 Test Year is provided at Exhibit 8, Tab 2, Schedule 8, Attachment 11. The impact of the rate design change for Rate C1 from Dawn to St. Clair, Bluewater and Ojibway demand charge is provided at Table 4.

Table 4

Comparison of the Current and Proposed Rate C1 Transportation – Dawn, St. Clair, Bluewater, and Ojibway Firm Transportation Demand Charges

Line No.	Services ($/GJ/mo)	2024 Current Approved Rate Design	2024 Proposed Rate Design	
		(a)	(b)	
1	Dawn to St. Clair, Bluewater & Ojibway (1)	6.677	6.677	/u
2	St. Clair, Bluewater & Ojibway to Dawn	6.677	1.829	/u

Note:

(1) There are no forecast customers for the Rate C1 service from Dawn to St. Clair, Bluewater & Ojibway.

1.3. Rate C1 Dawn to Dawn-TCPL

26. In the MAADs proceeding[7], TransCanada raised an issue that no adjustments have been made to the Rate C1 Dawn to Dawn-TCPL demand rate even though the capital investments recovered in the rate were fully depreciated in 2018. In accordance with the MAADs Decision[8], Enbridge Gas filed a comprehensive Cost Allocation Study as part of its 2020 Rates Application. In the 2020 Rates Decision[9], the OEB noted that it does not make changes for specific costs during an IR term and that the costs to provide the Dawn to Dawn-TCPL service would be reviewed as part of the 2024 Rebasing proceeding.

27. The Rate C1 Dawn to Dawn-TCPL demand rate design has two parts, as approved by the OEB in the Dawn to Dawn-TCPL Firm Rate proceeding.[10] The first part was designed to recover Dawn transmission compression related costs and the second

[7] EB-2017-0306/EB-2017-0307.
[8] Ibid, OEB Decision and Order, August 30, 2018.
[9] EB-2019-0194, OEB Decision and Order, May 14, 2020.
[10] EB-2010-0207, OEB Decision and Order, August 12, 2010.

part was designed to recover capital investment required by the Company to provide the service. The capital investment was depreciated over five years beginning with the start of the service.

28. As part of the proposed rate design in this Application, the Rate C1 Dawn to Dawn-TCPL demand rate has been updated to include only the recovery of Dawn transmission compression related costs, updated for the 2024 Test Year, as the capital investments to provide the service are fully depreciated. The proposed Rate C1 Dawn to Dawn-TCPL demand rate is $0.024/GJ for 2024 compared to the approved 2023 rate of $0.152/GJ as provided at Exhibit 8, Tab 2, Schedule 8, Attachment 2. The derivation of the proposed Rate C1 Dawn to Dawn-TCPL rate is provided at Exhibit 8, Tab 2, Schedule 8, Attachment 13.

1.4 Rate M13 Producer Service Rate Design Proposal

29. Enbridge Gas is proposing a change to the current approved rate design for the Rate M13 producer service effective January 1, 2024, for the following charges:
    a) A fixed monthly station charge (one of two fixed monthly station charges will apply based on the requirements of each producer station);
    b) Transmission commodity charge to transport gas on the system; and
    c) A renewable natural gas (RNG) sampling charge, if applicable.

30. The OEB has initiated a proceeding to consider the price paid for natural gas produced in Ontario.[11] In its Decision and Procedural Order No. 3 of this proceeding, the OEB confirmed that the Ontario Petroleum Institute (OPI) may raise concerns related to Rate M13 rate design and cost allocation in an Enbridge Gas rebasing proceeding (this Application).[12] Details of the proposed rate design

[11] EB-2022-0094.
[12] EB-2022-0094 Decision and Procedural Order No. 3, November 17, 2022, p.15.

changes for Rate M13 are provided in this section of evidence. The harmonized producer rate design proposal is provided in Section 2.2.

Monthly Station Charge

31. Enbridge Gas is proposing two monthly fixed charges, also referred to as monthly station charges, for Rate M13 to account for cost differences that result from different station design requirements. One of the proposed monthly fixed charges will apply to each producer station. The charges are:
    a) $469/month for a producer typical station design; and
    b) $1,062/month a producer large station design.

32. Costs for the monthly station charge were derived by determining the average annual O&M required to maintain a typical and large producer station.[13] Capital costs were not included in the charge as producers pay the full capital cost of the producer station through either a contribution in aid of construct (CIAC) or a surcharge to the posted rate for the duration of the contract. A large station design is defined as a station that requires a remote terminal unit (RTU). An RTU is appropriate to distinguish between a typical and large station as a station requiring an RTU has more complex systems requiring all day monitoring.

33. Currently, producers with a Gas Purchase Agreement (GPA) in the Union rate zones are charged $90/month for their producer station(s). This amount was fixed at the time of contracting and does not reflect the O&M cost incurred to service these stations. As part of discussions with OPI, Enbridge Gas confirmed that the monthly station charge would be reviewed as part of Enbridge Gas's rebasing application.

[13] O&M costs include compliance, inspection, and maintenance of the station.

34. Enbridge Gas is proposing to apply the Rate M13 monthly station charge to all producers who currently take service under Rate M13 and/or have a GPA and inject gas into the distribution system. Enbridge Gas is proposing producers will pay the same monthly station charge based on station type regardless of what producers choose to do with their gas once it has been injected into Enbridge Gas's system, which better reflects cost causality and reduces any cross subsidization with other ratepayers. This rate design also recognizes that Enbridge Gas incurs costs to operate and maintain a producer station regardless of the service option selected by the producer. Enbridge Gas will continue to use the approved rate-setting methodology for Rate 401 in 2024, which calculates a site-specific monthly service charge for each RNG injection service.

Transmission Commodity Charge

35. Enbridge Gas is proposing a change to the Rate M13 current approved transmission commodity charge rate design effective January 1, 2024. The transmission commodity charge and the proposed rate design change also applies to Rate M16 for storage pool operators.

36. The transmission commodity charge recovers the transportation costs of moving gas from the local producer station to Dawn. The transmission commodity charge will apply only to producers who choose to transport their production to Dawn. The current rate design for the transmission commodity charge is based on a commoditized cost of the Dawn Parkway System excluding Dawn compression for in-franchise customers.

37. Applying the current rate design to derive the transmission commodity charge for 2024 results in an increase of 137% compared to the 2023 rate.[14] The increase in the unit rate is due to the increase in the use of the Dawn Parkway System by in-franchise customers which is unrelated to the producer services and their use of the Dawn Parkway System. It is for this reason that Enbridge Gas is proposing a change to the rate design methodology. /u

38. Enbridge Gas proposes to set the transmission commodity charge equal to 50% of the commoditized Rate M12 Dawn to Parkway easterly demand rate excluding Parkway Station. Applying 50% to the rate is meant to represent the mid point of the Dawn Parkway System to recognize that producer services are located at various locations along the Dawn Parkway System and gas injected onto the system does not travel the full distance of the system. The proposed rate design also allows for more stable and predictable rates for these customers over time, as the rate design is no longer derived based on in-franchise activity.

39. The impact of the proposed rate design change for the Rate M13/M16 transmission commodity charge is provided at Table 5. Compared to the 2023 transmission commodity charge of $0.038/GJ, the increase to the proposed charge of $0.044/GJ in 2024 is $0.006/GJ (or 14%). /u

[14] The 2023 transmission commodity charge of $0.038/GJ would increase to $0.090/GJ under the current approved rate design methodology, which is an increase of approximately 137%. /u

Table 5
Rate M13/M16 Transmission Commodity Charge Rate Design

Line No.	Services ($/GJ/mo)	2024 Current Approved Rate Design	2024 Proposed Rate Design	2024 Change	2024 Change %	
		(a)	(b)	(c) = (b - a)	(d) = (c) / (a)	
1	Rate M13/M16 Transmission Commodity Charge (1)	0.090	0.044	(0.046)	(52%)	/u

Note:
(1) The 2023 Rate M13/M16 transmission commodity charge is $0.038/GJ/mo.

40. The revenue generated from the transmission commodity charge is used to reduce in-franchise customer rates through the S&T margin, providing a benefit to all customers. The S&T margin for 2024 is provided at Exhibit 8, Tab 2, Schedule 8, Attachment 11.

RNG Sampling Charge

41. Enbridge Gas proposes a new fixed RNG sampling charge of $10,000 per sample as part of the Rate M13 rate design to recover the incremental cost incurred by the Company to sample and test the quality of gas for producers of RNG. Currently, RNG producers are required to have their gas production sampled at least annually and during commissioning for quality before injecting into Enbridge Gas's distribution system. The RNG sampling charge is set based on the incremental cost for each occurrence of RNG sampling activity which is forecast at $10,000. The incremental nature of the charge ensures that producers who are required to undertake the RNG sampling activities pay for these costs which ensures the cost is not subsidized by other customers.

2. Rate Design Changes for Harmonized Rate Classes

42. The rate design proposals in this evidence for the harmonized rate classes are effective April 1, 2026. The implementation timing of the harmonized services and rate classes is dependent on business application and process changes. A description of the rate implementation plan is provided at Exhibit 8, Tab 2, Schedule 1. A description of the harmonized ex-franchise service proposals is provided at Exhibit 8, Tab 4, Schedule 6.

43. A summary of the current and proposed rate classes for each ex-franchise service is provided in Table 6.

Table 6
Summary of Proposed Enbridge Gas Ex-franchise Services by Rate Class

Line No.	Service Description	Proposed Rate Class	Current Rate Zones	
			EGD	Union
		(a)	(b)	(c)
1	Transportation Services	Rate E70	Rate 331	Rate M12
2			Rate 332	Rate C1
3				Rate M17
4	Producer Services	Rate E80	Rate 401	Rate M13
5		Rate E82		GPA
6	Wholesale Transportation Services	Rate E60	N/A	Rate M17
7	Storage Pool Transportation Services	Rate E72	N/A	Rate M16

44. This section of evidence is organized as follows:

2.1 Transportation Service Rate Class Harmonization Proposal
2.2 Producer Service Rate Class Harmonization Proposal
2.3 Wholesale Transportation Service Rate Class Harmonization Proposal
2.4 Storage Pool Transportation Service Rate Class Harmonization Proposal

2.1. Transportation Service Rate Class Harmonization Proposal

45. Ex-franchise transportation services refer to the point-to-point transportation services offered by Enbridge Gas for shippers at various receipt and delivery points on the Company's transmission system pipelines including the Dawn Parkway System, Panhandle System, St. Clair System, and Albion System.

46. Enbridge Gas is proposing to combine the current ex-franchise transportation services offered under Rate 331 and Rate 332 in the EGD rate zone and Rate M12, Rate C1, and the Dawn Parkway System transportation of Rate M17[15] in the Union South rate zone into one transportation service offering under the harmonized rate class Rate E70. Table 7 provides an overview of Enbridge Gas's proposed Rate E70 rate class.

[15] Rate M17 transportation from the Dawn Parkway System to the distributor's delivery area is being offered under the harmonized rate class Rate E60.

Table 7
Harmonized Transportation Contract Rate Class Mapping Summary

Line No.	Service Type	Harmonized Rate Class	Rate Zone	
			EGD	Union South
		(a)	(b)	(c)
1	Ex-franchise Transportation Service	Rate E70	Rate 331	Rate M12
2			Rate 332	Rate M17 (D-P)
3				Rate C1

47. Enbridge Gas's proposal to harmonize the ex-franchise transportation service rate classes into one rate class provides a consistent customer experience and reduces the administrative burden for the OEB and Enbridge Gas by reducing the number of rate classes while maintaining the same level of service for customers.

48. There are minimal rate design changes associated with harmonizing ex-franchise transportation services into one rate class as the underlying services offered to customers do not change significantly.

2.2. Producer Service Rate Class Harmonization Proposal

49. Enbridge Gas currently offers services to producers of both traditional natural gas and RNG. For each service the producer can inject the natural gas produced into Enbridge Gas's distribution system. Following the gas injection, the producer has a choice of service options depending on the rate zone of the producer. Please see Exhibit 8, Tab 4, Schedule 6, Section 2 for an overview of the current and proposed producer service offerings.

50. The current producer services available are offered under Rate 401 in the EGD rate zone and Rate M13 in the Union South rate zone. In addition to Rate M13,

Enbridge Gas has negotiated GPAs with many conventional natural gas producers located in Ontario. The GPA is not a regulated service approved by the OEB, but includes various contractual terms related to injection of gas into Enbridge Gas's system that are similar to those within Rate M13 contracts. Enbridge Gas proposes to harmonize these producer services and GPAs under the harmonized rate class Rate E80 to provide a common producer injection service. For more information on the service attributes of existing and proposed producer injection services, please see Exhibit 8, Tab 4, Schedule 6, Section 2.2.

51. Table 8 provides a summary of the rate class harmonization proposal.

Table 8
Harmonized Producer Contract Rate Class Mapping Summary

Line No.	Service Type	Harmonized Rate Class	Rate Zone	
			EGD	Union South
		(a)	(b)	(c)
1	Producer Services	Rate E80	Rate 401	Rate M13
2				GPA
3	Producer Injection Service	Rate E82	Rate 401(1)	

Note:
(1) Producers who have contracted for the long-term fixed price service under Rate 401 prior to the harmonization of rate classes will transition to Rate E82 for the duration of the contract.

52. Rate 401 in the EGD rate zone is an RNG injection service in which the service fee charged is site specific and established at the beginning of the contract term. The rate is based on a cost-of-service calculation for each producer for the term of the

contract. Due to the long-term nature of Rate 401 contracts, Enbridge Gas proposes to maintain the existing Rate 401 service, under the harmonized rate class Rate E82 for producers with a current Rate 401 contract until the expiry of each contract. Upon the implementation of Rate E80, all new producer contracts will take service under the new harmonized producer service, Rate E80, and no further Rate 401 contracts will be executed. That is, Rate E82 will be limited only to producers who had a Rate 401 contract prior to the implementation of the harmonized rate classes and customers with a Rate M13 or GPA contract will harmonize into Rate E80.

53. Enbridge Gas proposes a rate design for Rate E80 that aligns elements of the current approved rate design of Rate M13[16] as well as introduces new charges for services. Charges for Rate E80 consist of the following components:
    a) A fixed monthly station charge (one of two fixed monthly station charges will apply based on the nature of each producer station);
    b) Transmission commodity charge to transport gas on the system, if applicable;
    c) Delivery commodity charge to recover any fuel and unaccounted for gas (UFG) for gas transported on the system, if applicable; and
    d) An RNG sampling charge, if applicable.

54. Other costs related to providing Rate E80 service, such as those related to daily balancing, will be determined based on the needs of the individual producer and outlined in the Rate E80 contract or supplementary service contract as applicable. Similarly, terms and conditions related to any gas that is purchased by Enbridge Gas will be determined in a separate gas purchase agreement.

[16] Rate M13 and Rate 401 rate design were last approved in EB-2011-0210 and EB-2017-0319, respectively.

55. Please see Table 9 for an overview of the current approved and proposed rates for Enbridge Gas producer rate classes.

Table 9
Rate E80 – Harmonized Producer Rate Class Summary

Line No.	Rate Component	Units	Current Approved at 2023 Rates			Proposed 2024
			Rate 401	Rate M13	GPA	Rate E80
		(a)	(b)	(c)	(d)	(e)
1 2	Monthly Fixed Charge	$/month	Site-Specific Service Fee	$1,048	$90	Typical - $469 Large - $1,062
3	Transmission Commodity Charge	$/GJ	--	$0.038	--	$0.044
4	Delivery Commodity Charge	$/GJ	--	$0.009	--	$0.026
5	RNG Sampling Charge	$/sample	--	--	--	$10,000

Monthly Station Charge

56. Enbridge Gas is proposing two monthly fixed charges for Rate E80, consistent with the rate design proposal for Rate M13. The monthly fixed charges account for cost differences that result from different station design requirements. Enbridge Gas is proposing the monthly fixed charge will apply to all producers who inject gas into the distribution system under Rate E80, including both the producers who currently take service under Rate M13 and/or have a GPA. Please see Section 1.4 for a description of the Rate M13 rate design proposal for 2024.

57. Enbridge Gas is proposing to continue to use the site-specific monthly service fee for producers taking service under Rate E82. This rate design is based on the

approved rate-setting methodology for Rate 401, which calculates a site-specific monthly service fee for each RNG injection service.

Transmission Commodity Charge

58. Enbridge Gas is proposing a transmission commodity charge as part of Rate E80 rate design, consistent with Rate M13, to recover the transportation costs of moving gas from the local producer station to Dawn. The transmission commodity charge will apply only to producers who choose to transport their production to Dawn. Please see Section 1.4 for a description of the Rate M13 rate design proposal for 2024.

Delivery Commodity Charge

59. Enbridge Gas is proposing a delivery commodity charge as part of the Rate E80 rate design, consistent with Rate M13, to recover UFG and company use fuel from producers. The delivery commodity charge will apply only to producers who choose to transport their production to Dawn.

RNG Sampling Charge

60. Enbridge Gas proposes a fixed RNG sampling charge of $10,000 per sample as part of the Rate E80 rate design, consistent with Rate M13, to recover the incremental cost incurred by the Company to sample and test the quality of gas for producers of RNG. Please see Section 1.4 for a description of the Rate M13 rate design proposal for 2024.

2.3. Wholesale Transportation Service Rate Class Harmonization Proposal

61. Enbridge Gas is proposing to offer Rate M17 transportation from the Dawn Parkway System to the distributor's delivery area[17] under the harmonized rate class Rate E60. Please see Table 10 for a summary of the rate class harmonization proposal and Exhibit 8, Tab 4, Schedule 6 for an overview of the current and proposed wholesale service offerings.

Table 10
Harmonized Wholesale Transportation Contract Rate Class Mapping Summary

Line No.	Service Type	Harmonized Rate Class	Rate Zone	
			EGD	Union South
		(a)	(b)	(c)
1	Wholesale Transportation Service	Rate E60	--	Rate M17

62. Enbridge Gas is also proposing to separate the current Rate M17 demand charges into two charges. One demand charge for the Dawn Parkway System transportation under Rate E70, as provided in Section 2.1, and the other to transport gas from the Dawn Parkway System to the customer's delivery area under Rate E60. There are no other changes to the current approved rate design of Rate M17, which is now reflected under Rate E70 for the Dawn Parkway transportation service and Rate E60 for the wholesale service.[18]

[17] Rate M17 Dawn Parkway System transportation is being offered under the harmonized rate class Rate E70.
[18] Enbridge Gas's Rate M17 rate design was approved as part of the Owen Sound Reinforcement Leave to Construct and Rate M17 Application. EB-2019-0183, OEB Decision and Order, April 9, 2020.

63. Please see Table 11 for a summary of the 2024 demand charge for the current rate class Rate M17 and the 2024 demand charges for similar transportation under the proposed rate classes Rate E60 and Rate E70.

Table 11
Wholesale Transportation Service Demand Charges

Line No.	Particulars	($/GJ) (2)	/u
		(a)	
	Current Rate Design		
1	Rate M17 - Dawn to Delivery Area Demand Charge	4.684	
	Proposed Rate Design		
2	Rate E60 - Transportation Demand Charge	2.544	
3	Rate E70 - Dawn to Owen Sound Line Demand Charge	2.140	
4	Total Demand Charge (1)	4.684	

Note:
(1) The sum of the proposed Rate E60 and Rate E70 demand charges is equal to the current approved Rate M17 demand charge rate design.
(2) The harmonized rate classes are based on evidence filed November 30, 2022. /u

2.4. Storage Pool Transportation Service Rate Class Harmonization Proposal

64. Enbridge Gas is proposing to offer the current Rate M16 transportation service for storage pool operators under the harmonized rate class Rate E72. Please see Table 12 for a summary of the rate class harmonization proposal and Exhibit 8, Tab 4, Schedule 6 for an overview of the current and proposed storage pool transportation service.

Table 12
Harmonized Storage Pool Transportation Contract Rate Class Mapping Summary

Line No.	Service Type	Harmonized Rate Class	Rate Zone / Rate Class	
			EGD	Union South
		(a)	(b)	(c)
1	Storage Pool Transportation Service	Rate E72	--	Rate M16

65. Enbridge Gas is proposing a rate design change for the Rate M16 transportation commodity charge to align with the Rate M13 transportation commodity charge proposal as discussed in Section 1.4, effective January 1, 2024. Currently, a common transmission commodity charge applies to both Rate M13 and Rate M16. All other rate design elements of the proposed Rate E72 are consistent with the current approved rate design of Rate M16.

3. Non-Utility Cross Charge Update

66. The non-utility cross charge recognizes utility revenue for the unregulated storage business for the use of utility assets. The non-utility cross charge for 2024 is $1.7 million to recognize the 2024 Test Year proposed unit rates and updated non-utility cross charge methodology. This change results in an increase to the non-utility cross charge revenue of $0.5 million, as provided at Exhibit 8, Tab 1, Schedule 1, Section 1.

67. Table 13 provides the update to the non-utility cross charge as well as the recovery toward the revenue deficiency attributable to the non-utility cross charge. Exhibit 8, Tab 2, Schedule 8, Attachment 17 provides the detailed calculation of the components of the non-utility cross charge.

Table 13
Non-Utility Cross Charge Update

Line No.	Particulars ($ millions)	Non-Utility Cross Charge Current	Proposed	Revenue Deficiency Recovery	
		(a)	(b)	(c)	
1	Heritage Pool Transportation Charges	0.054	0.092	0.038	/u
2	Tipperary Pool Transportation Charges	0.024	0.040	0.015	/u
3	Dow Moore Pool Storage Charges	0.595	1.016	0.421	/u
4	Black Creek Pool Storage Charges	0.164	0.139	(0.025)	
5	Long-Term Storage Operational Contingency	0.360	0.431	0.072	/u
6	Hagar Liquefaction Service	-	-	-	
7	Total Non-Utility Cross Charge	1.197	1.719	0.522	/u

68. The non-utility cross charge is comprised of the following components, which are described in this section of evidence as follows:

    3.1 Heritage Pool and Tipperary Pool Transportation Charges

    3.2 Dow Moore and Black Creek Storage Pool Charges

    3.3 Long-Term Storage Operational Contingency

    3.4 Hagar Liquefaction Service

3.1. Heritage Pool and Tipperary Pool Transportation Charges

69. Enbridge Gas has calculated the 2024 non-utility cross charge associated with the Heritage and Tipperary storage pools of $0.092 million and $0.040 million, /u respectively, based on the transmission commodity and fuel charges per the 2024 proposed Rate M16 rate schedule. The Heritage and Tipperary storage pools are unregulated storage pools that use utility transmission assets to transport gas to and from Dawn and the storage pools. The 2024 Test Year includes the cost of the transmission assets used by the unregulated storage pools and the non-utility cross charge recognizes a contribution to the cost of the transmission assets by the non-

utility operations.

3.2. Dow Moore and Black Creek Storage Pool Charges

70. Enbridge Gas proposes a 2024 non-utility cross charge associated with the Dow Moore and Black Creek storage pools of $1.016 million and $0.139 million, /u respectively.

71. Prior to the amalgamation of EGD and Union, Dow Moore and Black Creek storage pools were joint ventures between the two companies. EGD operated the storage pools and invoiced Union under Rate 325 for the storage space, deliverability, and commodity charges on a monthly basis. Rate 325 was a regulated service of EGD.

72. Following the amalgamation, the Dow Moore and Black Creek became wholly-owned storage pools of Enbridge Gas. Enbridge Gas continued with the Rate 325 monthly invoices between the EGD and Union rate zones during the deferred rebasing term as proposed in the MAADs proceeding.[19]

73. The storage assets used by the joint ventures and owned by EGD are recognized as utility assets. The storage assets used by the joint ventures and owned by Union were allocated between the regulated and unregulated storage operations as part of the one-time separation of utility and non-utility plant assets.[20]

74. Union (and subsequent to amalgamation, the Union rate zone) recorded a non-utility component of the monthly Rate 325 invoices for Dow Moore and Black Creek. The non-utility component was to recognize the use of the storage pools by Union's non-utility operations. Beginning January 1, 2024, the monthly Rate 325 invoices

[19] EB-2017-0306/EB-2017-0307, OEB Decision and Order, August 30, 2018, Appendix A.
[20] EB-2005-0551, Decision and Order, November 7, 2006.

will end. Enbridge Gas is proposing a non-utility cross charge to replace the non-utility component that was recorded through the monthly Rate 325 invoices.

75. The proposed non-utility cross charge for Dow Moore and Black Creek has been calculated based on the storage space, deliverability, and commodity billing units that were previously invoiced between the EGD and Union rate zones. Storage space and deliverability billing units are based on the joint venture agreement and the commodity billing units assume one cycle of storage space. Enbridge Gas proposes to apply the capital component only of storage demand charges for the cross charge to recognize the regulated treatment of EGD assets that were part of the joint ventures. The O&M component of the storage demand charges is part of total Company O&M for which an allocation between regulated and unregulated has already been recognized.

76. Enbridge Gas has allocated the storage costs based on the proportion of unregulated storage space of total Company storage space to determine the unregulated component for the cross charge.

77. Dow Moore and Black Creek also use storage lines to transport gas to and from Dawn to the storage pools. The storage lines used have been allocated between the regulated and unregulated operations so there is no need for a transportation cross charge similar to that of the Heritage and Tipperary storage pools.

3.3. Long-Term Storage Operational Contingency

78. Enbridge Gas has calculated the 2024 non-utility cross charge associated with the long-term storage operational contingency of $0.431 million. Utility storage space /u
for in-franchise demands includes operational contingency space. As a result, the operational contingency space costs are included in the utility revenue

requirement and allocated to utility rate classes. Please see Exhibit 4, Tab 2, Schedule 4 for a description of the operational contingency space requirements and components.

79. The operational contingency space for storage pool factors and OBA/LBA imbalances also support the non-utility storage business operations. The operational contingency costs for these components are allocated to the unregulated business in proportion to the non-utility storage use of operational contingency space, consistent with the cost allocation methodology for the 2024 Cost Allocation Study, provided at Exhibit 7, Tab 1, Schedule 2.

3.4. Hagar Liquefaction Service

80. Enbridge Gas has not calculated a non-utility cross charge associated with the Hagar Liquefaction Service for 2024. There are no customers forecast to take the liquefaction service and as such, there has been no non-utility cross charge calculated for 2024. Enbridge Gas proposes to maintain the $1.59/GJ non-utility cross charge that was established in Union's Hagar Liquefaction Service Rate[21] proceeding for the IR term. In the Hagar Liquefaction Service Rate proceeding, the OEB decided to forbear from regulating the provision of LNG. As such, the Company's non-utility operation contributes to the use of utility assets to provide the liquefaction service through the payment of a non-utility cross charge when used. The revenues from the non-utility cross charge, if any, are proposed to be treated as utility earnings and may be subject to earnings sharing with ratepayers during the IR term, as per the proposed earnings sharing mechanism.

[21] EB-2014-0012.

BILL IMPACTS AND MITIGATION PLAN

AMY MIKHAILA, MANAGER RATE DESIGN
JACKIE COLLIER, SPECIALIST RATE DESIGN

1. The purpose of this evidence is to provide bill impacts and request OEB approval of the rate mitigation plan resulting from the implementation of the rate harmonization plan.

2. The Company is proposing to phase in the implementation of the rate harmonization plan with harmonized general service rate classes implemented on April 1, 2025, and in-franchise contract and ex-franchise rate classes implemented on April 1, 2026, as provided at Exhibit 8, Tab 2, Exhibit 1. As a result, customers will experience two distinct bill impacts resulting from this Application, including:
   - Bill impacts for the current rate classes effective January 1, 2024; and
   - Bill impacts upon the transition to the harmonized rate classes.

3. The proposed rates for current rate classes and for harmonized rate classes reflect the recovery of the 2024 adjusted revenue requirement of $6,398.5 million. The rates are derived based on the proposals in this Application, including: /u
   - The recovery of the 2024 adjusted revenue deficiency of $292.2 million, as provided in Exhibit 7, Tab 1, Schedule 1, which represents a 5% increase over revenue at existing 2023 rates of $6,106.4million; /u /u /u
   - The allocation of the 2024 adjusted revenue requirement to rate cases based on the 2024 Cost Allocation Study, as provided at Exhibit 7;
   - The proposed 2024 harmonized gas supply charges provided at Exhibit 8, Tab 2, Schedule 2; and
   - The rate mitigation plan discussed in this evidence.

4. Enbridge Gas has undertaken a detailed and comprehensive review of bill impacts to support the proposed rate changes. For the general service rate classes, bill impacts were reviewed for all 3.9 million customers broken down into average impacts by decile[1] within each rate class. For the in-franchise contract rate classes, Enbridge Gas undertook a review of the bill impacts for all 985 individual contract market customers.

5. The Company designed cost-based rates for 2024 based on the results of the Cost Allocation Study for current rate classes and harmonized rate classes. During this rate design process, certain rate classes were identified where customers could potentially experience a total bill impact greater than 10% and/or volatile rate changes during the transition to the harmonized rate classes. The rate mitigation plan described in this evidence addresses these issues and is meant to effect stable and reasonable bill impacts for as many customers as possible.

6. This evidence is organized as follows:
    1. Rate Mitigation Plan
    2. 2024 Bill Impacts at Current Rate Classes
    3. Bill Impacts Upon Transition to Harmonized Rate Classes
    4. Other Bill Impact Considerations

1. Rate Mitigation Plan

7. Enbridge Gas is proposing the following three mitigation measures to moderate total bill impacts exceeding 10% and rate volatility that would otherwise result from the proposals included in the Application:

[1] Deciles are used to divide the customers into ten equal parts based on size.

- Phase-in of Equity Thickness Increase Proposal;
- Disposition of Deferral and Variance Account Balances; and
- Rate Design Adjustments.

1.1. Phase-in of Equity Thickness Increase Proposal

8. Enbridge Gas is proposing to increase its deemed equity thickness from a 36% equity component to a 42% equity component, as provided at Exhibit 5, Tab 3, Schedule 1. In order to manage the revenue requirement and rate impacts of the proposed change in equity thickness, the Company is proposing to increase the deemed equity thickness component of Enbridge Gas's capital structure by 2% in the 2024 Test Year and by an additional 1% in each year of the IR term from 2025 to 2028, which results in a base rate adjustment of $26.1 million in 2024 and an additional $13.6 million per year of the IR term starting in 2025.

9. Enbridge Gas recognized that increasing the deemed equity thickness component in one year would have resulted in bill impacts of approximately $14 for a typical residential sales service customer. As a result of phasing in this proposal, the bill impact for a typical residential customer is approximately $5 in 2024 and an additional $2 per year of the IR term starting in 2025.

1.2. Disposition of Deferral and Variance Account Balances

10. Enbridge Gas proposes to dispose of a net credit balance for certain deferral and variance accounts as at December 31, 2023, as part of this Application. A description of this proposal is provided at Exhibit 9, Tab 2, Schedule 1 and Schedule 2.

11. The net payable to rate payers is $101.6 million. The Company proposes to dispose of the credit balance over a one-year period in 2024 to partly offset the 2024 revenue deficiency and help mitigate the 2024 bill impacts. Customers will be refunded monthly in 2024 through Rider D. The Rider D bill impacts in 2024 for typical customers are provided at Exhibit 9, Tab 2, Schedule 2, Attachment 3.

1.3. Rate Design Adjustments

12. Enbridge Gas is proposing two rate design measures which have been identified to help further mitigate bill impacts and rate volatility. The first measure adjusts the monthly customer charges for current rate classes and proposed harmonized rate classes. The second measure adjusts the level of the delivery revenue recovery for certain current rate classes on a temporary basis.

13. These two rate design measures are isolated to the delivery component of the rates. All gas cost related charges (gas supply and transportation) are cost-based and derived based on the Cost Allocation Study to achieve a revenue-to-cost ratio of 1.0. The revenue-to-cost ratios for specific rate components are provided at Exhibit 8, Tab 2, Schedule 8, Attachment 2 for current rate classes and at Exhibit 8, Tab 2, Schedule 9, Attachment 2 for harmonized rate classes.

Monthly Customer Charges

14. Enbridge Gas determined that in general, a lower monthly customer charge offset by increases to other delivery rate components within the same rate class resulted in fewer total bill impacts exceeding 10% for customers within the rate class. As such, by lowering the monthly customer charge, there is a more balanced distribution of bill impacts within each rate class and improved continuity between rate classes at the applicability thresholds.

15. The monthly customer charges for harmonized rate classes are set at a level that balances the recovery of customer-related costs per customer and customer bill impacts. Please see Exhibit 8, Tab 1, Schedule 4, Attachment 2 which provides the cost based monthly customer charges and the proposed adjusted monthly customer charges for harmonized rate classes.

16. For the general service rate classes, the Company retained Christensen Associated Energy Consulting, LLC (Christensen) to review the general service rate classification and rate design alternatives to support rate harmonization. As part of this work, Christensen recommended to set a common monthly customer charge for all customers in Rate E01 and Rate E02 and recover the residual Rate E02 customer-related costs through the demand charge for Rate E02 customers. A description of the general service rate design proposal is provided at Exhibit 8, Tab 2, Schedule 3. The monthly customer charge proposal for Rate E02 customers is provided at Exhibit 8, Tab 2, Schedule 3, Attachment 7, page 9 and an overview of the monthly customer charges is provided at Exhibit 8, Tab 1, Schedule 4.

17. For in-franchise contract rate classes, the Company first determined the level of monthly customer charges for the harmonized rate classes. The monthly customer charges for most harmonized rate classes are set lower than the allocated customer-related costs per customer per month. The cost-based monthly customer charges were found to cause material bill impacts for certain in-franchise contract customers moving from current 2023 rates to rates for the harmonized rate classes, particularly for smaller customers within a rate class. The monthly customer charges for 2023 rates are also based on a lower amount than the allocated customer-related costs for most rate classes, which helps to explain these bill impacts. Table 1 provides a comparison of the frequency of total bill impacts

exceeding 10% for contract rate classes, based on each customer's transition from current 2023 rates to the proposed harmonized rates. Column (b) provides the frequency of bill impacts exceeding 10% prior to mitigation (cost-based monthly customer charges), and column (c) provides the frequency including mitigation (proposed monthly customer charges).

Table 1
Frequency of Bill Impacts > 10% Comparison

			Cost-Based Monthly Customer Charges	Proposed Monthly Customer Charges	
Line No.	Harmonized Rate Class	Total Number of Customers	Number of Total Bill Impacts >10%	Number of Total Bill Impacts >10%	% of Total Bill Impacts >10%
		(a)	(b)	(c)	(d) = (c / a)
1	Rate E10	765	148	9	1%
2	Rate E20	61	-	-	0%
3	Rate E22	50	1	1	2%
4	Rate E24	10	1	1	10%
5	Rate E30	52	1	-	0%
6	Rate E34	41	9	6	15%
7	Rate E62	5	1	-	0%
8	Rate E64	1	-	-	0%
9	Total	985	161	17	2%

18. The Company next determined the level of monthly customers charges for the current rate classes for 2024. The 2024 monthly customer charges for current rate classes are set to align with either the current 2023 monthly customer charges or the monthly customer charges for the proposed harmonized rate class the customer will transition to. This approach reduces volatility in the monthly customer charge over the transition period prior to implementation of the proposed harmonized rate classes. Please see Exhibit 8, Tab 1, Schedule 4, Attachment 1 for the cost-based

monthly customer charges and the proposed adjusted monthly customer charges for current rate classes.

19. The proposed adjustments to the level of monthly customer charges do not affect the recovery of the allocated revenue requirement for each rate class. To the extent that customer-related costs are not recovered in the monthly customer charge revenue, the costs are recovered through other rate components within the rate class. Further discussion of the monthly customer charges is provided at Exhibit 8, Tab 1, Schedule 4.

Delivery Revenue Adjustments

20. Following the adjustments to the level of monthly customer charges, the Company examined the impact to customers of rate volatility which would occur from the implementation phase-in of rate harmonization.

21. As shown in Table 2, five out of the current 25 rate classes were identified where customers may experience unfavorable rate volatility. The rate volatility is defined as a rate increase (decrease) in January 2024 followed by a rate decrease (increase) upon transition to harmonized rate classes that could be balanced through delivery revenue adjustments.

Table 2
Bill Impacts – Revenue Adjustments

Line No.	Current Rate Class	Excluding Delivery Revenue Adjustment (1)		Including Delivery Revenue Adjustment (1)		
		Effective January 1, 2024	Incremental Impact from Transition to Harmonized Class (2)	Effective January 1, 2024	Incremental Impact from Transition to Harmonized Class (2)	/u
		(a)	(b)	(c)	(d)	
1	Rate 100 (EGD)	(4%)	8%	0%	4%	
2	Rate 135	10%	(6%)	4%	(1%)	
3	Rate 20	(7%)	4%	(4%)	(0%)	
4	Rate M4	4%	(3%)	0%	0%	
5	Rate M7	9%	(2%)	6%	1%	/u

Notes:
(1) Bill impact percentages represent the weighted average customer impact for the rate class.
(2) The harmonized rate classes are based on evidence filed on November 30, 2022. /u

22. The approach to phasing-in the implementation of the harmonized rate classes enables the Company to adjust the 2024 rates at current rate classes to bridge customer bill impacts in the transition to the harmonized rate classes through a delivery revenue adjustment. For the five rate classes identified in Table 2, Enbridge Gas proposes to make discrete adjustments (increases or decreases) to the delivery revenue in order to provide a smoother bill impact during the transition to the harmonized rate classes for these rate classes. These discrete adjustments are applied to the derivation of the delivery demand charge. The delivery revenue adjustments have been applied to the current rate classes and are therefore, only a temporary mitigation measure until the implementation of the harmonized rate classes.

23. Table 3 provides a summary of the discrete delivery revenue adjustments proposed as part of the rate mitigation plan. The Company remains revenue neutral regarding the proposed adjustments as the total of increases and decreases net to zero as shown in Table 3, column (b). The rate derivation and revenue-to-cost ratios for all rate components are provided at Exhibit 8, Tab 2, Schedule 8, Attachment 2.

Table 3
Delivery Revenue Adjustments

Line No.	Current Rate Class	Revenue Before Adjustment (1) ($000s)	Delivery Revenue Adjustment (2) ($000s)	Revenue After Adjustment (3) ($000s)	Revenue-to-Cost Ratio (4)	
		(a)	(b)	(c)	(d)	
1	Rate 100 (EGD)	5,195	400	5,595	1.074	/u
2	Rate 135	4,003	(900)	3,103	0.775	/u
3	Rate 20	24,153	14,500	38,653	1.594	/u
4	Rate M4	57,611	(7,000)	50,611	0.872	/u
5	Rate M7	59,629	(7,000)	52,629	0.874	/u
6	Total	150,590	-	150,590		/u

Notes:
(1) Exhibit 8, Tab 2, Schedule 8, Attachment 1, columns (e + f).
(2) Ibid, column (g).
(3) Ibid, column (h).
(4) Ibid, column (i).

24. As shown in Table 3, Rate 100 (EGD) and Rate 20 receive upward adjustments to the proposed revenue, resulting in revenue-to-cost ratios greater than 1.0. The upward adjustments are necessary to mitigate bill decreases in 2024 followed by bill increases upon transition to harmonized rate classes. Although the revenue-to-cost ratios are greater than 1.0, Rate 100 (EGD) and Rate 20 are still in a revenue sufficiency position and the corresponding 2024 rates are decreasing relative to 2023 rates.

25. Rate 135, Rate M4 and Rate M7 receive downward adjustments to the proposed revenue, resulting in revenue-to-cost ratios less than 1.0. The downward adjustments are necessary to mitigate bill increases in 2024 followed by bill decreases upon transition to harmonized rate classes.

26. The smoothing effect of the delivery revenue adjustments on the bill impact volatility can be seen in Table 2 by comparing bill impacts excluding the delivery revenue adjustment in columns (a) and (b) to the bill impacts including the delivery revenue adjustment in columns (c) and (d). The revenue adjustments reduce the rate volatility and result in more stable rate changes for customers transitioning from current rate classes to harmonized rate classes.

27. The proposed adjustments to the monthly customer charges and delivery revenue have provided more consistent bill impacts for the total rate change from 2023 rates to harmonized rates, and for the change to rates in 2024. The frequency of total bill impacts exceeding 10% has been reduced for Rate E10, Rate E30, Rate E34, and Rate E62 and bill impacts for all customers are more evenly distributed within the rate class as discussed in the following sections of this evidence.

2. 2024 Bill Impacts at Current Rate Classes

28. The Company proposes to implement rates for the current rate classes effective January 1, 2024, reflecting the recovery of the proposed 2024 adjusted revenue requirement of $6,398.5 million. Detailed bill impacts for typical customers at /u current rate classes for rates in 2024 relative to 2023 rates are provided at Exhibit 8, Tab 2, Schedule 8, Attachment 10.

29. The 2024 bill impacts are also affected by two proposed rate riders that will appear on customers' bills in 2024. The rate riders include:
    - The recovery of the deferral and variance accounts proposed for disposition as part of this Application under Rider D proposed at Exhibit 9, Tab 2, Schedule 1 and 2; and
    - The recovery of the energy transition technology fund (ETTF) under Rider N proposed at Exhibit 8, Tab 1, Schedule 2.

30. Table 4 provides a summary of the total bill impacts for a typical customer in each rate class including and excluding the two rate riders for 2024. The total bill impacts are based on typical sales service customers for general service rate classes and typical direct purchase customers for in-franchise contract service rate classes. The bill impacts are calculated at previously presented typical volume and contract demand (CD) parameters for each rate class.

Table 4
Summary of 2024 Bill Impact Percentage
Typical Customers at Current Rate Classes

Line No.	Current Rate Class	Effective January 1, 2024 Excluding Rate Riders (1) (2)	Effective January 1, 2024 Including Rate Riders (1)	
		(a)	(b)	
	EGD Rate Zone			
1	Rate 1	4%	3%	/u
2	Rate 6	1%	1%	
3	Rate 100	3%	2%	
4	Rate 110	2%	2%	
5	Rate 115	(0%)	(0%)	
6	Rate 125	(0%)	(1%)	
7	Rate 135	6%	5%	
8	Rate 145	(15%)	(15%)	
9	Rate 170	2%	2%	
10	Rate 200	(2%)	(2%)	
	Union North Rate Zone			
11	Rate 01	(13%)	(14%)	
12	Rate 10	(13%)	(13%)	
13	Rate 20	(1%)	(1%)	
14	Rate 25	(4%)	(5%)	/u
15	Rate 100	(1%)	(2%)	
	Union South Rate Zone			
16	Rate M1	10%	9%	/u
17	Rate M2	5%	4%	
18	Rate M4	2%	1%	
19	Rate M5	(1%)	(2%)	
20	Rate M7	7%	6%	/u
21	Rate M9	7%	6%	
22	Rate T1	(1%)	(1%)	
23	Rate T2	0%	0%	
24	Rate T3	2%	2%	

Notes:
(1) Total bill impact percentage for typical sales service general service customers and typical direct purchase contract service customers.
(2) Exhibit 8, Tab 2, Schedule 8, Attachment 10.

31. In addition to the bill impacts for typical customers in each rate class provided in Table 4, Enbridge Gas has also analyzed each customer's bill impact to fully understand the range of bill impacts across each rate class.

32. For general service customers, bill impacts (relative to 2023 bills) are moderate. Discussion of the bill impacts for the entire customer base within each rate class in each rate zone is provided at Exhibit 8, Tab 2, Schedule 3, Attachment 7, pages 5, 15, and 16 and Exhibit 8, Tab 2, Schedule 3, Attachment 8, pages 5-9. Bill impact details for typical customers in each rate class are presented as part of bill impact continuity tables provided at Exhibit 8, Tab 2, Schedule 3, Attachment 7, pages 29-38 and Exhibit 8, Tab 2, Schedule 3, Attachment 8, pages 19-23 and 59-65.

33. For in-franchise contract customers, Attachment 1, Figure 1 provides the total bill impact[2] at January 1, 2024 rates compared to 2023 rates, prior to the rate design adjustments proposed in the rate mitigation plan. Attachment 1, Figure 2 provides updated bill impacts at January 1, 2024, to include the rate design adjustments in the rate mitigation plan. The customers in these two figures have been grouped and colour-coded based on their harmonized rate class to help demonstrate the continuity to harmonized rate classes and are ordered by magnitude of decreases to increases within each figure.

34. The bill impacts for 2024 including rate mitigation demonstrate more fair and reasonable bill impacts for the in-franchise contract rate classes than the bill impacts prior to rate mitigation. The rate mitigation plan has lowered the 2024 total bill impact for 740 out of 985 in-franchise contract customers and has reduced the

[2] Approximately one percent of customers have been excluded from the analysis at Attachment 1 due to bill impacts that are not representative of the rate class. Approximately half of these customers are experiencing a bill increase above 10% due to low load factors.

frequency of bill impacts exceeding 10% from 56 to four customers for in-franchise contract rate classes. Less than 1% of in-franchise contract customers in 2024 have a total bill increase that exceeds 10%, which are due to load factors below 1% based on their forecasted consumption parameters and are not considered representative of the rate class. The bill impacts provided at Attachment 1 demonstrate that the vast majority of in-franchise contract customers will experience a bill impact of less than 10% in 2024.

3. Bill Impacts Upon Transition to Harmonized Rate Classes

35. The Company proposes implementation of its harmonized rate classes in 2025 for general service rates and in 2026 for in-franchise contract service rates. The harmonized rates presented for approval in this Application reflect the recovery of the proposed 2024 adjusted revenue requirement of $6,367.4 million from the harmonized rate classes. The approval of the 2024 rates at harmonized rate classes provides for the base rates which will be adjusted each year in accordance with the approved incentive rate-setting mechanism (IRM) adjustments beginning in 2025. The rates for the current rate classes, subject to the annual IRM adjustments, will continue for each year until the implementation date of the harmonized rate classes. The rates for the harmonized rate classes will reflect the IRM adjustments for each year following 2024 until the date of implementation.

36. Table 5 provides a summary of the typical total bill impacts for each of the current rate classes which reflect the recovery of the 2024 revenue requirement and the rate class harmonization proposals from this Application, as shown in Table 5, column (c). As a result of the rate implementation plan, customers will experience the total bill impact provided in column (c) as two distinct bill impacts. Column (a) provides the bill impact for current rate classes effective January 1, 2024. Column

(b) provides the incremental bill impact relative to column (a) that customers will experience when they transition to the harmonized rate classes. The total bill impacts in Table 5 are based on typical sales service customers for general service rate classes and typical direct purchase customers for in-franchise contract service rate classes. The bill impacts for typical customers are calculated at previously presented typical volume and CD parameters for each rate class. Customers in the current rate classes may be moving to different harmonized rate classes based on the applicability of the rate classes. Only one of these combinations has been provided in Table 5 to represent a bill impact for a typical customer. A complete list of all bill impacts for typical customers at harmonized rate classes relative to 2023 rates is provided at Exhibit 8, Tab 2, Schedule 9, Attachment 10.

Table 5
Summary of Bill Impact Percentage
Typical Customers at Harmonized Rate Classes

Line No.	Current Rate Class	Harmonized Rate Class	Effective January 1, 2024, Current Rate Classes (1) (2)	Incremental Impact of Transition to Harmonized Rate Class (1)	Total Bill Impact of Application (1) (3)
			(a)	(b)	(c) = (a + b)
	EGD Rate Zone				
1	Rate 1	Rate E01	4%	(1%)	3%
2	Rate 6	Rate E02	1%	(8%)	(7%)
3	Rate 100	Rate E10	3%	5%	8%
4	Rate 110	Rate E10	2%	1%	3%
5	Rate 115	Rate E10	(0%)	2%	2%
6	Rate 125	Rate E24	(0%)	(0%)	(0%)
7	Rate 135	Rate E34	6%	(4%)	2%
8	Rate 145	Rate E30	(15%)	1%	(14%)
9	Rate 170	Rate E30	2%	1%	3%
10	Rate 200	Rate E62	(2%)	0%	(2%)
	Union North Rate Zone				
11	Rate 01	Rate E01	(13%)	(0%)	(13%)
12	Rate 10	Rate E02	(13%)	(2%)	(15%)
13	Rate 20	Rate E10	(1%)	(1%)	(2%)
14	Rate 25	Rate E30	(5%)	(2%)	(7%)
15	Rate 100	Rate E22	(1%)	(1%)	(2%)
	Union South Rate Zone				
16	Rate M1	Rate E01	9%	(1%)	8%
17	Rate M2	Rate E02	5%	0%	5%
18	Rate M4	Rate E10	2%	(1%)	1%
19	Rate M5	Rate E30	(1%)	(2%)	(4%)
20	Rate M7	Rate E10	6%	1%	7%
21	Rate M9	Rate E62	7%	1%	7%
22	Rate T1	Rate E20	(1%)	1%	(0%)
23	Rate T2	Rate E20	0%	(0%)	0%
24	Rate T3	Rate E64	2%	0%	2%

Notes:
(1) Total bill Impacts for typical sales service general service customers.
Total bill impacts for typical direct purchase customers for contract service customers.
(2) Table 4, column (a).
(3) Exhibit 8, Tab 2, Schedule 9, Attachment 10.

37. In addition to the typical bill impacts provided in Table 5, Enbridge Gas has also analyzed each customer's bill impact to fully understand the range of bill impacts across each rate class.

38. For the general service customers, harmonized bill impacts (relative to 2024 bills) under Straight Fixed Variable with Demand (SFVD) rate design are modest for Rate E01 customers and moderate for Rate E02 customers. Discussion of the bill impacts for the entire customer base within each harmonized rate class Rate E01 and Rate E02 is provided at Exhibit 8, Tab 2, Schedule 3, Attachment 7, pages 16-18 and Exhibit 8, Tab 2, Schedule 3, Attachment 8, pages 14-17. Bill impact details for typical customers in each rate class are presented as part of bill impact continuity tables provided at Exhibit 8, Tab 2, Schedule 3, Attachment 7, pages 29-38 and Exhibit 8, Tab 2, Schedule 3, Attachment 8, pages 18-23 and 59-65. The number of customers exceeding bill impacts of 10% as a result of the rate design proposal is provided at Exhibit 8, Tab 2, Schedule 3, Attachment 7, Table 3, page 21.

39. For Attachment 2, Figure 1 provides the total incremental bill impact for contract customers[3] upon transition to the harmonized rate classes prior to the rate design adjustments proposed in the rate mitigation plan. Attachment 2, Figure 2 provides updated incremental bill impacts to include the rate design adjustments in the rate mitigation plan. The customers in these two figures have been grouped and colour-coded based on their primary harmonized rate class and are ordered by magnitude of decreases to increases within each figure.

[3] Approximately one percent of customers have been excluded from the analysis at Attachment 2 due to bill impacts that are not representative of the rate class. Approximately half of these customers are experiencing a bill increase above 10% due to low load factors.

40. The bill impacts including rate mitigation for in-franchise contract customers demonstrate more fair and reasonable bill impacts than the bill impacts prior to rate mitigation. The rate mitigation plan has lowered the incremental total bill impact for 637 out of 985 contract customers. The bill impacts provided at Attachment 2 demonstrate that the vast majority of contract customers will experience a bill impact of less than 10% when they transition to harmonized rate classes.

41. There are less than 1% of in-franchise contract customers who see a total bill increase greater than 10% when they transition to harmonized rate classes, which is unchanged by the rate mitigation plan. These customers all have a load factor less than 4% and are not considered representative of the rate class. Customers with lower load factors are more likely to see higher bill impacts as a result of the proposed straight fixed variable rate design. Further discussion of fixed cost recovery is provided at Exhibit 8, Tab 1, Schedule 1. This rate design matches the cost recovery with the cost of the customer connection to the distribution system and the demand each customer imposes on the system. As such, these bill impacts reflect a better alignment of costs to provide service and cost recovery from these customers.

42. Attachment 3 provides the cumulative impact of the two rate changes provided in Attachment 1 and Attachment 2. Attachment 3, Figure 1 provides the total bill impacts of the Application, including the impact for 2024 and upon transition to the harmonized rate classes, prior to the rate design adjustments proposed in the rate mitigation plan. Attachment 3, Figure 2 provides the total bill impacts of the Application including the rate design adjustments proposed in the rate mitigation plan.

4. Other Bill Impact Considerations

43. In addition to the bill impacts of implementing harmonized rates discussed in Section 3 of this evidence, the following proposed changes are expected during the IR term, as described in this section of evidence:
    - Energy Transition Technology Fund (ETTF)
    - Low-Carbon Voluntary Program
    - Capital Structure - Equity Thickness
    - Market-Based Storage

4.1. Energy Transition Technology Fund (ETTF)

44. The ETTF rider will apply to customers bills for each year of the IR term. As discussed in Section 2, customers will pay approximately $1 per year for the ETTF rider. The addition of $1 per year to a customer's bill at harmonized rates does not impact the bill impacts percentages provided in Table 4 and Table 5.

4.2. Low-Carbon Energy in the Gas Supply Commodity Portfolio

45. Enbridge Gas is proposing a new Low-Carbon Voluntary Program (LCVP) effective January 1, 2025, for large volume sales service customers, to be offered on a long-term basis. Any costs not recovered through the LCVP will be included in the gas supply commodity purchases for at least the duration of the underpinning commodity contracts. Enbridge Gas is proposing a maximum bill impact cap of $2 per month for each target percentage of the portfolio procured as low-carbon energy, as forecast at the time of procurement. As proposed, the maximum bill impact for the typical residential sales service customer would be $8 per month by 2028. A description of the LCVP is provided at Exhibit 4, Tab 2, Schedule 7.

4.3. Capital Structure - Equity Thickness

46. As described in Section 1.1, Enbridge Gas is proposing to increase the deemed equity thickness component of Enbridge Gas's capital structure by 1% in each year of the IR term from 2025 to 2028, which results in an annual base rate adjustment of $13.6 million starting in 2025. The impact on a typical residential customer is approximately an additional $2 per year of the IR term starting in 2025. Please see Exhibit 5, Tab 3, Schedule 1 for a description of the proposed change to the deemed equity thickness of Enbridge Gas's capital structure.

4.4. Market-Based Storage

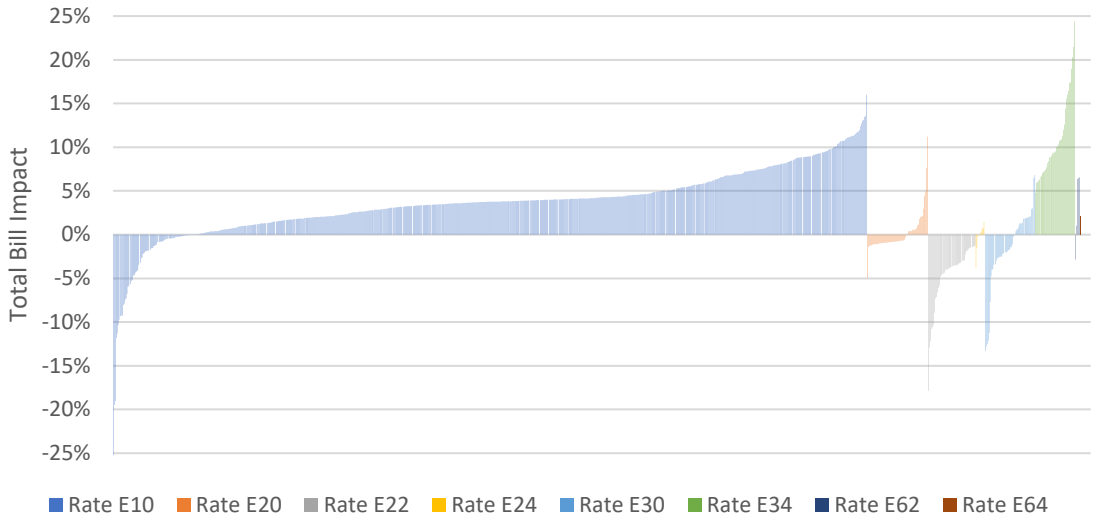
47. Enbridge Gas is planning to procure an additional 10 PJ of market-based storage beyond the 18 PJ included in the 2024 Test Year Forecast, subject to OEB approval in this Application. The costs for the additional storage are estimated to be approximately $4.0 million each year over the IR term. The estimated bill impact for this additional storage is minimal and estimated to be less than $0.25 per year for a typical residential customer. A description of this proposal is provided at Exhibit 4, Tab 2, Schedule 1.

IN-FRANCHISE CONTRACT RATE CLASS 2024 BILL IMPACTS

EFFECTIVE JANUARY 1, 2024

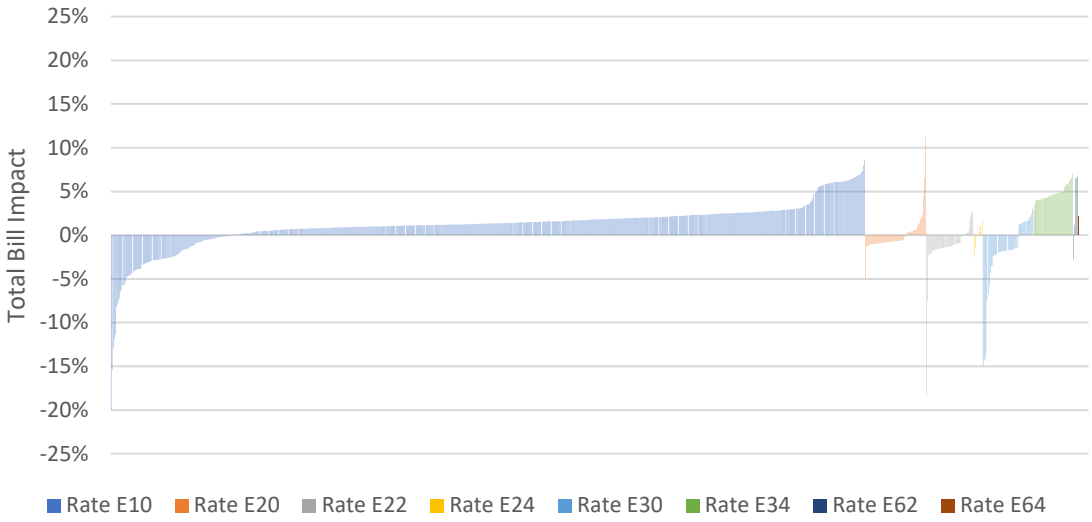
/u

Figure 1: 2024 Total Bill Impacts, Prior to Mitigation[1]



/u

Figure 2: 2024 Total Bill Impacts, Including Mitigation[2]



[1] Bill impact percentage calculated for each customer based on the current rate classes effective January 1, 2024. Customers are grouped by the harmonized rate class the customer will transition to, in order to demonstrate the continuity for customers to rates for the harmonized rate classes.
[2] Ibid.

IN-FRANCHISE CONTRACT RATE CLASS INCREMENTAL BILL IMPACTS UPON TRANSITION TO HARMONIZED RATE CLASSES[1]

Figure 1: Incremental Total Bill Impacts, Prior to Mitigation

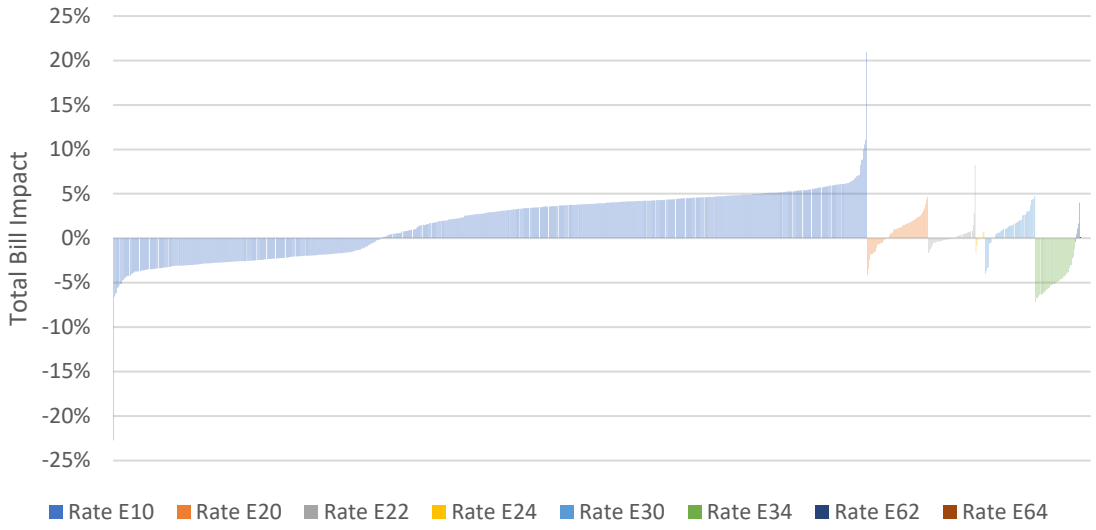
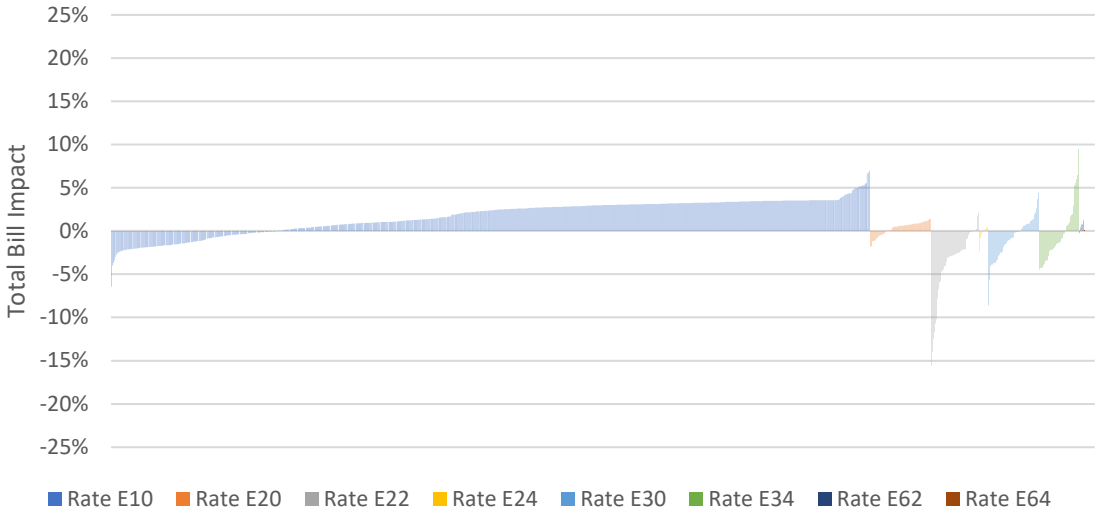


Figure 2: Incremental Total Bill Impacts, Including Mitigation



[1] Contract rate class transition to harmonized rate classes is planned for April 1, 2026. The impacts presented in this attachment are for the 2024 rates at harmonized rate classes compared to 2024 rates at current rate classes. The actual rates implemented at the time of transition to the harmonized rate classes will be the approved 2024 rates with annual adjustments in accordance with the approved IRM beginning in 2025.

IN-FRANCHISE CONTRACT RATE CLASS TOTAL BILL IMPACTS UPON TRANSITION TO HARMONIZED RATE CLASSES[1]

Figure 1: Total Bill Impacts, Prior to Mitigation

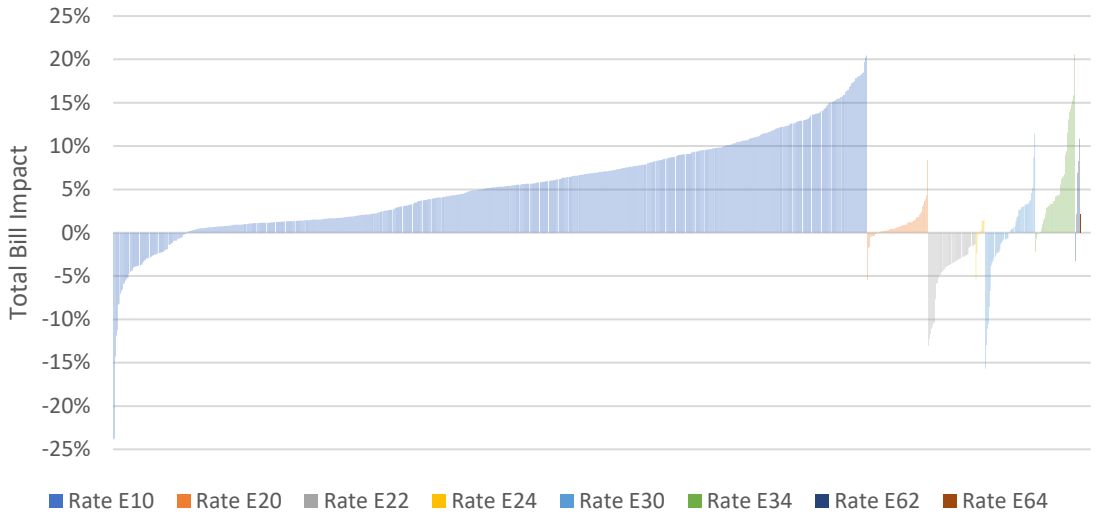
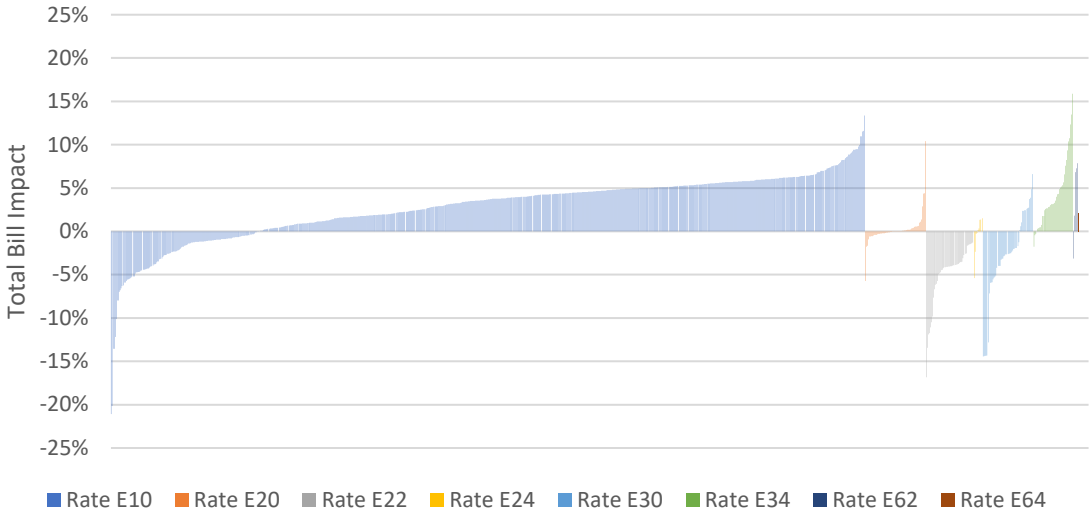


Figure 2: Total Bill Impacts, Including Mitigation



[1] Contract rate class transition to harmonized rate classes is planned for April 1, 2026. The impacts presented in this attachment is the cumulative impact of the two rate changes presented in Attachment 1 and Attachment 2. The cumulative impacts are for the 2024 rates at harmonized rate classes compared to 2023 rates at current classes. The actual rates implemented at the time of transition to the harmonized rate classes will be the approved 2024 rates with annual adjustments in accordance with the approved IRM beginning in 2025.

RATE HANDBOOK

AMY MIKHAILA, MANAGER RATE DESIGN
JACKIE COLLIER, SPECIALIST RATE DESIGN

1. The purpose of this evidence is to request OEB approval of the rate handbook for the 2024 Test Year prepared using the current rate classes and the rate handbook for the harmonized rate classes.

2. Enbridge Gas has prepared two versions of the rate handbook for approval. For the purposes of evidence in this Application, Enbridge Gas may refer to the two rate handbooks collectively as the rate handbook unless otherwise specified.
   a) The first is referred to as the combined rate handbook and is based on the current rate classes, effective January 1, 2024. The combined rate handbook incorporates the EGD and Union rate zones rate classes into one rate handbook for Enbridge Gas; and
   b) The second is referred to as the harmonized rate handbook and is based on the proposed rate classes and services. The Company is proposing to implement harmonized general service rate classes effective April 1, 2025, and all other rate classes effective April 1, 2026. Please see Exhibit 8, Tab 2, Schedule 1 for details on the implementation of the rate harmonization plan.

3. The rate handbook includes an introduction, rate class schedules and rate rider schedules.[1] The combined and harmonized rate handbooks are provided at Attachments 1 and 2, respectively.

[1] The rate class and rate rider schedules are collectively referred to as rate schedules.

4. The rate handbook as presented is based on the 2024 Test Year. The rate handbook reflects the Company's proposals for rates, services, and rate harmonization as applicable within the Application and contains all of Enbridge Gas's regulated rates and charges. OEB approval of elements of the Application that are different than that proposed may result in changes to the combined and/or harmonized rate handbook. The rate handbook reflecting the final OEB decision will be completed through the final rate order process. At the time of implementation of the harmonized rate handbook, the rates and charges will be those approved for the 2024 Test Year in this Application plus annual incentive rate-setting mechanism (IRM) adjustments to the date of implementation.

5. Enbridge Gas has also provided the existing rate schedules in accordance with the Filing Requirements for Natural Gas Rate Applications (Filing Requirements)[2], which require the existing rate schedules be included as part of the Application. Attachment 3 provides both the rate handbook for the EGD rate zone and the rate schedules for the Union rate zones effective April 1, 2022, as approved by the OEB in the April 2022 QRAM[3] proceeding.

6. This evidence is organized as follows:
    1. Combined Rate Handbook
    2. Harmonized Rate Handbook

<u>1. Combined Rate Handbook</u>

7. Enbridge Gas undertook a review of the existing rate handbook for the EGD rate zone and rate schedules for the Union rate zones for opportunities to harmonize,

[2] Filing Requirements for Natural Gas Rate Applications, February 16, 2017, p.35.
[3] EB-2022-0089, OEB Decision and Order, March 23, 2022.

where possible, common elements of content, structure and appearance for consistency and ease of use. As a result of this review, Enbridge Gas is proposing to combine the current rate classes for both the EGD and Union rate zones into one combined rate handbook for Enbridge Gas. The combined rate handbook is provided at Attachment 1.

8. The combined rate handbook includes the following three sections, which are further described in this evidence:

    1.1 Introduction
    1.2 Rate Class Schedules
    1.3 Rate Rider Schedules

9. Introducing a combined rate handbook effective January 1, 2024, based on current rate classes provides consistency to the rate schedules for the EGD and Union rate zones and will allow for a smoother transition to the harmonized handbook upon implementation of the rate harmonization plan. When the rate harmonization plan becomes effective, the service offerings, rate classes and terms and conditions of service will be implemented and fully integrated for Enbridge Gas, subject to OEB approval as part of this Application. Please see Exhibit 8, Tab 2, Schedule 1 for more information on the rate harmonization plan.

1.1. Introduction

10. Enbridge Gas has developed an introduction to the rate handbook that contains a description of services available by the Company, terms and conditions applicable to services, and a glossary of terms used in the rate handbook. The introduction is similar to the introduction that currently exists as part of the rate handbook for the EGD rate zone.

11. The description of services available in the combined rate handbook are for the current rate classes and rate zones. The terms and conditions have been updated from those included in the rate handbook for the EGD rate zone to remove sections that are only applicable to customers with a service contract, as the applicable terms and conditions are included in the customer's service contract. The terms and conditions have also been updated to align with the proposed changes to the harmonized terms and conditions of service provided at Exhibit 8, Tab 5, Schedule 1. The glossary of terms has also been updated to reflect harmonized terminology for the amalgamated utility and to reflect term definitions that apply to all rate zones.

1.2. Rate Class Schedules

12. Enbridge Gas is proposing formatting and content changes to the rate class schedules for each rate class effective January 1, 2024. Each of the rate class schedules have been formatted in a similar manner, which largely follows the formatting of the rate schedules for the EGD rate handbook. These changes are administrative and cosmetic in nature and do not alter the application of the OEB-approved rates and service offerings. These changes also harmonize terms and acronyms throughout the document.

13. The standard format of the rate class schedules is listed below. Additional elements may be included on specific rate schedules as applicable.
    a) Availability – describes which rate zone the rate class applies to;
    b) Applicability – describes the eligibility requirements for the rate class and relevant service area if applicable;
    c) Character of Service – describes the service option available for the rate class;

d) Monthly Rates and Charges – provides the rates and charges for each rate class;
e) Rate Riders – lists the applicable rate riders for each rate class;
f) Direct Purchase Arrangements – references the rate rider applicable for customers with a direct purchase service;
g) Terms and Conditions of Service – references the terms and conditions in the preamble; and
h) Effective Date and Implementation Date – provides the effective date and implementation date as well as the OEB order in which the rates were approved.

14. Enbridge Gas is also proposing administrative updates to the content of the rate handbook to provide consistency across the rate class schedules. Examples of the changes include:
    a) Removing heat value content reference from rate class schedules for the EGD rate zone;
    b) Removing Appendix A – Areas of Constraint from rate class schedules for the EGD rate zone;
    c) Replacing Appendix C from the rate order for the Union rate zones with Rider O – Average Interruptible Rate and Price Adjustment;
    d) Combining direct purchases administration charges and charges for direct purchase balancing transactions in Rider A. These charges were contained in Rate R1, Rate 30, and Schedule A for the rate schedules of the Union rate zones; and
    e) Removing the multi-year negotiated prices clause from the general service rate schedules for the Union rate zones, as it is no longer required with the

introduction of the system expansion surcharge (SES) and temporary connection surcharge (TCS).

15. Enbridge Gas has also reflected the proposal to eliminate certain rate classes, service charges and service options effective January 1, 2024, in the rate handbook. Exhibit 8, Tab 1, Schedule 2 provides the evidence on the rate classes proposed for elimination and Exhibit 8, Tab 3, Schedules 1 and 2 and Exhibit 8, Tab 4, Schedules 2 to 6 provides the rationale for the proposed elimination of service charges and service options.

1.3. Rate Rider Schedules

16. Enbridge Gas is proposing to use schedules for rate riders for the amalgamated utility effective January 1, 2024, consistent with the approach used for the rate handbook for the EGD rate zone. Each schedule contains the applicable charges for each rate rider. Rate riders are temporary charges or credits that recover, or refund amounts not included in the monthly rates and charges found on the rate schedules. Rate riders include various charges, such as direct purchase service charges, miscellaneous service charges, system expansion surcharges, federal carbon charges, hydrogen gas adjustments and adjustments to negotiated interruptible rates.

17. This proposal is the most significant change to the rate schedule structure for the Union rate zones. To prepare the rate rider schedules to cover all rate classes, Enbridge Gas transferred certain rates and charges, which are currently included in the rate schedules for the Union rate zones, to the rate rider schedules. This transfer included price adjustments to base rates, including gas supply price

adjustments found on Schedule "A", federal carbon charges, supplemental charges and other miscellaneous non-energy service charges.

18. Below is a list of each of the rate rider schedules. A description of each of rate rider schedules is provided at Attachment 4.
    a) Rider A – Direct Purchase;
    b) Rider B – Not Used;
    c) Rider C – Gas Cost Adjustment;
    d) Rider D – Deferral and Variance Account Clearance;
    e) Rider E – Revenue Adjustment;
    f) Rider F – Not Used;
    g) Rider G – Service Charges;
    h) Rider H – Not Used;
    i) Rider I – System Expansion Surcharge and Temporary Connection Surcharge;
    j) Rider J – Federal Carbon;
    k) Rider K – Bill 32 and Ontario Regulation 24/19;
    l) Rider L – Voluntary RNG Program[4];
    m) Rider M – Hydrogen Gas;
    n) Rider N – Energy Transition Technology; and
    o) Rider O – Average Interruptible Rate and Price Adjustment.

2. Harmonized Rate Handbook

19. Enbridge Gas has prepared a harmonized rate handbook to be effective with the staged implementation of the rate harmonization plan. The Company is proposing a

[4] Enbridge Gas is proposing to replace the current Rider L for the voluntary RNG program with a new proposed rate rider for the proposed Low-Carbon Voluntary Program effective January 1, 2025.

two-stage approach to fully implement the harmonization of its proposed rate classes and service offerings. The first stage is the implementation of harmonized general service rate classes effective April 1, 2025, and the second stage is the final implementation of harmonization contract service and rate class proposals effective April 1, 2026. Attachment 2 contains the harmonized rate handbook with the proposed rate classes.

20. The structure, appearance and format of the harmonized rate handbook is consistent with the combined rate handbook provided at Attachment 1. This includes the introduction, the rate class schedules for the harmonized rate classes, and the rate rider schedules.

2.1. Introduction

21. The introduction to the harmonized rate handbook is similar to the combined handbook in that it contains a description of the services available by the Company, terms and conditions applicable to services, and a glossary of terms used in the rate handbook. The introduction has been updated for harmonization proposals provided in the Application.

2.2. Rate Class Schedules

22. The rate class schedules in the harmonized rate handbook have been updated to reflect the proposed harmonized rate classes, unit rates, and service offerings.

23. Exhibit 8, Tab 2, Schedule 3 provides the description of the applicability, rate structure and charges for the proposed general service rate classes. Exhibit 8, Tab 2, Schedule 4 provides a description of the applicability, rate structure and charges for the proposed in-franchise contract rate classes. The ex-franchise rate classes

applicability, rate structure and charges are provided at Exhibit 8, Tab 2, Schedule 5. The harmonized service proposals are provided at Exhibit 8, Tab 4, Schedules 2 through 6.

2.3. Rate Riders Schedules

24. The rate rider schedules in the harmonized rate handbook have been updated to reflect the proposed harmonized rate classes and unit rates and charges.

25. Rider O – Average Interruptible Rate and Price Adjustment Rider has been removed from the harmonized rate handbook as it is no longer applicable upon transition to the harmonized rate classes.

26. Rider L – Voluntary RNG Program Rider is proposed to be replaced with Rider L – Low-Carbon Voluntary Program Rider effective January 1, 2025. The harmonized rate handbook reflects the proposed Rider L – Low-Carbon Voluntary Program Rider.

Combined Rate Handbook

ENBRIDGE GAS INC.

RATE HANDBOOK

INDEX

PART I	**DESCRIPTION OF SERVICES AVAILABLE** **1. Distribution Services** **2. Direct Purchase Services** **3. Ex-Franchise Services**	**Page 1**
PART II	**TERMS AND CONDITIONS APPLICABLE TO SERVICES**	**Page 2**
PART III	**GLOSSARY OF TERMS**	**Page 4**
PART IV	**RATE SCHEDULES**	**Page 7**

The application of rates and charges within this Rate Handbook to services rendered by the Company to a Customer shall be in accordance with an order of the Ontario Energy Board (OEB) and applicable from its effective date until such time as it is superseded by a subsequent order of the OEB.

Either the Company or a Customer, or potential Customer, may apply to the OEB 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.

PART I

DESCRIPTION OF SERVICES AVAILABLE

The provisions of PART I are intended to provide a general description of services offered by the Company and certain matters relating thereto. Such provisions are not definitive or comprehensive as to their subject matter and may be changed by the Company at any time without notice.

The Company provides in-franchise Distribution and Direct Purchase Services and ex-franchise transportation services to Customers.

1. DISTRIBUTION SERVICES

The Company provides in-franchise Distribution Services for the transportation of Gas, using the Company's Distribution System, to the Point(s) of Consumption at which the Gas will be used by the Customer. The Gas to be transported may be owned by the Customer (through Direct Purchase Services described in section 2 below) or by the Company. In the latter case, the Gas will be sold to the Customer at the outlet of the meter located at the Point(s) of Consumption.

In-franchise Distribution Services are offered by the Company in three Rate Zones: the EGD Rate Zone, the Union North Rate Zone and the Union South Rate Zone. The Rate Zone and Rate Schedule applicable for in-franchise Distribution Service is dependent upon the Customer's location within the Company's franchise area.

In-franchise Distribution Services are offered by the Company without a Service Contract under General Service provided under Rate 1, Rate 6, Rate 01, Rate 10, Rate M1 and Rate M2. General Service Customers are subject to the Company's Conditions of Service.

In-franchise Distribution Services available under a Service Contract with the Company consist of Firm, Seasonal Firm, and/or Interruptible Services. The availability of services may be limited if the Company's Distribution System does not have sufficient physical capacity under current operating conditions to accommodate such services. The specific terms and conditions associated with contracted in-franchise Distribution Services are provided in the Service Contract between the Company and the Customer. Customers whose operations present a risk to the operational integrity of the Company's Distribution System may, at the Company's sole discretion, not be eligible for General Service and may be limited to in-franchise Distribution Service under a Service Contract.

In addition to the rates quoted within the Rate Schedules, Customers taking in-franchise Distribution Service may be required to pay any one-time charges as approved by the OEB from time to time.

2. DIRECT PURCHASE SERVICES

The Company provides Direct Purchase (DP) Service options that allow for Customers to contract to provide their own Gas supply to meet their Consumption needs. The Company, in turn, delivers that Gas to the Customer's Point(s) of Consumption through in-franchise Distribution Services discussed in Section 1 above. DP Service options include:

a) Bundled DP

b) Semi-unbundled DP

c) Unbundled DP

The availability of DP Service options may be limited to those offered within the Rate Schedules of the Rate Zone specific to the Customer's location.

The specific terms and conditions associated with contracted DP Services are set out in the Service Contract between the Company and the Customer, or an Agent or Energy Marketer on behalf of the Customer. The contract administration charges, balancing transaction service charges, and compliance charges associated with DP Services are contained in the Rate Schedules and in Rider A of this Rate Handbook.

a) Bundled DP

The bundled DP Service option allows a Customer, or an Agent or Energy Marketer on the Customer's behalf, to contract to deliver their own Gas supply through a fixed quantity of Gas (Daily Contract Quantity or DCQ) to the Company to meet planned annual Consumption at the Customer's Point(s) of Consumption. The

Customer is obligated to deliver the Gas at the Point(s) of Receipt identified in the Service Contract. During any period of Curtailment of in-franchise Distribution Service as ordered by the Company, the Customer must continue to deliver its DCQ.

The Company tracks and manages the differences between the Customer's Daily Delivered Volume and Consumption under the bundled DP Service in a Banked Gas Account (BGA). Depending on the Rate Zone, the Customer may be obligated to balance for differences between actual and planned Consumption at specific times during the year. To assist with balancing the BGA, the Company provides a suite of balancing transaction services as contained in Rider A of this Rate Handbook.

The bundled DP Service is available for contract under: Dawn Transportation Service, Ontario Transportation Service, and Western Transportation Service in the EGD Rate Zone; Northern Bundled T in the Union North Rate Zone; and Southern Bundled T in the Union South Rate Zone.

b) Semi-unbundled DP

The Company provides a semi-unbundled DP Service under Rate T1, Rate T2 and Rate T3 in the Union South Rate Zone. The semi-unbundled DP Service allows the Customer to contract to deliver an obligated DCQ to the Company to meet planned annual Consumption at the Customer's Point(s) of Consumption. The Customer is obligated to deliver the Gas at the Point(s) of Receipt identified in the Service Contract. During any period of Curtailment of in-franchise Distribution Service as ordered by the Company, the Customer must continue to deliver its DCQ.

The Customer contracts for an allocation of Storage Services from the Company to manage differences between the Customer's Daily Delivered Volume and Consumption and to meet planned annual and peak firm Consumption at the Customer's Point(s) of Consumption. The Customer is responsible for managing the storage account within its contracted parameters. To assist with managing the storage account, the Company provides a suite of balancing transaction services as contained in Rider A of this Rate Handbook.

c) Unbundled DP

An unbundled DP Service option allows a Customer to actively manage their Gas supply each day through a Nomination of Gas deliveries to their Point(s) of Receipt to meet their planned daily Consumption. Provided that the Company has the capacity available, the Customer may contract for an allocation of storage under storage allocation methodologies that recognize that the Customer does not have an obligated DCQ for all of their planned Consumption. Depending on the current service, the Customer may be required to Nominate the use of their contracted storage and their Gas supply. Daily and cumulative differences between Nominated Gas quantities and actual Consumption are tracked in a balancing account (Load Balancing Service in the EGD Rate Zone, Customer Balancing Service in the Union North Rate Zone, and Daily Variance Account in the Union South Rate Zone). Where necessary, the Customer may be required to manage their balancing account hourly.

The Company provides an unbundled DP Service in the EGD Rate Zone under Rate 125 and Rate 300. Storage may be available under Rate 315 or Rate 316 as a companion service.

The Company provides unbundled DP Service under the Transportation Service option on all Rate Schedules in the Union North Rate Zones. Under this service, the Customer may also contract for interruptible sales service (under Rate 25) to assist in meeting their balancing needs.

The Company provides an unbundled DP Service option under Rate T2 in the Union South Rate Zone where the Customer may contract for their Dawn Gas deliveries to be non-obligated.

3. EX-FRANCHISE SERVICES

The Company provides regulated ex-franchise services for the transportation of Gas through its transmission system to a point of interconnection with a third-party pipeline system. In addition, the Company provides a Gas injection service and Gas transportation service for Gas producers.

For the purposes of interpreting the terms and conditions contained in this Rate Handbook, the ex-franchise shipper shall be considered to be the Customer.

PART II

TERMS AND CONDITIONS APPLICABLE TO SERVICES

The following terms and conditions shall apply to all in-franchise distribution and DP services unless specified otherwise. For Customers with Service Contracts, the terms and conditions contained within the Service

Contract will also apply and will govern if specified below.

SECTION A - AVAILABILITY

The Rate Schedules set out the availability of those rates and services within the specified Rate Zones.

In-franchise Distribution Service will be provided subject to the Company having the capacity in its Distribution System to provide the service requested. When the Company is requested to supply the Gas to be delivered, service shall be available subject to the Company having available to it a supply of Gas adequate to meet the requirement without jeopardizing the supply to its existing Customers.

Service shall be made available after acceptance by the Company of an application for service to a Point(s) of Consumption or execution of a Service Contract, as applicable.

SECTION B - BILLS

Bills will be delivered monthly or at such other time period as set out in the Service Contract. Gas Consumption to which the Company's rates apply will be determined by the Company either by meter reading or by the Company's estimate of Consumption where meter reading has not occurred. Customers must provide the Company with free access to their meter in order to maintain and read the meter. The rates and charges applicable to a Billing Period shall be those applicable to the respective calendar month(s) in the Billing Period.

SECTION C - MINIMUM BILLS

The Minimum Bill applicable to service under any particular Rate Schedule shall be the Customer Charge plus any applicable Contract Demand charges for Delivery, Transportation, Gas Supply Load Balancing, and Gas Supply and any applicable Direct Purchase Administration Charge, all as provided for in the applicable Rate Schedule.

SECTION D - BILLABLE VOLUMES

All billable volumes are referenced to standard pressure and standard temperature in accordance with applicable laws. Where Gas is metered at a fixed pressure, the metered volume is multiplied by a fixed pressure factor to establish the correct billable volume. The value of the pressure factor is dependent on the fixed pressure, declared atmospheric pressure, and standard pressure values for a particular Customer and their location.

SECTION E - PAYMENT CONDITIONS

Charges for service are to be paid by the due date specified on a Customer's bill, which is twenty (20) days after the bill date specified on a Customer's bill, or other time period set out in the Service Contract. A late payment charge of 1.5% per month (19.56% effectively per annum) will be applied on any amount not received by the due date, until the Company receives payment of all unpaid charges, including all applicable federal and provincial taxes.

SECTION F - TERM OF ARRANGEMENT

For Distribution Service provided under General Service Rates, the Company shall continue to provide service from initial commencement until termination by the Company pursuant to Section J or by the Customer by providing notice and the Company accepting such notice in accordance with the Company's Conditions of Service. A Customer who temporarily discontinues service and does not pay all the Minimum Bills for the period of such temporary discontinuance of service shall, upon the continuance of service, either be liable to pay an amount equal to the unpaid Minimum Bills for such period or the applicable reconnection fee.

For Customers with a Service Contract, terms and conditions related to termination of service are as set out in the Service Contract.

SECTION G - RESALE PROHIBITION

Gas taken at a Point of Consumption shall not be resold other than in accordance with all applicable laws and regulations and orders of any governmental authority, including the OEB, having jurisdiction.

SECTION H - MEASUREMENT

The Company will install, operate and maintain at a Point of Consumption measurement equipment of suitable capacity and design as is required to measure the quantity of Gas delivered. A Service Contract may also contain special conditions for measurement.

SECTION I - RATES IN CONTRACTS

Notwithstanding any rates for service specified in any Service Contract, the rates and charges provided for in an applicable Rate Schedule shall apply for service rendered on and after the effective date stated in such Rate Schedule until such Rate Schedule ceases to be applicable.

SECTION J - COMPANY RESPONSIBILTY AND LIABILITY

This section applies only to Distribution Service provided under General Service Rates.

The Company shall make reasonable efforts to maintain, but does not guarantee, continuity of Gas service to its Customers. The Company may, in its sole discretion, terminate or curtail Gas service to Customers;

(a) to maintain safety and reliability on, or to facilitate construction, installation, maintenance, repair, replacement or inspection of the Company's facilities; or

(b) for any reason related to dangerous or hazardous circumstances, emergencies or Force Majeure.

The Company shall not be liable for any loss, injury, damage, expense, charge, cost or liability of any kind, whether direct, indirect, special or consequential in nature, including without limitation business loss or interruption, loss of revenue, profits or inventory and excepting only direct physical injury or damage to a Customer or a Customer's premises, resulting from the negligent acts or omissions of the Company, its employees or Agents, arising from or connected with any failure, defect, fluctuation or interruption in the provision of Gas service by the Company to its Customers.

PART III

GLOSSARY OF TERMS

In this Rate Handbook, each term set out below, whether capitalized or not, shall have the meaning ascribed to it. Terms used within this Rate Handbook may also refer to definitions set out in a Rate Schedule or the Terms and Conditions of a Service Contract, as applicable.

Agent or Energy Marketer: A party that has been granted written authority by the Customer to act for or on behalf of the Customer in respect of the rights and obligations of such Customer.

Annual Volume Deficiency: The difference between the Minimum Annual Volume and the volume consumed by the Customer in a contract year, if such volume is less than the Minimum Annual Volume.

Authorized Overrun: A quantity of Gas in excess of contracted parameters for which the Customer received authorization from the Company in advance.

Backstopping Service: A service whereby alternative supplies of Gas may be available in the event that a Customer's supply of Gas is not available for delivery to the Company.

Banked Gas Account (BGA): A record of the quantity of Gas delivered by the Customer to the Company in respect of Point(s) of Consumption net of the quantity of Gas consumed by the Customer at the Point(s) of Consumption.

Bill: A monthly statement of the amount a Customer owes for services provided by the Company. The Bill will equal the sum of the monthly charges for all services selected plus the rates multiplied by the applicable Gas quantities delivered or withdrawn for each service chosen plus all applicable taxes.

Billing Contract Demand (BCD): Applicable only to new Customers who take Dedicated Service under Rate 125 or Rate T2. The Company and the Customer shall determine a BCD to be set at a level which would result in annual revenues over the term of the Service Contract that would enable the Company to recover the invested capital, return on capital, and operating and maintenance costs of the Dedicated Service in accordance with its system expansion policies.

Billing Period: A period of approximately thirty (30) days, or such other duration as otherwise determined by the Company, following which the Company renders a Bill to a Customer. The Billing Period is determined by the Company's monthly Reading and Billing Schedule.

Commodity Charge: A per unit charge for the usage of a service by the Customer.

Company: Enbridge Gas Inc.

Contract Demand (CD): The maximum volume or quantity of Gas that the Company is obligated to deliver in any one gas day of the term to a Customer at the Point of Consumption under all Services or, if the context so requires, under a particular Service.

Consumption: The quantity of Gas delivered to the Customer's Point(s) of Consumption.

Contiguous: Properties are contiguous when they have the same owner and are not divided by a public right-of-way.

Cubic Metre (m^3): The volume of Gas which at a temperature of 15 degrees Celsius and at an absolute

pressure of 101.325 kilopascals ("kPa") occupies one cubic metre. 10^3m^3 means 1,000 cubic metres.

Curtailment: A reduction to a Customer's service resulting from an order by the Company to discontinue or curtail the use of service.

Curtailment Credit: A credit available to certain Interruptible Service Customers to recognize the benefits they provide to the system during the winter months provided certain conditions are met by the Customer.

Curtailment Delivered Supply (CDS): An additional quantity of Gas in excess of the Customer's DCQ determined by mutual agreement between the Customer and the Company, which is Nominated and delivered by or on behalf of the Customer to a point of interconnection with the Company's Distribution System on a day of Curtailment. CDS is available only to Customers with Interruptible Service in the EGD Rate Zone.

Customer: Any Person or Persons receiving one or more Services.

Customer Charge: A monthly fixed charge that reflects the costs of being a Customer connected to the Distribution System.

Daily Delivered Volume: The quantity of Gas accepted by the Company as having been delivered by a Customer to the Company on a day.

Daily Contract Quantity (DCQ): The quantity of Gas which a Customer under a Direct Purchase agreement agrees to deliver to the Company each day in the term of the arrangement.

Dedicated Service: A service provided through a distribution pipeline that is initially constructed to serve a single Customer, and for which the quantity of Gas is measured through a billing meter that is directly connected to a third-party transporter or other third-party facility, when service commences.

Delivery Charge: A charge through which the Company recovers its cost of providing service to the Customer.

Demand Charge: A fixed monthly charge which is applied to the Contract Demand specified in a Service Contract.

Direct Purchase (DP) Service: A service in which the Customer, or their Agent or Energy Marketer, contracts with the Company to provide their own Gas for the Customer's Point(s) of Consumption.

Disconnect and Reconnect Charges: The charges levied by the Company for disconnecting or reconnecting a Customer from or to the Company's Distribution System.

Distribution Contract Rates: The Rate Schedules applicable to Customers who sign a Service Contract with the Company for Distribution Service to meet hourly, daily, and annual consumption at the Customer's applicable Point(s) of Consumption.

Distribution Service: The transportation of Gas, using the Company's Distribution System, to the Point(s) of Consumption at which the Gas will be used by the Customer.

Distribution System: The physical facilities owned by the Company and utilized to contain, move and measure Gas.

End Use Customer: means a Person receiving one or more of the Services of the Company and excluding, for certainty, an Agent.

Firm: A service quality not subject to interruption or curtailment, except under Force Majeure. /u

Firm Transportation (FT): Firm Transportation service offered by upstream pipelines to move Gas from a receipt point to a delivery point, as defined by the pipeline.

Force Majeure: Any cause not reasonably within the control of the Company and which the Company cannot prevent or overcome with reasonable due diligence, including:

(a) physical events such as an act of God, landslide, earthquake, storm or storm warning such as a hurricane which results in evacuation of an affected area, flood, washout, explosion, breakage or accident to machinery or equipment or lines of pipe used to transport Gas, the necessity for making repairs to or alterations of such machinery or equipment or lines of pipe or inability to obtain materials, supplies (including a supply of services) or permits required by the Company to provide service;

(b) interruption and/or curtailment of Firm Transportation by a Gas transporter for the Company;

(c) acts of others such as strike, lockout or other industrial disturbance, civil disturbance, blockade, act of a public enemy, terrorism, riot, sabotage, insurrections or war, as well as physical damage resulting from the negligence of others;

(d) failure or malfunction of any storage equipment or facilities of the Company; and
(e) governmental actions, such as necessity for compliance with any applicable laws.

Gas: Natural Gas or Renewable Natural Gas.

Gas Supply Commodity Charge: A per unit charge for the Gas commodity purchased by the Customer from the Company.

General Service: Service provided under General Service Rate Schedules.

General Service Rate Schedules: Rate Schedules 1, 6, M1, M2, 01 and 10, applicable to those Bundled Services for which a specific contract between the Company and the Customer is not generally required.

Hourly Demand: A contractually specified quantity of Gas applicable to service under a particular Rate Schedule which is the maximum quantity of Gas the Company is required to deliver to a Customer on an hourly basis under a Service Contract.

Interruptible: Any service quality which is subject to interruption, at the discretion of the Company.

Load Balancing: The balancing of the Gas supply to meet demand.

Minimum Annual Volume (MAV): A Customer's annual minimum Gas requirement for each service applicable at each Point of Consumption.

Monthly Minimum Bill or Minimum Bill: The minimum amount owing each Billing Period by the Customer for services provided by the Company irrespective of the amount of Gas consumed by the Customer during the Billing Period.

Natural Gas: Natural and/or residue gas comprised primarily of methane.

Nomination, Nominate: An electronic request to the Company that details quantities and other service elements relevant to a Service Contract.

Ontario Energy Board (OEB): A statutory corporation continued pursuant to the *Ontario Energy Board Act, 1998*, as may be amended from time to time, which, amongst other things, regulates the Company's Rate Schedules (Part IV of this Rate Handbook) and the matters described in Part II of this Rate Handbook.

Overrun: A quantity of Gas in excess of contracted parameters.
Person: An individual, corporation, partnership, firm, joint venture, syndicate, association, trust, trustee, government, governmental agency, board, tribunal, ministry, commission or department or other form of entity or organization and the heirs, beneficiaries, executors, legal representatives or administrators of an individual, and "Persons" has a similar meaning.

Point of Consumption: The outlet side of the meter or meters at which Gas is or may be delivered to the Customer.

Point of Receipt: The point at which the Company has agreed to accept delivery of Gas from or on behalf of the Customer.

Rate Handbook: This Enbridge Gas Rate Handbook, including all Rate Schedules, approved by the OEB from time to time.

Rate Schedule: An alphabetic and/or numbered rate of the Company as fixed or approved by the OEB that specifies rates, applicability, character of service, terms and conditions of service and the effective date.

Rate Zone: The geographic areas within which the Company provides the services set out in this Rate Handbook, consisting of the EGD rate zone, Union North rate zone and Union South rate zone as initially delineated by the areas served by the former Enbridge Gas Distribution Inc. and Union Gas Limited prior to their amalgamation with on January 1, 2019 and since expanded through system expansions adjacent to those areas.

Renewable Natural Gas (RNG): Biogas resulting from the decomposition of organic matter under anaerobic conditions that has been upgraded for use in place of Natural Gas.

Sales Service: A service in which the gas supply commodity is provided by the Company to the Customer.

Seasonal Service: Any service that is available during a specified period of the year as set out in a Rate Schedule.

Seasonal Credit: A credit available to certain Seasonal Service Customers to recognize the benefits they provide to the storage operations during the winter period provided certain conditions are met by the Customer.

Service: Any sales, direct purchase, distribution, transportation, storage or related service provided by the Company and set out in a Rate Schedule.

Service Contract: An agreement between the Company and the Customer which describes the responsibilities of each party in respect to the arrangements for the Company to provide Service. The term of a Service Contract is for a period of not less than one year unless the Company, in its sole discretion, accepts a term of less than one year.

Storage Service: An allocation of storage space and deliverability rights to the Customer to be used to manage daily differences between the Customer's Daily Delivered Volume and Consumption. Depending on the current service, the Customer may be required to Nominate their use of their contracted storage.

Transportation Charge: A per unit charge for the use of transportation capacity to deliver Gas to the Customer.

Unauthorized Overrun: A quantity of Gas in excess of contracted parameters for which the Customer did not receive authorization from the Company in advance.

PART IV

RATE SCHEDULES

The Rate Schedules provided in this Rate Handbook include a schedule for each rate class and rate rider. The in-franchise rate class schedules are organized by rate zone, with the EGD rate zone provided first followed by the Union North and Union South rate zones. The ex-franchise rate class schedules follow the in-franchise rate class schedules.

RATE: 1	RESIDENTIAL SERVICE

AVAILABILITY

To Enbridge Gas Customers in the EGD Rate Zone.

APPLICABILITY

To any Customer needing to use the Company's Distribution System to have transported a supply of Gas to a residential building served through one meter, the Point of Consumption, and containing no more than six dwelling units.

MONTHLY RATES AND CHARGES

Monthly Customer Charge (1)			**$24.00**		
Delivery Charge					
For the first	30 m³ per month		**13.4146**	**¢/m³**	/u
For the next	55 m³ per month		**12.5047**	**¢/m³**	/u
For the next	85 m³ per month		**11.7921**	**¢/m³**	/u
For all over	170 m³ per month		**11.2610**	**¢/m³**	/u
Gas Supply Transportation Charge		(if applicable)	**1.9423**	**¢/m³**	
Gas Supply Western Transportation Charge		(if applicable)	**3.8042**	**¢/m³**	
Gas Supply Commodity Charge		(if applicable)	**20.9036**	**¢/m³**	/u

Rate Riders

The rates quoted herein shall be subject to the following Riders (if applicable):

Rider C - Gas Cost Adjustment
Rider D - Deferral and Variance Account Clearance
Rider E - Revenue Adjustment
Rider G - Service Charges
Rider I - System Expansion and Temporary Connection Surcharge
Rider J - Carbon Charges
Rider K - Bill 32 and Ontario Regulation 24/19
Rider L - Voluntary RNG Program
Rider M - Hydrogen Gas
Rider N - Energy Transition Technology Fund

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: 6	GENERAL SERVICE

AVAILABILITY

To Enbridge Gas Customers in the EGD Rate Zone.

APPLICABILITY

To any Customer needing to use the Company's Distribution System to have transported a supply of Gas to a single Point of Consumption for non-residential purposes.

MONTHLY RATES AND CHARGES

Monthly Customer Charge (1)			**$81.00**		
Delivery Charge					
For the first	500 m³ per month		**11.8051**	**¢/m³**	/u
For the next	1,050 m³ per month		**8.8880**	**¢/m³**	/u
For the next	4,500 m³ per month		**6.8452**	**¢/m³**	/u
For the next	7,000 m³ per month		**5.5327**	**¢/m³**	/u
For the next	15,250 m³ per month		**4.9495**	**¢/m³**	/u
For all over	28,300 m³ per month		**4.8031**	**¢/m³**	/u
Gas Supply Transportation Charge		(if applicable)	**1.8435**	**¢/m³**	
Gas Supply Western Transportation Charge		(if applicable)	**3.7054**	**¢/m³**	
Gas Supply Commodity Charge		(if applicable)	**20.9036**	**¢/m³**	/u

Rate Riders

The rates quoted herein shall be subject to the following Riders (if applicable):

Rider C - Gas Cost Adjustment
Rider D - Deferral and Variance Account Clearance
Rider E - Revenue Adjustment
Rider G - Service Charges
Rider I - System Expansion and Temporary Connection Surcharge
Rider J - Carbon Charges
Rider K - Bill 32 and Ontario Regulation 24/19
Rider L - Voluntary RNG Program
Rider M - Hydrogen Gas
Rider N - Energy Transition Technology Fund

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: 100	FIRM CONTRACT SERVICE

AVAILABILITY

To Enbridge Gas Customers in the EGD Rate Zone.

APPLICABILITY

To any Customer who enters into a Service Contract with the Company to use the Company's Distribution System for the transportation, to a single Point of Consumption, to be delivered at a specified maximum daily volume of not less than 10,000 m³ and not more than 150,000 m³.

CHARACTER OF SERVICE

Service shall be Firm except for events as specified in the Service Contract including Force Majeure.

MONTHLY RATES AND CHARGES

Monthly Customer Charge (1)		**$501.00**		
Delivery Charges				
Per cubic metre of Contract Demand		**43.3632**	**¢/m³**	/u
Per cubic metre of Gas delivered		**0.3898**	**¢/m³**	
Gas Supply Transportation Charge	(if applicable)	**1.3356**	**¢/m³**	
Gas Supply Western Transportation Charge	(if applicable)	**3.1976**	**¢/m³**	
Gas Supply Commodity Charge	(if applicable)	**20.9036**	**¢/m³**	/u

Rate Riders
The rates quoted herein shall be subject to the following Riders (if applicable):
- Rider C - Gas Cost Adjustment
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider G - Service Charges
- Rider J - Carbon Charges
- Rider K - Bill 32 and Ontario Regulation 24/19
- Rider L - Voluntary RNG Program
- Rider N - Energy Transition Technology Fund

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

Monthly Minimum Bill
The Monthly Minimum Bill shall be the Monthly Customer Charge plus the monthly Contract Demand Delivery Charge.

OVERRUN CHARGES

Unauthorized Overrun Gas Rate
When the Customer takes Unauthorized Supply Overrun Gas, the Customer shall purchase such Gas at a rate of 150% of the highest price on each day on which an Overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the Enbridge CDA and Enbridge EDA respectively.

On the second and subsequent occasion in a contract year when the Customer takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

RATE: 100	FIRM CONTRACT SERVICE

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: 110	LARGE VOLUME LOAD FACTOR SERVICE

AVAILABILITY

To Enbridge Gas Customers in the EGD Rate Zone.

APPLICABILITY

To any Customer who enters into a Service Contract with the Company to use the Company's Distribution System for the transportation, to a single Point of Consumption, of an annual supply of Gas of not less than 146 times a specified maximum daily volume of not less than 1,865 m³.

CHARACTER OF SERVICE

Service shall be Firm except for events as specified in the Service Contract including Force Majeure.

MONTHLY RATES AND CHARGES

Monthly Customer Charge (1)		**$501.00**		
Delivery Charges				
Per cubic metre of Contract Demand		**47.5401**	**¢/m³**	/u
Per cubic metre of Gas delivered		**0.3537**	**¢/m³**	
Gas Supply Transportation Charge	(if applicable)	**1.2011**	**¢/m³**	
Gas Supply Western Transportation Charge	(if applicable)	**3.0630**	**¢/m³**	
Gas Supply Commodity Charge	(if applicable)	**20.9036**	**¢/m³**	/u

Rate Riders
The rates quoted herein shall be subject to the following Riders (if applicable):
- Rider C - Gas Cost Adjustment
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider G - Service Charges
- Rider J - Carbon Charges
- Rider K - Bill 32 and Ontario Regulation 24/19
- Rider L - Voluntary RNG Program
- Rider N - Energy Transition Technology Fund

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

Minimum Bill
Per cubic metre of Annual Volume Deficiency (See Terms and Conditions of Service) **1.4570 ¢/m³**
In determining the Annual Volume Deficiency, the minimum Bill multiplier shall not be less than 146.

OVERRUN CHARGES

Unauthorized Overrun Gas Rate
When the Customer takes Unauthorized Supply Overrun Gas, the Customer shall purchase such Gas at a rate of 150% of the highest price on each day on which an Overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the Enbridge CDA and Enbridge EDA respectively.

On the second and subsequent occasion in a contract year when the Customer takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

RATE: 110	LARGE VOLUME LOAD FACTOR SERVICE

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: 115	LARGE VOLUME LOAD FACTOR SERVICE

AVAILABILITY

To Enbridge Gas Customers in the EGD Rate Zone.

APPLICABILITY

To any Customer who enters into a Service Contract with the Company to use the Company's Gas Distribution System for the transportation, to a single Point of Consumption, of an annual supply of Gas of not less than 292 times a specified maximum daily volume of not less than 1,165 m³.

CHARACTER OF SERVICE

Service shall be Firm except for events as specified in the Service Contract including Force Majeure.

MONTHLY RATES AND CHARGES

Monthly Customer Charge (1)		**$501.00**		
Delivery Charges				
Per cubic metre of Contract Demand		**37.1446**	**¢/m³**	/u
Per cubic metre of Gas delivered		**0.2850**	**¢/m³**	
Gas Supply Transportation Charge	(if applicable)	**0.9199**	**¢/m³**	
Gas Supply Western Transportation Charge	(if applicable)	**2.7818**	**¢/m³**	
Gas Supply Commodity Charge	(if applicable)	**20.9036**	**¢/m³**	/u

Rate Riders
The rates quoted herein shall be subject to the following Riders (if applicable):
- Rider C - Gas Cost Adjustment
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider G - Service Charges
- Rider J - Carbon Charges
- Rider K - Bill 32 and Ontario Regulation 24/19
- Rider L - Voluntary RNG Program
- Rider N - Energy Transition Technology Fund

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

Minimum Bill
Per cubic metre of Annual Volume Deficiency (See Terms and Conditions of Service) **1.1071 ¢/m³**
In determining the Annual Volume Deficiency, the minimum Bill multiplier shall not be less than 292.

OVERRUN CHARGES

Unauthorized Overrun Gas Rate
When the Customer takes Unauthorized Supply Overrun Gas, the Customer shall purchase such Gas at a rate of 150% of the highest price on each day on which an Overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the Enbridge CDA and Enbridge EDA respectively.

On the second and subsequent occasion in a contract year when the Customer takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

RATE: 115	LARGE VOLUME LOAD FACTOR SERVICE

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: 125	EXTRA LARGE FIRM DISTRIBUTION SERVICE

AVAILABILITY

To Enbridge Gas Customers in the EGD Rate Zone.

APPLICABILITY

To any Customer who enters into a Service Contract with the Company to use the Company's Distribution System for the transportation, to a single Point of Consumption, of a specified maximum daily volume of Gas. The Daily Contract Quantity for billing purposes, Contract Demand or maximum daily volume of Gas. The maximum daily volume for billing purposes, Contract Demand or Billing Contract Demand, as applicable, shall not be less than 600,000 m³. The Service under this rate requires Automatic Meter Reading (AMR) capability.

CHARACTER OF SERVICE

Service shall be Firm except for events specified in the Service Contract including Force Majeure.

For Non-Dedicated Service the monthly Demand Charges payable shall be based on the Contract Demand which shall be 24 times the Hourly Demand and the Customer shall not exceed the Hourly Demand.

For Dedicated Service the monthly Demand Charges payable shall be based on the Billing Contract Demand or the Contract Demand specified in the Service Contract. The Customer shall not exceed an hourly flow calculated as 1/24th of the Contract Demand specified in the Service Contract.

MONTHLY RATES AND CHARGES

The following rates and charges, as applicable, shall apply for deliveries to the Point of Consumption.

Monthly Customer Charge (1)	**$3,001.00**	
Demand Charge		
Per cubic metre of Contract Demand or Billing Contract Demand, as applicable	**10.6497 ¢/m³**	/u
Direct Purchase Administration Charge	**$122.00**	
Forecast Unaccounted For Gas Percentage	**0.471%**	

Rate Riders
The rates quoted herein shall be subject to the following Riders (if applicable):
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider G - Service Charges
- Rider J - Carbon Charges
- Rider K - Bill 32 and Ontario Regulation 24/19
- Rider N - Energy Transition Technology Fund

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

Monthly Minimum Bill
The Monthly Minimum Bill shall be the Monthly Customer Charge plus the monthly Contract Demand Charge.

TERMS AND CONDITIONS OF SERVICE

1. To the extent that this Rate Schedule does not specifically address matters set out in PARTS II and III of the Company's Rate Handbook then the provisions in those Parts shall apply, as contemplated therein, to service under this Rate Schedule.

2. **Unaccounted for Gas (UFG) Adjustment Factor**
The Customer is required to deliver to the Company on a daily basis the sum of: (a) the volume of Gas to be delivered to the Customer's Point of Consumption; and (b) a volume of Gas equal to the forecast unaccounted for Gas percentage as stated above multiplied by (a). In the case of a Dedicated Service, the Unaccounted for Gas volume requirement is not applicable.

3. **Nominations**
Customer shall nominate Gas delivery daily based on the gross commodity delivery required to serve the Customer's daily load plus the UFG. Customers may change daily Nominations based on the Nomination windows within a day as defined by the Customer contract with TransCanada or Enbridge Gas.

Schedule of Nominations under Rate 125 has to match upstream Nominations. This rate does not allow for any more flexibility than exists upstream of the Company's Distribution System. Where the Customer's Nomination does not match the confirmed upstream Nomination, the Nomination will be confirmed at the upstream value.

Customer may nominate Gas to a contractually specified Primary Delivery Area that may be the Enbridge Central Delivery Area (CDA) or the Enbridge Eastern Delivery Area (EDA) or other Delivery Area as specified in the applicable Service Contract. The Company may accept deliveries at a Secondary Delivery Area such as Dawn, at its sole discretion. Quantities of Gas nominated to the system cannot exceed the Contract Demand, unless Make-up Gas or Authorized Overrun is permitted.

Customers with multiple Rate 125 contracts within a Primary Delivery Area may combine Nominations subject to system operating requirements and subject to the Contract Demand for each Point of Consumption. For combined Nominations the Customer shall specify the quantity of Gas to each Point of Consumption and the order in which Gas is to be delivered to each Point of Consumption. The specified order of deliveries shall be used to administer Load Balancing Provisions to each Point of Consumption. When system conditions require delivery to a single Point of Consumption only, Nominations with different Points of Consumption may not be combined.

4. **Authorized Demand Overrun**
The Company may, at its sole discretion, authorize Consumption of Gas in excess of the Contract Demand for limited periods within a month, provided local distribution facilities have sufficient capacity to accommodate higher demand. In such circumstances, Customer shall nominate Gas delivery based on the gross commodity delivery (the sum of the Customer's Contract Demand and the Authorized Overrun amount) required to serve the Customer's daily load, plus the UFG. In the event that Gas usage exceeds the Gas delivery on a day where demand Overrun is authorized, the excess Gas Consumption shall be deemed Supply Overrun Gas.

Such service shall not exceed 5 days in any contract year. Based on the terms of the Service Contract, requests beyond 5 days will constitute a request for a new Contract Demand level with retroactive charges. The new Contract Demand level may be restricted by the capability of the local distribution facilities to accommodate higher demand.

Automatic authorization of transportation Overrun over the Billing Contract Demand will be given in the case of Dedicated Service to the Point of Consumption provided that pipeline capacity is available and subject to the Contract Demand as specified in the Service Contract.

Authorized Demand Overrun Rate	**0.3501 ¢/m³**	/u

The Authorized Demand Overrun Rate may be applied to commissioning volumes at the Company's sole discretion, for a contractual period of not more than one year, as specified in the Service Contract.

5. **Unauthorized Demand Overrun**
Any Gas consumed in excess of the Contract Demand and/or maximum hourly flow requirements, if not authorized, will be deemed to be Unauthorized Demand Overrun Gas. Unauthorized Demand Overrun Gas may establish a new Contract Demand effective immediately and shall be subject to a charge equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on terms of the Service Contract. Based on capability of the local distribution facilities to accommodate higher demand, different conditions may apply as specified in the applicable Service Contract. Unauthorized Demand Overrun Gas shall also be subject to Unauthorized Supply Overrun provisions.

6. **Unauthorized Supply Overrun**
Any volume of Gas taken by the Customer on a day at the Point of Consumption which exceeds the sum of:
i. any applicable provisions of Rate 315 and any applicable Load Balancing Provision pursuant to Rate 125, plus
ii. the volume of Gas delivered by the Customer on that day shall constitute Unauthorized Supply Overrun Gas.

The Company may also deem volumes of Gas to be Unauthorized Supply Overrun Gas in other circumstances, as set out in the Load Balancing Provisions of Rate 125.

Any Gas deemed to be Unauthorized Supply Overrun Gas shall be purchased by the Customer at a price (Pe), which is equal to 150% of the highest price in effect for that day as defined below*.

7. **Unauthorized Supply Underrun**
Any volume of Gas delivered by the Customer on any day in excess of the sum of:
i. any applicable provisions of Rate 315 and any applicable Load Balancing Provision pursuant to Rate 125, plus
ii. the volume of Gas taken by the Customer at the Point of Consumption on that day shall be classified as Unauthorized Supply Underrun Gas.

The Company may also deem volumes of Gas to be Unauthorized Supply Underrun Gas in other circumstances, as set out in the Load Balancing Provisions of Rate 125.

Any Gas deemed to be Unauthorized Supply Underrun Gas shall be purchased by the Company at a price (Pu) which is equal to fifty percent (50%) of the lowest price in effect for that day as defined below**.

* where the price P_e expressed in cents / cubic metre is defined as follows:
Pe = (Pm * Er * 100 * 0.03908 / 1.055056) * 1.5

Pm = highest daily price in U.S. $/mmBtu published in the Gas Daily, a Platts Publication, for that day under the column "Absolute", for the Niagara export point if the Point of Consumption is in the Enbridge CDA delivery area, and the Iroquois export point if the Point of Consumption is in the Enbridge EDA delivery area.

E_r = **Daily Average exchange rate** expressed in Canadian dollars per U.S. dollar for such day quoted by the Bank of Canada in the following day's Globe & Mail Publication.

1.055056 = Conversion factor from mmBtu to GJ.
0.03908 = Conversion factor from GJ to cubic metres.

** where the price P_u expressed in cents / cubic metre is defined as follows:
Pu = (Pl * Er * 100 * 0.03908 / 1.055056) * 0.5

Pl = lowest daily price in U.S. $/mmBtu published in the Gas Daily, a Platts Publication, for that day under the column "Absolute", for the Niagara export point if the Point of Consumption is in the Enbridge CDA delivery area, and the Iroquois export point if the Point of Consumption is in the Enbridge EDA delivery area.

Term of Contract
A minimum of one year. A longer-term contract may be required if incremental contracts/assets/facilities have been procured/built for the Customer. Migration from an unbundled rate to bundled rate may be restricted subject to availability of adequate transportation and storage assets.

Right to Terminate Service
The Company reserves the right to terminate service to Customers served hereunder where the Customer's failure to comply with the parameters of this rate schedule, including the Load Balancing Provisions, jeopardizes either the safety or reliability of the Gas system. The Company shall provide notice to the Customer of such termination; however, no notice is required to alleviate emergency conditions.

LOAD BALANCING PROVISIONS

Load Balancing Provisions shall apply at the Customer's Point of Consumption or at the location of the meter installation for a Customer served from a dedicated facility. In the event of an imbalance any excess delivery above the Customer's actual Consumption or delivery less than the actual Consumption shall be subject to the Load Balancing Provisions.

DEFINITIONS

Aggregate Delivery
The Aggregate Delivery for a Customer's account shall equal the sum of the confirmed Nominations of the Customer for delivery of Gas to the applicable delivery area from all pipeline sources including where applicable, the confirmed Nominations of the Customer for Storage Service under Rate 316 or Rate 315 and any available No-Notice Storage Service under Rate 315 for delivery of Gas to the Applicable Delivery Area.

Applicable Delivery Area
The Applicable Delivery Area for each Customer shall be specified by the Service Contract as a Primary Delivery Area. Where system-operating conditions permit, the Company, in its sole discretion, may accept a Secondary Delivery Area as the Applicable Delivery Area by confirming the Customer's Nomination of such area. Confirmation of a Secondary Delivery Area for a period of a Gas day shall cause such area to become the Applicable Delivery Area for such day. Where delivery occurs at both a Point of Consumption and a Secondary Delivery Area on a given day, the sum of the confirmed deliveries may not exceed the Contract Demand, unless Demand Overrun and/or Make-up Gas is authorized.

Primary Delivery Area
The Primary Delivery Area shall be delivery area such as the Enbridge Central Delivery Area (CDA) or the Enbridge Eastern Delivery Area (EDA), or other Delivery Area as specified in the applicable Service Contract.

Secondary Delivery Area
A Secondary Delivery Area may be a delivery area such as Dawn where the Company, at its sole discretion, determines that operating conditions permit Gas deliveries for a Customer.

Actual Consumption
The Actual Consumption of the Customer shall be the metered quantity of Gas consumed at the Customer's Point of Consumption or in the event of combined Nominations at the Points of Consumption specified.

Net Available Delivery
The Net Available Delivery shall equal the Aggregate Delivery times one minus the annually determined percentage of Unaccounted for Gas (UFG) as reported by the Company.

Daily Imbalance
The Daily Imbalance shall be the absolute value of the difference between Actual Consumption and Net Available Delivery.

Cumulative Imbalance
The Cumulative Imbalance shall be the sum of the difference between Actual Consumption and Net Available Delivery since the date the Customer last balanced or was deemed to have balanced its Cumulative Imbalance account.

Maximum Contractual Imbalance
The Maximum Contractual Imbalance shall be equal to 60% of the Customer's Contract Demand for non dedicated service and 60% of the Billing Contract Demand for dedicated service.

Winter and Summer Seasons
The winter season shall commence on the date that the Company provides notice of the start of the winter period and conclude on the date that the Company provides notice of the end of the winter period. The summer season shall constitute all other days. The Company shall provide advance notice to the Customer of the start and end of the winter season as soon as reasonably possible, but in no event not less than 2 days prior to the start or end.

Operational Flow Order
An Operational Flow Order (OFO) shall constitute an issuance of instructions to protect the operational capacity and integrity of the Company's system, including distribution and/or storage assets, and/or connected transmission pipelines.

Enbridge Gas, acting reasonably, may call for an OFO in the following circumstances:

- Capacity constraint on the system, or portions of the system, or upstream systems, that are fully utilized;
- Conditions where the potential exists that forecasted system demand plus reserves for short notice services provided by the Company and allowances for power generation Customers' balancing requirements would exceed facility capabilities and/or provisions of 3rd party contracts;
- Pressures on the system or specific portions of the system are too high or too low for safe operations;
- Storage system constraints on capacity or pressure or caused by equipment problems resulting in limited ability to inject or withdraw from storage;
- Pipeline equipment failures and/or damage that prohibits the flow of Gas;
- Any and all other circumstances where the potential for system failure exists.

Daily Balancing Fee
On any day where the Customer has a Daily Imbalance the Customer shall pay a Daily Balancing Fee equal to:

(Tier 1 Quantity X Tier 1 Fee) + (Tier 2 Quantity X Tier 2 Fee) + (Applicable Penalty Fee for Imbalance in excess of the Maximum Contractual Imbalance X the amount of Daily Imbalance in excess of the Maximum Contractual Imbalance)

Where Tier 1 and 2 Fees and Quantities are set forth as follows:

Tier 1 = 0.7136 cents/m³ applied to Daily Imbalance of greater than 2% but less than 10% of the Maximum Contractual Imbalance /u

Tier 2 = 0.8563 cents/m³ applied to Daily Imbalance of greater than 10% but less than the Maximum Contractual Imbalance /u

In addition for Tier 2, instances where the Daily Imbalance represents an under delivery of Gas during the winter season shall constitute Unauthorized Supply Overrun Gas for all Gas in excess of 10% of Maximum Contractual Imbalance. Where the Daily Imbalance represents an over delivery of Gas during the summer season, the Company reserves the right to deem as Unauthorized Supply Underrun Gas for all Gas in excess of 10% of Maximum Contractual Imbalance. The Company will issue a 24-hour advance notice to Customers of its intent to impose cash out for over delivery of Gas during the summer season.

For Customers delivering to a Primary Delivery Area other than the Enbridge CDA or the Enbridge EDA, the Tier 1 Fee is applied to Daily Imbalance of greater than 0% but less than 10% of the Maximum Contractual Imbalance.

The Customers shall also pay any Limited Balancing Agreement (LBA) charges imposed by the pipeline on days when the Customer has a Daily Imbalance provided such imbalance matches the direction of the pipeline imbalance. LBA charges shall first be allocated to Customers served under Rates 125 and 300. The system bears a portion of these charges only to the extent that the system incurs such charges based on its operation excluding the operation of Customers under Rates 125 and 300. In that event, LBA charges shall be prorated based on the relative imbalances. The Company will provide the Customer with a derivation of any such charges.

Customer's Actual Consumption cannot exceed Net Available Delivery when the Company issues an OFO in the winter. Net Nominations must not be less than Consumption at the Point of Consumption. Any negative Daily Imbalance on a winter OFO day shall be deemed to be Unauthorized Supply Overrun. Customer's Net Available Delivery cannot exceed Actual Consumption when the Company issues an OFO in the summer. Actual Consumption must not be less than net Nomination at the Point of Consumption. Any positive Daily Imbalance on a summer OFO day shall be deemed to be Unauthorized Supply Underrun.

The Company will waive Daily Balancing Fee and Cumulative Imbalance Charge on the day of an OFO if the Customer used less Gas that the amount the Customer delivered to the system during the winter season or the Customer used more Gas than the amount the Customer delivered to the system during the summer suspension of Load Balancing Provisions.

Cumulative Imbalance Charges
Customers may trade Cumulative Imbalances within a delivery area. Customers may also nominate to transfer Gas from their Cumulative Imbalance Account into an unbundled (Rate 315 or Rate 316) storage account of the Customer subject to their storage contract parameters.

Customers shall be permitted to nominate Make-up Gas, subject to operating constraints, provided that Make-up Gas plus Aggregate Delivery do not exceed the Contract Demand. The Company may, on days with no operating constraints, authorize Make-up Gas that, in conjunction with Aggregate Delivery, exceeds the Contract Demand.

The Customer's Cumulative Imbalance cannot exceed its Maximum Contractual Imbalance. In the event that the Customer's imbalance exceeds their Maximum Contractual Imbalance the Company shall deem the excess imbalance to be Unauthorized Supply Overrun or Underrun Gas, as appropriate.

The Cumulative Imbalance Fee, applicable daily, is 0.3217 cents/m³ per unit of imbalance. /u

In addition, on any day that the Company declares an OFO, negative Cumulative Imbalances greater than 10% of Maximum Contractual Imbalance in the winter season shall be deemed to be Unauthorized Overrun Gas. The Company reserves the right to deem positive Cumulative Imbalances greater than 10% of Maximum Contractual Imbalance in the summer season as Unauthorized Supply Underun Gas. The Company will issue a 24-hour advance notice to Customers of OFO including cash out instructions for Cumulative Imbalances greater than 10% of Maximum Contractual Imbalance.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: 135	SEASONAL FIRM SERVICE

AVAILABILITY

To Enbridge Gas Customers in the EGD Rate Zone.

APPLICABILITY

To any Customer who enters into a Service Contract with the Company to use the Company's Distribution System for the transportation, to a single Point of Consumption, of an annual supply of Gas of not less than 340,000 m³.

CHARACTER OF SERVICE

Service shall be Firm except for events as specified in the Service Contract including Force Majeure.
A maximum of five percent of the contracted annual volume may be taken by the Customer in a single month during the months of December to March inclusively.

MONTHLY RATES AND CHARGES

Monthly Customer Charge (1) **$501.00**

			December to March	April to November		
Delivery Charges						
For the first	14,000 m³ per month		**11.2918**	**4.4240**	**¢/m³**	/u
For the next	28,000 m³ per month		**9.5090**	**3.4156**	**¢/m³**	/u
For all over	42,000 m³ per month		**8.8027**	**3.1068**	**¢/m³**	/u
Gas Supply Transportation Charge		(if applicable)	**0.8875**	**0.8875**	**¢/m³**	
Gas Supply Western Transportation Charge		(if applicable)	**2.7495**	**2.7495**	**¢/m³**	
Gas Supply Commodity Charge		(if applicable)	**20.9036**	**20.9036**	**¢/m³**	/u

Rate Riders
The rates quoted herein shall be subject to the following Riders (if applicable):
- Rider C - Gas Cost Adjustment
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider G - Service Charges
- Rider J - Carbon Charges
- Rider K - Bill 32 and Ontario Regulation 24/19
- Rider L - Voluntary RNG Program
- Rider N - Energy Transition Technology Fund

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

Minimum Bill
Per cubic metre of Annual Volume Deficiency (See Terms and Conditions of Service) **7.5030 ¢/m³** /u

Seasonal Credit
Per cubic metre of Daily Contracted Quantity (DCQ) from December to March **$0.77 /m³**
Per cubic metre of Modified Daily Contracted Quantity (MDCQ) for December **$0.77 /m³**

RATE: 135	SEASONAL FIRM SERVICE

OVERRUN CHARGES

Unauthorized Overrun Gas Rate
When the Customer takes Unauthorized Supply Overrun Gas, the Customer shall purchase such Gas at a rate of 150% of the highest price on each day on which an Overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the Enbridge CDA and Enbridge EDA respectively.

Failure to deliver a volume of Gas equal to the Daily Contracted Quantity under Option a) set out in the Service Contract during the months of December to March inclusive may result in the Customer not being eligible for service under this rate in a subsequent contract period, at the Company's sole discretion.

Failure to deliver a volume of Gas equal to the Modified Daily Contracted Quantity under Option b) set out in the Service Contract during the month of December may result in the Customer not being eligible for service under this rate in a subsequent contract period, at the Company's sole discretion.

Seasonal Overrun Charge
During the months of December through March inclusively, any volume of Gas taken in a single month in excess of five percent of the annual contract volume (Seasonal Overrun Monthly Volume) will be subject to Seasonal Overrun Charges in place of both the Delivery and Gas Supply Load Balancing Charges. The Seasonal Overrun Charge applicable for the months of December and March shall be calculated as 2.0 times the sum of the Transportation Charge and the maximum Delivery Charge. The Seasonal Overrun Charge applicable for the months of January and February shall be calculated as 5.0 times the sum of the Transportation Charge and the maximum Delivery Charge.

Seasonal Overrun Charges

For the months			
December and March	**24.3586**	**¢/m³**	/u
January and February	**60.8965**	**¢/m³**	/u

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

The Customer has the option of delivering either Option a) a DCQ based on 12 months, or Option b) a MDCQ based on nine months of deliveries. Deliveries for the months of January, February and March would be zero under option b).

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: 145	INTERRUPTIBLE SERVICE

AVAILABILITY

To Enbridge Gas Customers in the EGD Rate Zone.

APPLICABILITY

To any Customer who enters into a Service Contract with the Company to use the Company's Distribution System for the transportation of a specified maximum daily volume of Gas to a single Point of Consumption which can accommodate the total interruption of Gas service as ordered by the Company exercising its sole discretion. The Company reserves the right to satisfy itself that the Customer can accommodate the interruption of Gas through either a shutdown of operations or a demonstrated ability and readiness to switch to an alternative fuel source. Any Customer contracting for service under this rate schedule must agree to transport a Minimum Annual Volume of 340,000 m³.

CHARACTER OF SERVICE

In addition to events as specified in the Service Contract including Force Majeure, service shall be subject to interruption or discontinuance upon the Company issuing a notice not less than 16 hours prior to the time at which such interruption or discontinuance is to commence. A Customer may, by contract, agree to accept a shorter notice period.

MONTHLY RATES AND CHARGES

Monthly Customer Charge (1)		**$135.93**		
Delivery Charges (2)				
Per cubic metre of Contract Demand		**11.4466**	**¢/m³**	/u
Per cubic metre of Gas delivered		**0.8192**	**¢/m³**	
Gas Supply Transportation Charge	(if applicable)	**0.8875**	**¢/m³**	
Gas Supply Western Transportation Charge	(if applicable)	**2.7495**	**¢/m³**	
Gas Supply Commodity Charge	(if applicable)	**20.9036**	**¢/m³**	/u

Rate Riders

The rates quoted herein shall be subject to the following Riders (if applicable):

- Rider C - Gas Cost Adjustment
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider G - Service Charges
- Rider J - Carbon Charges
- Rider K - Bill 32 and Ontario Regulation 24/19
- Rider L - Voluntary RNG Program
- Rider N - Energy Transition Technology Fund

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

(2) The Company may negotiate rates for Interruptible service where the Customer is located in an area of constraint for purposes of an integrated resource planning alternative. The negotiated rates may be lower than the rates identified in the rate schedule, including negative rates or other incentives, and are subject to approval by the OEB for the integrated resource planning alternative.

Minimum Bill

Per cubic metre of Annual Volume Deficiency (See Terms and Conditions of Service) **1.6089** **¢/m³**

RATE: 145	INTERRUPTIBLE SERVICE

Curtailment Credit

Per cubic metre of Daily Contracted Quantity from December to March for 16 hours of notice **$0.50 /m³**

In addition, if the Customer is supplying its own Gas requirements, the Gas delivered by the Customer during the period of interruption shall be purchased by the Company for the Company's use. The purchase price for such Gas will be equal to the price that is reported for the month, in the first issue of the Natural Gas Market Report published by Canadian Enerdata Ltd. during the month, as the "current" "Avg." (i.e., average) "Alberta One-Month Firm Spot Price" for "AECO 'C' and Nova Inventory Transfer" in the table entitled '"Domestic spot Gas prices", adjusted for AECO to Empress transportation tolls and compressor fuel costs.

OVERRUN CHARGES

Unauthorized Overrun Gas Rate

When the Customer takes Unauthorized Supply Overrun Gas, the Customer shall purchase such Gas at a rate of 150% of the highest price on each day on which an Overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the Enbridge CDA and Enbridge EDA respectively.

Any material instance of failure to curtail in any contract year may result in the Customer forfeiting the right to be served under this rate schedule.

In such case, service hereunder would cease, notwithstanding any Service Contract between the Company and the Customer. Gas supply and/or transportation service would continue to be available to the Customer pursuant to the provisions of the Company's Rate 6 until a Service Contract pursuant to another applicable Rate Schedule was executed.

Any Customer taking a material volume of Unauthorized Supply Overrun Gas, during a period of ordered interruption, may forfeit its Curtailment credits for the respective winter season, December through March inclusive.

On the second and subsequent occasion in a contract year when the Customer takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: 170	LARGE INTERRUPTIBLE SERVICE

AVAILABILITY

To Enbridge Gas Customers in the EGD Rate Zone.

APPLICABILITY

To any Customer who enters into a Service Contract with the Company to use the Company's Gas Distribution Network for the transportation of a specified maximum daily volume of Gas of not less than 30,000 m³ and a Minimum Annual Volume of 5,000,000 m³ to a single Point of Consumption which can accommodate the total interruption of Gas service when required by the Company. The Company reserves the right to satisfy itself that the Customer can accommodate the interruption of Gas through either a shutdown of operations or a demonstrated ability and readiness to switch to an alternative fuel source. The Company, exercising its sole discretion, may order interruption of Gas service upon not less than four (4) hours notice.

CHARACTER OF SERVICE

In addition to events as specified in the Service Contract including Force Majeure, service shall be subject to interruption or discontinuance upon the Company issuing a notice not less than 4 hours prior to the time at which such interruption or discontinuance is to commence.

MONTHLY RATES AND CHARGES

Monthly Customer Charge (1)		**$306.55**		
Delivery Charges (2)				
Per cubic metre of Contract Demand		**3.7649**	**¢/m³**	/u
Per cubic metre of Gas delivered		**1.4685**	**¢/m³**	
Gas Supply Transportation Charge	(if applicable)	**0.8875**	**¢/m³**	
Gas Supply Western Transportation Charge	(if applicable)	**2.7495**	**¢/m³**	
Gas Supply Commodity Charge	(if applicable)	**20.9036**	**¢/m³**	/u

Rate Riders

The rates quoted herein shall be subject to the following Riders (if applicable):

- Rider C - Gas Cost Adjustment
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider G - Service Charges
- Rider J - Carbon Charges
- Rider K - Bill 32 and Ontario Regulation 24/19
- Rider L - Voluntary RNG Program
- Rider N - Energy Transition Technology Fund

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

(2) The Company may negotiate rates for Interruptible service where the Customer is located in an area of constraint for purposes of an integrated resource planning alternative. The negotiated rates may be lower than the rates identified in the rate schedule, including negative rates or other incentives, and are subject to approval by the OEB for the integrated resource planning alternative.

Minimum Bill

Per cubic metre of Annual Volume Deficiency (See Terms and Conditions of Service) **2.2582 ¢/m³**

RATE: 170	LARGE INTERRUPTIBLE SERVICE

Curtailment Credit

Per cubic metre of Daily Contracted Quantity from December to March for 4 hours of notice **$1.10 /m³**

In addition, if the Customer is supplying its own Gas requirements, the Gas delivered by the Customer during the period of interruption shall be purchased by the Company for the Company's use. The purchase price for such Gas will be equal to the price that is reported for the month, in the first issue of the Natural Gas Market Report published by Canadian Enerdata Ltd. during the month, as the "current" "Avg." (i.e., average) "Alberta One-Month Firm Spot Price" for "AECO 'C' and Nova Inventory Transfer" in the table entitled '"Domestic spot Gas prices", adjusted for AECO to Empress transportation tolls and compressor fuel costs.

OVERRUN CHARGES

Unauthorized Overrun Gas Rate

When the Customer takes Unauthorized Supply Overrun Gas, the Customer shall purchase such Gas at a rate of 150% of the highest price on each day on which an Overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the Enbridge CDA and Enbridge EDA respectively.

Any material instance of failure to curtail in any contract year may result in the Customer forfeiting the right to be served under this rate schedule.

In such case, service hereunder would cease, notwithstanding any Service Contract between the Company and the Customer. Gas supply and/or transportation service would continue to be available to the Customer pursuant to the provisions of the Company's Rate 6 until a Service Contract pursuant to another applicable Rate Schedule was executed.

Any Customer taking a material volume of Unauthorized Supply Overrun Gas, during a period of ordered interruption, may forfeit its Curtailment credits for the respective winter season, December through March inclusive.

On the second and subsequent occasion in a contract year when the Customer takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: 200	WHOLESALE SERVICE

AVAILABILITY

To Enbridge Gas Customers in the EGD Rate Zone.

APPLICABILITY

To any Distributor who enters into a Service Contract with the Company to use the Company's Distribution System for the transportation of an annual supply of Gas to Customers outside of the Company's franchise area and who commenced and continued service under Rate 200 prior to January 1, 2024.

CHARACTER OF SERVICE

Service shall be Firm, except for events as specified in the Service Contract including Force Majeure, up to the Firm Contract Demand and subject to interruption or discontinuance, of demand in excess of the Firm Contract Demand, upon the Company issuing a notice not less than 4 hours prior to the time at which such interruption or discontinuance is to commence.

MONTHLY RATES AND CHARGES

Monthly Customer Charge
The monthly Customer Charge shall be negotiated with the Customer and shall not exceed: **$2,000.00**

Delivery Charges

Per cubic metre of Contract Demand		**29.8281**	**¢/m³**	/u
Per cubic metre of Gas delivered		**0.5493**	**¢/m³**	
Gas Supply Transportation Charge	(if applicable)	**1.4137**	**¢/m³**	
Gas Supply Western Transportation Charge	(if applicable)	**3.2757**	**¢/m³**	
Gas Supply Commodity Charge	(if applicable)	**20.9036**	**¢/m³**	/u

The Gas Supply Charge is applicable to volumes of Gas purchased from the Company. The volumes purchased shall be the volumes delivered at the Point of Consumption less any volumes, which the Company does not own and are received at the Point of Receipt for delivery to the Customer at the Point of Consumption.

Rate Riders
The rates quoted herein shall be subject to the following Riders (if applicable):
- Rider C - Gas Cost Adjustment
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider J - Carbon Charges

Minimum Bill
Per cubic metre of Annual Volume Deficiency (See Terms and Conditions of Service) **1.8652 ¢/m³**

Curtailment Credit
Per cubic metre of Daily Contracted Quantity from December to March for 4 hours of notice **$1.10 /m³**

In addition, if the Customer is supplying its own Gas requirements, the Gas delivered by the Customer during the period of interruption shall be purchased by the Company for the Company's use. The purchase price for such Gas will be equal to the price that is reported for the month, in the first issue of the Natural Gas Market Report published by Canadian Enerdata Ltd. during the month, as the "current" "Avg." (i.e., average) "Alberta One-Month Firm Spot Price" for "AECO 'C' and Nova Inventory Transfer" in the table entitled '"Domestic spot Gas prices", adjusted for AECO to Empress transportation tolls and compressor fuel costs.

OVERRUN CHARGES

Unauthorized Overrun Gas Rate
When the Customer takes Unauthorized Supply Overrun Gas, the Customer shall purchase such Gas at a rate of 150% of the highest price on each day on which an Overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the Enbridge CDA and Enbridge EDA respectively.

Any material instance of failure to curtail in any contract year may result in the Customer forfeiting the right to be served under this rate schedule.

Any Customer taking a material volume of Unauthorized Supply Overrun Gas, during a period of ordered interruption, may forfeit its Curtailment credits for the respective winter season, December through March inclusive.

On the second and subsequent occasion in a contract year when the Customer takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: 300	FIRM OR INTERRUPTIBLE DISTRIBUTION SERVICE

AVAILABILITY

To Enbridge Gas Customers in the EGD Rate Zone.

APPLICABILITY

To any Customer who enters into a Service Contract with the Company to use the Company's Distribution System for the transportation to a single Point of Consumption of a specified maximum daily volume of Gas. The Company reserves the right to limit service under this schedule to Customers whose maximum Contract Demand does not exceed 600,000 m³. The Service under this rate requires Automatic Meter Reading (AMR) capability. Service under this schedule is Firm unless a Customer is currently served under Interruptible distribution service or the Company, in its sole judgment, determines that existing delivery facilities cannot adequately serve the load on a Firm basis.

The unitized Monthly Contract Demand Charge is also applicable to volumes delivered to any Customer taking service under a Curtailment Delivered Supply contract with the Company. The unitized rate equals the applicable Monthly Contract Demand Charge times 12/365.

CHARACTER OF SERVICE

The Service shall be Firm except for events specified in the Service Contract including Force Majeure. The Customer is neither allowed to take a daily quantity of Gas greater than the Contract Demand nor an hourly amount in excess of the Contract Demand divided by 24, without the Company's prior consent. Interruptible Distribution Service is provided on a best efforts basis subject to the events identified in the Service Contract including Force Majeure and, in addition, shall be subject to interruption or discontinuance of service when the Company notifies the Customer under normal circumstances 4 hours prior to the time that service is subject to interruption or discontinuance. Under emergency conditions, the Company may curtail or discontinue service on one-hour notice. The Interruptible Service Customer is not allowed to exceed maximum hourly flow requirements as specified in the Service Contract.

MONTHLY RATES AND CHARGES

Monthly Customer Charge (1)	**$1,501.00**		
Demand Charge			
Per cubic metre of Firm Contract Demand	**25.2604**	**¢/m³**	/u
Interruptible Service			
Minimum Delivery Charge	**0.4202**	**¢/m³**	/u
Maximum Delivery Charge	**0.9966**	**¢/m³**	/u
Direct Purchase Administration Charge	**$122.00**		
Forecast Unaccounted For Gas Percentage	**0.471%**		

Monthly Minimum Bill
The Monthly Minimum Bill shall be the Monthly Customer Charge plus the monthly Contract Demand Charge.

Rate Riders
The rates quoted herein shall be subject to the following Riders (if applicable):
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider G - Service Charges
- Rider J - Carbon Charges
- Rider K - Bill 32 and Ontario Regulation 24/19
- Rider N - Energy Transition Technology Fund

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

RATE: 300	FIRM OR INTERRUPTIBLE DISTRIBUTION SERVICE

TERMS AND CONDITIONS OF SERVICE

1. The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

2. **Unaccounted for Gas (UFG) Adjustment Factor**
   The Customer is required to deliver to the Company on a daily basis the sum of: (a) the volume of Gas to be delivered to the Customer's Point of Consumption; and (b) a volume of Gas equal to the forecast UFG percentage as stated above multiplied by (a).

3. **Nominations**
   Customer shall nominate Gas delivery daily based on the gross commodity delivery required to serve the Customer's daily load plus the UFG, net of No-Notice Storage Service provisions under Rate 315, if applicable. The amount of Gas delivered under No-Notice Storage Service will also be reduced by the UFG adjustment factor for delivery to the Customer's meter.

   Customers may change daily Nominations based on the Nomination windows within a day as defined by the Customer contract with TransCanada or Enbridge Gas.

   Schedule of Nominations under Rate 300 has to match upstream Nominations. This rate does not allow for any more flexibility than exists upstream of the Company's Distribution System. Where the Customer's Nomination does not match the confirmed upstream Nomination, the Nomination will be confirmed at the upstream value.

   Customer may nominate Gas to a contractually specified Primary Delivery Area that may be the Enbridge Central Delivery Area (CDA) or the Enbridge Eastern Delivery Area (EDA) or other Delivery Area as specified in the applicable Service Contract. The Company may accept deliveries at a Secondary Delivery Area such as Dawn, at its sole discretion. Quantities of Gas nominated to the system cannot exceed Contract Demand, unless Make-up Gas or Authorized Overrun is permitted.

   Customers with multiple Rate 300 contracts within a Primary Delivery Area may combine Nominations subject to system operating requirements and subject to the Contract Demand for each Point of Consumption. For combined Nominations the Customer shall specify the quantity of Gas to each Point of Consumption and the order in which Gas is to be delivered to each Point of Consumption. The specified order of deliveries shall be used to administer Load Balancing Provisions to each Point of Consumption. When system conditions require delivery to a single Point of Consumption only, Nominations with different Points of Consumption may not be combined.

4. **Authorized Demand Overrun**
   The Company may, at its sole discretion, authorize Consumption of Gas in excess of the Contract Demand for limited periods within a month, provided local distribution facilities have sufficient capacity to accommodate higher demand. In such circumstances, Customer shall nominate Gas delivery based on the gross commodity delivery required to serve the Customer's daily load, including quantities of Gas in excess of the Contract Demand, plus the UFG. The Load Balancing Provisions and/or No-Notice Storage Service provisions under Rate 315 cannot be used for Authorized Demand Overrun. Failure to nominate Gas deliveries to match Authorized Demand Overrun shall constitute Unauthorized Supply Overrun.

   The rate applicable to Authorized Demand Overrun shall equal the applicable Monthly Demand Charge times 12/365 provided, however, that such service shall not exceed 5 days in any contract year. Requests beyond 5 days will constitute a request for a new Contract Demand level, with retroactive charges based on terms of Service Contract.

5. **Unauthorized Demand Overrun**
   Any Gas consumed in excess of the Contract Demand and/or maximum hourly flow requirements, if not authorized, will be deemed to be Unauthorized Demand Overrun Gas. Unauthorized Demand Overrun Gas will establish a new Contract Demand and shall be subject to a charge equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on terms of Service Contract. Unauthorized Demand Overrun Gas shall also be subject to Unauthorized Supply Overrun provisions. Where a Customer receives Interruptible Service hereunder and consumes Gas during a period of interruption, such Gas shall be deemed Unauthorized Supply Overrun. In addition to charges for Unauthorized Supply Overrun, Interruptible Customers consuming Gas during a scheduled interruption shall pay a penalty charge of $18.00 per m^3.

6. **Unauthorized Supply Overrun**
   Any volume of Gas taken by the Customer on a day at the Point of Consumption which exceeds the sum of:
   i. any applicable Load Balancing Provision pursuant to Rate 300 and/or provisions of Rate 315, plus
   ii. the volume of Gas delivered by the Customer on that day shall constitute Unauthorized Supply Overrun Gas.

   The Company may also deem volumes of Gas to be Unauthorized Supply Overrun Gas in other circumstances, as set out in the Load Balancing Provisions of Rate 300.

   Any Gas deemed to be Unauthorized Supply Overrun Gas shall be purchased by the Customer at a price (Pe), which is equal to 150% of the highest price in effect for that day as defined below*.

7. **Unauthorized Supply Underrun**
   Any volume of Gas delivered by the Customer on any day in excess of the sum of:
   i. any applicable Rate 300 Load Balancing Provision pursuant to Rate 300 and/or provisions of Rate 315, plus
   ii. the volume of Gas taken by the Customer at the Point of Consumption on that day
   shall be classified as Unauthorized Supply Underrun Gas.

   The Company may also deem volumes of Gas to be Unauthorized Supply Underrun Gas in other circumstances, as set out in the Load Balancing Provisions of Rate 300.

   Any Gas deemed to be Unauthorized Supply Underrun Gas shall be purchased by the Company at a price (Pu) which is equal to fifty percent (50%) of the lowest price in effect for that day as defined below**.

   * where the price P_e expressed in cents / cubic metre is defined as follows:
   Pe = (Pm * Er * 100 * 0.03908 / 1.055056) * 1.5

   Pm = highest daily price in U.S. $/mmBtu published in the Gas Daily, a Platts Publication, for that day under the column "Absolute", for the Niagara export point if the Point of Consumption is in the Enbridge CDA delivery area, and the Iroquois export point if the Point of Consumption is in the Enbridge EDA delivery area.

   E_r = **Daily Average exchange rate** expressed in Canadian dollars per U.S. dollar for such day quoted by the Bank of Canada in the following days Globe & Mail Publication.

   1.055056 = Conversion factor from mmBtu to GJ.
   0.03908 = Conversion factor from GJ to cubic metres.

   ** where the price P_u expressed in cents / cubic metre is defined as follows:
   Pu = (Pl * Er * 100 * 0.03908 / 1.055056) * 0.5

   Pl = lowest daily price in U.S. $/mmBtu published in the Gas Daily, a Platts Publication, for that day under the column "Absolute", for the Niagara export point if the Point of Consumption is in the Enbridge CDA delivery area, and the Iroquois export point if the Point of Consumption is in the Enbridge EDA delivery area.

Term of Contract
A minimum of one year. A longer-term contract may be required if incremental assets/facilities have been procured/built for the Customer. Migration from an unbundled rate to bundled rate may be restricted subject to availability of adequate transportation and storage assets.

Right to Terminate Service
The Company reserves the right to terminate service to Customers served hereunder where the Customer's failure to comply with the parameters of this rate schedule, including Interruptible Service and Load Balancing Provisions, jeopardizes either the safety or reliability of the Gas system. The Company shall provide notice to the Customer of such termination; however, no notice is required to alleviate emergency conditions.

Load Balancing
Any difference between actual daily-metered Consumption and the actual daily volume of Gas delivered to the system less the UFG shall first be provided under the provisions of Rate 315 - Gas Storage Service, if applicable. Any remaining difference will be subject to the Load Balancing Provisions.

LOAD BALANCING PROVISIONS

Load Balancing Provisions shall apply at the Customer's Point of Consumption.

In the event of an imbalance any excess delivery above the Customer's actual Consumption or delivery less than the actual Consumption shall be subject to the Load Balancing Provisions.

DEFINITIONS

Aggregate Delivery
The Aggregate Delivery for a Customer's account shall equal the sum of the confirmed Nominations of the Customer for delivery of Gas to the applicable delivery area from all pipeline sources plus, where applicable, the confirmed Nominations of the Customer for Storage Service under Rate 316 or Rate 315 and any available No-Notice Storage Service under Rate 315 for delivery of Gas to the Applicable Delivery Area.

Applicable Delivery Area
The Applicable Delivery Area for each Customer shall be specified by contract as a Primary Delivery Area. Where system-operating conditions permit, the Company, in its sole discretion, may accept a Secondary Delivery Area as the Applicable Delivery Area by confirming the Customer's Nomination of such area. Confirmation of a Secondary Delivery Area for a period of a Gas day shall cause such area to become the Applicable Delivery Area for such day. Where delivery occurs at both a Point of Consumption and a Secondary Delivery Area on a given day, the sum of the confirmed deliveries may not exceed Contract Demand, unless Demand Overrun and/or Make-up Gas is authorized.

Primary Delivery Area
The Primary Delivery Area shall be delivery area such as Enbridge Central Delivery Area (CDA) or Enbridge Eastern Delivery Area (EDA), or other Delivery Area as specified in the applicable Service Contract.

Secondary Delivery Area
A Secondary Delivery Area may be a delivery area such as Dawn where the Company, at its sole discretion, determines that operating conditions permit Gas deliveries for a Customer.

Actual Consumption
The Actual Consumption of the Customer shall be the metered quantity of Gas consumed at the Customer's premise.

Net Available Delivery
The Net Available Delivery shall equal the Aggregate Delivery times one minus the annually determined percentage of UFG as reported by the Company.

Daily Imbalance
The Daily Imbalance shall be the absolute value of the difference between Actual Consumption and Net Available Delivery.

Cumulative Imbalance
The Cumulative Imbalance shall be the sum of the difference between Actual Consumption and Net Available Delivery.

Maximum Contractual Imbalance
The Maximum Contractual Imbalance shall be equal to 60% of the Customer's Contract Demand.

RATE: 300	FIRM OR INTERRUPTIBLE DISTRIBUTION SERVICE

Winter and Summer Seasons
The winter season shall commence on the date that the Company provides notice of the start of the winter period and conclude on the date that the Company provides notice of the end of the winter period. The summer season shall constitute all other days. The Company shall provide advance notice to the Customer of the start and end of the winter season as soon as reasonably possible, but in no event not less than 2 days prior to the start or end.

Operational Flow Order
An Operational Flow Order (OFO) shall constitute an issuance of instructions to protect the operational capacity and integrity of the Company's system, including distribution and/or storage assets, and/or connected transmission pipelines.

Enbridge Gas, acting reasonably, may call for an OFO in the following circumstances:

- Capacity constraint on the system, or portions of the system, or upstream systems, that are fully utilized;
- Conditions where the potential exists that forecasted system demand plus reserves for short notice services provided by the Company and allowances for power generation Customers' balancing requirements would exceed facility capabilities and/or provisions of 3rd party contracts;
- Pressures on the system or specific portions of the system are too high or too low for safe operations;
- Storage system constraints on capacity or pressure or caused by equipment problems resulting in limited ability to inject or withdraw from storage;
- Pipeline equipment failures and/or damage that prohibits the flow of Gas;
- Any and all other circumstances where the potential for system failure exists.

Daily Balancing Fee
On any day where the Customer has a Daily Imbalance the Customer shall pay a Daily Balancing Fee equal to:

(Tier 1 Quantity X Tier 1 Fee) + (Tier 2 Quantity X Tier 2 Fee) + (Applicable Penalty Fee for Imbalance in excess of the Maximum Contractual Imbalance X the amount of Daily Imbalance in excess of the Maximum Contractual Imbalance)

Where Tier 1 and 2 Fees and Quantities are set forth as follows:

Tier 1 = 0.7136 cents/m³ applied to Daily Imbalance of greater than 2% but less than 10% of the Maximum Contractual Imbalance /u

Tier 2 = 0.8563 cents/m³ applied to Daily Imbalance of greater than 10% but less than the Maximum Contractual Imbalance /u

The Customers shall also pay any Limited Balancing Agreement (LBA) charges imposed by the pipeline on days when the Customer has a Daily Imbalance provided such imbalance matches the direction of the pipeline imbalance. LBA charges shall first be allocated to Customers served under Rate 125 and 300. The system bears a portion of these charges only to the extent that the system incurs such charges based on its operation excluding the operation of Customers under Rates 125 and 300. In that event, LBA charges shall be prorated based on the relative imbalances.

A Daily Imbalance in excess of the Maximum Contractual Imbalance shall be deemed to be Unauthorized Supply Overrun or Underrun Gas, as appropriate.

Customer's Actual Consumption cannot exceed Net Available Delivery when the Company issues an OFO in the winter. Net Nominations must not be less than Consumption at the Point of Consumption. Any negative Daily Imbalance on a winter OFO day shall be deemed to be Unauthorized Supply Overrun. Customer's Net Available Delivery cannot exceed Actual Consumption when the Company issues an OFO in the summer. Actual Consumption must not be less than net Nomination at the Point of Consumption. Any positive Daily Imbalance on a summer OFO day shall be deemed to be Unauthorized Supply Underrun.

The Company will waive Daily Balancing Fee and Cumulative Imbalance Charge on the day of an OFO if the Customer used less Gas that the amount the Customer delivered to the system during the winter season or the Customer used more Gas than the amount the Customer delivered to the system during the summer season. The Company will issue a 24-hour advance notice to Customers of OFO and suspension of Load Balancing Provisions.

Cumulative Imbalance Charges
Customers may trade Cumulative Imbalances within a delivery area.

Customers shall be permitted to nominate Make-up Gas, subject to operating constraints, provided that Make-up Gas plus Aggregate Delivery do not exceed Contract Demand. The Company may, on days with no operating constraints, authorize Make-up Gas that, in conjunction with Aggregate Delivery, exceeds Contract Demand.

The Customer's Cumulative Imbalance cannot exceed its Maximum Contractual Imbalance. The excess imbalance shall be deemed to be Unauthorized Supply Overrun or Underrun Gas, as appropriate.

The Cumulative Imbalance Fee, applicable daily, is 1.2867 cents/m³ per unit of imbalance. /u

The Customer's Cumulative Imbalance shall be equal to zero within five (5) days from the last day of the Service Contract.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: 315	GAS STORAGE SERVICE

AVAILABILITY

To Enbridge Gas Customers in the EGD Rate Zone.

APPLICABILITY

This rate is available to any Customer taking service under Distribution Rates 125 and 300. It requires a Service Contract that identifies the required storage space and deliverability. In addition, the Customer shall maintain a positive balance of Gas in storage at all times or forfeit the use of Storage Services for Load Balancing and No-Notice Storage Service.

A daily Nomination for storage injection and withdrawal except for No-Notice Storage Service, hereunder, which is used automatically for daily Load Balancing, shall also be required.

The maximum hourly injections / withdrawals shall equal 1/24th of the daily Storage Demand. No-Notice Storage Service is available up to the maximum daily withdrawal rights less the nominated withdrawal or the maximum daily injection rights less the nominated injections.

Storage space shall be based on either of two storage allocation methodologies: (Customer's average winter demand - Customer's average annual demand) x 151, or [(17 x Customers's maximum Hourly Demand) / 0.1] x 0.57. Customers have the option to select from these two storage space allocation methods the one that best suits their requirements.

Maximum deliverability shall be 1.2% of contracted storage space. The Customer may inject and withdraw Gas based on the quantity of Gas in storage and the limitations specified in the Service Contract. Both injection and withdrawal shall be subject to applicable storage ratchets as determined by the Company and posted from time to time.

CHARACTER OF SERVICE

Service shall be Firm when used in conjunction with Firm distribution service. Service is Interruptible when used in conjunction with Interruptible distribution service. All service is subject to contract terms and Force Majeure.

The service is available on two bases:

(1) Service nominated daily based on the available capacity and Gas in storage up to the maximum contracted daily deliverability; and

(2) No-Notice Storage Service for daily Load Balancing consistent with the maximum hourly deliverability.

MONTHLY RATES AND CHARGES

The following rates and charges shall apply in respect to all Gas received by the Company from and delivered by the Company to storage on behalf of the Customer.

Monthly Customer Charge	**-**		
Storage Reservation Charge			
Storage Space Demand Charge	**0.0647**	**¢/m³**	/u
Storage Deliverability Demand Charge	**23.0948**	**¢/m³**	/u
Injection & Withdrawal Unit Charge			
Per cubic metre of Gas injected or withdrawn based on daily Nominations and No-Notice Storage Service	**0.1987**	**¢/m³**	
Fuel Ratio Requirement			
Per unit of Gas injected and withdrawn	**0.362%**		

All deemed withdrawal quantities under the No-Notice Storage Service provisions of this rate will be adjusted for the UFG provisions applicable to the distribution service rates.

In addition, for each unit of injection or withdrawal there will be an applicable fuel charge adjustment expressed as a percent of Gas.

Rate Riders
The rates quoted herein shall be subject to the Federal Carbon Charge (if applicable) and the Facility Carbon Charge (in addition to Delivery Charge) contained in Rider J.

Monthly Minimum Bill
The Monthly Minimum Bill shall be the Monthly Customer Charge plus monthly Demand Charges.

TERMS AND CONDITIONS OF SERVICE

1. **Nominated Storage Service**
   Nominations under this rate shall only be accepted at the standard North American Energy Standards Board (NAESB) Nomination windows. The Customer may elect to nominate all or a portion of the available withdrawal capacity for delivery to the applicable Primary Delivery Area, which may be the Enbridge Central Delivery Area (CDA) or Enbridge Eastern Delivery Area (EDA). All volumes nominated from storage are delivered first for purposes of daily Load Balancing of available supply assets. When system conditions permit, the Customer may nominate all or a portion of the available withdrawal capacity for delivery to Dawn or to the Customer's Primary Delivery Area for purposes other than Consumption at the Customer's own meter.

   Storage not nominated for delivery will be available for No-Notice Storage Service. The sum of Gas nominated for storage injection and for the Point of Consumption shall not exceed the Customer's Contract Demand.

   The Customer may also nominate Gas for delivery into storage by nominating the storage delivery area as the Primary Delivery Area. Gas nominated for storage delivery will not be available for No-Notice Storage Service. The sum of Gas nominated for storage injection and for the Point of Consumption shall not exceed the Customer’s Contract Demand. Any Gas in excess of the Contract Demand will be subject to cash out as injection Overrun Gas.

   The Company reserves the right to limit injection and withdrawal rights to all storage Customers in certain situations, such as major maintenance or construction projects, and may reduce Nominations for injections and withdrawals over and above applicable storage ratchets. The Company will provide Customers with one week's notice of its intent to limit injection and withdrawal rights, and at the same time, shall provide its best estimate of the duration and extent of the limitations.

   In situations where the Company limits injection and withdrawal rights, the Company shall proportionately reduce the Storage Deliverability/Injection Demand Charge for affected Customers based on the number of days the limitation is in effect and the difference between Deliverability/Injection Demand, subject to applicable storage ratchets, and the quantity of Gas actually delivered or injected.

2. **No-Notice Storage Service**
   The Company, at its sole discretion based on operating conditions, may provide a No-Notice Storage Service that allows Customers taking Gas under distribution service rates to balance daily deliveries using this Storage Service. No-Notice Storage Service requires that the Customer grant the Company the exclusive right to use unscheduled service available from storage to reduce the daily imbalance associated with the actual Consumption of the Customer.

   No-Notice Storage Service is limited to the available, unscheduled withdrawal or injection capacity under contract to serve a Customer. Where the Customer serves multiple delivery locations from a single Storage Service Contract, the Customer shall specify the order in which Gas is to be delivered to each Point of Consumption served under a distribution Service Contract. The specified order of deliveries shall be used to administer Load Balancing Provisions to each Point of Consumption.

   The availability of No-Notice Storage Service is subject to and reduced by any service schedule from or to storage. To the extent that the quantity of Gas available in storage is insufficient to meet the requirements of the Customer under a No-Notice Storage Service, the Customer will be unable to use the service on a no-notice basis for Load Balancing service. To the extent that the scheduled injections into storage plus No-Notice Storage Service exceed the maximum limit for injection, No-Notice Storage Service will be reduced and the remainder of the Gas will constitute a daily imbalance. Gas delivered in excess of the maximum injection quantity shall be deemed injection Overrun Gas and cashed out at 50% of the lowest index price of Gas.

RATE: 315	GAS STORAGE SERVICE

Other Provisions
If the Customer elects to use the contracted storage capacity at less than the full volumetric capacity of the storage, the Company may inject its own Gas provided that such injection does not reduce the right of the Customer to withdraw the full amount of Gas injected on any day during the withdrawal season or to schedule its full injection right during the injection season.

Term of Contract
The term of the contract shall be a minimum of one year. A longer-term contract may be required if incremental contracts/assets/facilities have been procured/built for the Customer.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: 316	GAS STORAGE SERVICE AT DAWN

AVAILABILITY

To Enbridge Gas Customers in the EGD Rate Zone.

APPLICABILITY

This rate is available to any Customer taking service under Distribution Rates 125 and 300. It requires a Service Contract that identifies the required storage space and deliverability. The Customer shall maintain a positive balance of Gas in storage at all times. In addition, the Customer must arrange for pipeline delivery service from Dawn to the applicable Primary Delivery Area.

This service is not a delivered service and is only available when the relevant pipeline confirms the delivery.

The maximum hourly injections / withdrawals shall equal 1/24th of the daily Storage Demand.

Storage space shall be based on either of two storage allocation methodologies: (Customer's average winter demand - Customer's average annual demand) x 151, or [(17 x Customers's maximum Hourly Demand) / 0.1] x 0.57. Customers have the option to select from these two storage space allocation methods the one that best suits their requirements.

Maximum deliverability shall be 1.2% of contracted storage space. The Customer may inject and withdraw Gas based on the quantity of Gas in storage and the limitations specified in the Service Contract. Both injection and withdrawal shall be subject to applicable storage ratchets as determined by the Company and posted from time to time.

CHARACTER OF SERVICE

Service shall be Firm when used in conjunction with Firm distribution service. Service is Interruptible when used in conjunction with Interruptible distribution service. All service is subject to contract terms and Force Majeure.

The service is nominated based on the available capacity and Gas in storage up to the maximum contracted daily deliverability.

MONTHLY RATES AND CHARGES

The following rates and charges shall apply in respect to all Gas received by the Company from and delivered by the Company to storage on behalf of the Customer.

Monthly Customer Charge	**-**		
Storage Reservation Charge			
Storage Space Demand Charge	**0.0647**	**¢/m³**	/u
Storage Deliverability Demand Charge	**9.7195**	**¢/m³**	/u
Injection & Withdrawal Unit Charge			
Per cubic metre of Gas injected or withdrawn based on daily Nominations	**0.0978**	**¢/m³**	
Fuel Ratio Requirement			
Per unit of Gas injected and withdrawn	**0.362%**		

For each unit of injection or withdrawal there will be an applicable fuel charge adjustment expressed as a percent of Gas.

Rate Riders
The rates quoted herein shall be subject to the Federal Carbon Charge (if applicable) and the Facility Carbon Charge (in addition to Delivery Charge) contained in Rider J.

Monthly Minimum Bill
The Monthly Minimum Bill shall be the Monthly Customer Charge plus monthly Demand Charges.

RATE: 316	GAS STORAGE SERVICE AT DAWN

TERMS AND CONDITIONS OF SERVICE

Nominated Storage Service
The Customer shall nominate storage injections and withdrawals daily. The Customer may change daily Nominations based on the Nomination windows within a day as defined by the Customer's contract with Enbridge Gas and TransCanada.

The Customer may elect to nominate all or a portion of the available withdrawal capacity for delivery to the applicable Primary Delivery Area.

The Company reserves the right to limit injection and withdrawal rights to all storage Customers in certain situations, such as major maintenance or construction projects, and may reduce Nominations for injections and withdrawals over and above applicable storage ratchets. The Company will provide Customers with one week's notice of its intent to limit injection and withdrawal rights, and at the same time, shall provide its best estimate of the duration and extent of the limitations.

In situations where the Company limits injection and withdrawal rights, the Company shall proportionately reduce the Storage Deliverability/Injection Demand Charge for affected Customers based on the number of days the limitation is in effect and the difference between Deliverability/Injection Demand, subject to applicable storage ratchets, and the quantity of Gas actually delivered or injected.

The Customer may transfer the title of Gas in storage.

Other Provisions
If the Customer elects to use the contracted storage capacity at less than the full volumetric capacity of the storage, the Company may inject its own Gas provided that such injection does not reduce the right of the Customer to withdraw the full amount of Gas injected on any day during the withdrawal season or to schedule its full injection right during the injection season.

Term of Contract
The term of the contract shall be a minimum of one year. A longer-term contract may be required if incremental contracts/assets/facilities have been procured/built for the Customer.

Effective	**January 1, 2024**
Implemented	**January 1, 2024**
	OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: 320	BACKSTOPPING SERVICE

AVAILABILITY

To Enbridge Gas Customers in the EGD Rate Zone.

APPLICABILITY

To any Customer whose delivery of Gas to the Company for transportation to a Point of Consumption has been interrupted prior to the delivery of such Gas to the Company.

CHARACTER OF SERVICE

The volume of Gas available for backstopping in any day shall be determined by the Company exercising its sole discretion. If the aggregate daily demand for service under this Rate Schedule exceeds the supply available for such day, the available supply shall be allocated to Firm Service Customers on a first requested basis and any balance shall be available to Interruptible Customers on a first requested basis.

MONTHLY RATES AND CHARGES

The rates applicable in the circumstances contemplated by this Rate Schedule, in lieu of the Gas Supply Commodity Charges specified in any of the Company's other Rate Schedules pursuant to which the Customer is taking service, shall be as follows:

Gas Supply Commodity Charge
per cubic metre of Gas sold **23.2596 ¢/m³** /u

Provided that if upon the request of a Customer, the Company quotes a rate to apply to Gas which is delivered to the Customer at a particular Point of Consumption on a particular day or days and to which this Rate Schedule is applicable (which rate shall not be less than the Company's avoided cost in the circumstances at the time nor greater than the otherwise applicable rate specified above), then the Gas Supply Charge applicable to such Gas shall be the rate quoted by the Company.

Rate Riders
The rates quoted herein shall be subject to the Federal Carbon Charge (if applicable) and the Facility Carbon Charge (in addition to Delivery Charge) contained in Rider J.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: 401	RENEWABLE NATURAL GAS INJECTION SERVICE

AVAILABILITY

To Enbridge Gas Customers in the EGD Rate Zone.

APPLICABILITY

To any Renewable Natural Gas Producer (Customer) who enters into a Service Agreement (Agreement) with the Company for Renewable Natural Gas (RNG) Injection Service located on or adjacent to the property employed by the Customer for producing RNG in an area served by the Company's Distribution System. RNG Injection Service under this Schedule is conditioned upon arrangements mutually satisfactory to the Customer and the Company for design, location, construction, and operation of required facilities.

MONTHLY RATES AND CHARGES

The Company will set a rate based on the Customer's unique circumstances (Service Fee). The Service Fee shall be based on a cost-of-service calculation of the Company's fully-allocated direct and indirect costs using the Company's weighted average cost of capital (WACC) of providing the services under the Agreement for a period of time agreed to between the Company and the Customer. The Service Fee for RNG Injection Services will be derived from a Discounted Cash Flow (DCF) analysis. The DCF analysis will be based on the principles and parameters set out in the Ontario Energy Board's EBO 188 feasibility guideline (the Guideline). The Service Fee for RNG Injection Services is a site specific levelized (constant) service fee return on investment and related taxes. The Service Fee for Renewable Natural Gas Injection Service is a site specific levelized (constant) service fee applicable to each month of the term of the Agreement. The Service Fee is set so as to recover all costs associated with the provision of service such as, but not limited to; operating and maintenance costs, depreciation, cost of debt the Company's return on investment and related taxes. The Service Fee will be calculated such that the application of the Guideline is forecast to result in a Profitability Index of equal to or greater than 1.02 over the service life of the plant and facilities required to provide this service.

TERMS AND CONDITIONS OF SERVICE

To be set out in the Service Agreement.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: 01	SMALL VOLUME GENERAL FIRM SERVICE

AVAILABILITY

To Enbridge Gas Customers in the Union North Rate Zone.

APPLICABILITY

Any Customer who is an end-user whose total Gas requirements at that location are equal to or less than 50,000 m³ per year.

CHARACTER OF SERVICE

Service shall be Firm, except for events as specified in the Service Contract including Force Majeure, up to the contracted Firm daily demand and subject to interruption or discontinuance, of demand in excess of the Firm Contract Demand, upon the Company issuing a notice not less than 4 hours prior to the time at which such interruption or discontinuance is to commence.

MONTHLY RATES AND CHARGES

Monthly Customer Charge (1)			**$24.00**		
Delivery Charge					
For the first	100 m³ per month		**7.3968**	**¢/m³**	/u
For the next	200 m³ per month		**7.1931**	**¢/m³**	/u
For the next	200 m³ per month		**6.8702**	**¢/m³**	/u
For the next	500 m³ per month		**6.5739**	**¢/m³**	/u
For all over	1,000 m³ per month		**6.3290**	**¢/m³**	/u
Storage Charge		(if applicable)	**2.2321**	**¢/m³**	/u
Gas Supply Transportation Charge		(if applicable)	**3.3212**	**¢/m³**	/u
Gas Supply Western Transportation Charge		(if applicable)	**5.1831**	**¢/m³**	/u
Gas Supply Commodity Charge		(if applicable)	**20.9036**	**¢/m³**	/u

Rate Riders

The rates quoted herein shall be subject to the following Riders (if applicable):

- Rider C - Gas Cost Adjustment
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider G - Service Charges
- Rider I - System Expansion and Temporary Connection Surcharge
- Rider J - Carbon Charges
- Rider K - Bill 32 and Ontario Regulation 24/19
- Rider L - Voluntary RNG Program
- Rider N - Energy Transition Technology Fund

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

RATE: 01	SMALL VOLUME GENERAL FIRM SERVICE

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: 10	LARGE VOLUME GENERAL FIRM SERVICE

AVAILABILITY

To Enbridge Gas Customers in the Union North Rate Zone.

APPLICABILITY

Any Customer 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.

CHARACTER OF SERVICE

Service shall be Firm, except for events as specified in the Service Contract including Force Majeure, up to the Firm Contract Demand and subject to interruption or discontinuance, of demand in excess of the Firm Contract Demand, upon the Company issuing a notice not less than 4 hours prior to the time at which such interruption or discontinuance is to commence.

MONTHLY RATES AND CHARGES

Monthly Customer Charge (1)			**$81.00**		
Delivery Charge					
For the first	1,000 m³ per month		**6.7011**	**¢/m³**	/u
For the next	9,000 m³ per month		**5.3580**	**¢/m³**	/u
For the next	20,000 m³ per month		**4.5797**	**¢/m³**	/u
For the next	70,000 m³ per month		**4.0909**	**¢/m³**	/u
For all over	100,000 m³ per month		**2.2392**	**¢/m³**	/u
Storage Charge			**1.8857**		/u
Gas Supply Transportation Charge		(if applicable)	**3.0486**	**¢/m³**	/u
Gas Supply Western Transportation Charge		(if applicable)	**4.9106**	**¢/m³**	/u
Gas Supply Commodity Charge		(if applicable)	**20.9036**	**¢/m³**	/u

Rate Riders

The rates quoted herein shall be subject to the following Riders (if applicable):

- Rider C - Gas Cost Adjustment
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider G - Service Charges
- Rider I - System Expansion and Temporary Connection Surcharge
- Rider J - Carbon Charges
- Rider K - Bill 32 and Ontario Regulation 24/19
- Rider L - Voluntary RNG Program
- Rider N - Energy Transition Technology Fund

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

Transportation Service from Dawn

Transportation Service Customers in the Union North East Zone may contract with the Company for the transportation service from Dawn to the Customer's Delivery Area, subject to the Company's discretion. The charges for the transportation service will consist of the Rate C1 Dawn-Parkway Firm Transportation rate and applicable fuel charges, in accordance with Enbridge Gas'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.

RATE: 10	LARGE VOLUME GENERAL FIRM SERVICE

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: 20	MEDIUM VOLUME FIRM SERVICE

AVAILABILITY

To Enbridge Gas Customers in the Union North Rate Zone.

APPLICABILITY

Any Customer 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.

CHARACTER OF SERVICE

Service shall be Firm, except for events as specified in the Service Contract including Force Majeure, up to the Firm Contract Demand and subject to interruption or discontinuance, of demand in excess of the Firm Contract Demand, upon the Company issuing a notice not less than 4 hours prior to the time at which such interruption or discontinuance is to commence.

MONTHLY RATES AND CHARGES

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.

Monthly Customer Charge (1)		**$1,001.00**		
Delivery Charges				
Per cubic metre of Contract Demand				
For the first 70,000 m³ per month		**41.2617**	**¢/m³**	/u
For all over 70,000 m³ per month		**24.2640**	**¢/m³**	/u
Per cubic metre of Gas delivered		**0.1439**	**¢/m³**	
Gas Supply Demand Charge	(if applicable)	**18.7502**	**¢/m³**	/u
Gas Supply Transportation Charge	(if applicable)	**1.1669**	**¢/m³**	
Gas Supply Western Transportation Charge	(if applicable)	**3.0289**	**¢/m³**	
Gas Supply Commodity Charge	(if applicable)	**20.9036**	**¢/m³**	/u

Rate Riders

The rates quoted herein shall be subject to the following Riders (if applicable):

Rider C - Gas Cost Adjustment
Rider D - Deferral and Variance Account Clearance
Rider E - Revenue Adjustment
Rider G - Service Charges
Rider J - Carbon Charges
Rider K - Bill 32 and Ontario Regulation 24/19
Rider L - Voluntary RNG Program
Rider N - Energy Transition Technology Fund

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

RATE: 20	MEDIUM VOLUME FIRM SERVICE

ADDITIONAL CHARGES FOR TRANSPORTATION AND STORAGE SERVICES

Transportation Service from Dawn

Transportation Service Customers in the Union North East Zone may contract with the Company for the transportation service from Dawn to the Customer's Delivery Area, subject to the Company's discretion. The charges for the transportation service will consist of the Rate C1 Dawn-Parkway Firm Transportation rate and applicable fuel charges, in accordance with Enbridge Gas'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.

Bundled (T-Service) Storage Service Charges

Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement	**20.419**	**$/GJ**	/u
Commodity Charge for each unit of Gas withdrawn from storage	**0.108**	**$/GJ**	
Authorized Overrun Commodity Charge on each additional unit of Gas the Company authorizes for withdrawal from storage	**0.779**	**$/GJ**	/u

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 the Company at its sole discretion.

OVERRUN CHARGES

Delivery and Gas supply Overrun is accomodated through Interruptible Services provided under Rate 25.

COMMISSIONING AND DECOMMISSIONING RATE

The Service Contract may provide that the Monthly Demand Charges specified above shall not apply on all or part of the Contract 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 Service Contract will provide the following rates that such volume during the transitional period will be charged.

Monthly Customer Charge (1)	**$1,001.00**		
Delivery Charge			
Per cubic metre of Gas delivered	**2.8570**	**¢/m³**	/u
Gas Supply Transportation Charge			
Per cubic metre of Gas delivered	**2.3998**	**¢/m³**	/u

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 the Company'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 metre and the denominator 37.89.

RATE: 20	MEDIUM VOLUME FIRM SERVICE

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: 25	LARGE VOLUME INTERRUPTIBLE SERVICE

AVAILABILITY

To Enbridge Gas Customers in the Union North Rate Zone.

APPLICABILITY

Any Customer 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 the Company, can readily accept interruption and restoration of Gas service.

CHARACTER OF SERVICE

Service shall be Firm, except for events as specified in the Service Contract including Force Majeure, up to the Firm Contract Demand and subject to interruption or discontinuance, of demand in excess of the Firm Contract Demand, upon the Company issuing a notice not less than 4 hours prior to the time at which such interruption or discontinuance is to commence.

MONTHLY RATES AND CHARGES

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.

Monthly Customer Charge		**$368.56**	
Delivery Charge (1)			
A Delivery Price for all volumes delivered to the Customer to be negotiated between the Company and the Customer and the average price during the period in which these rates remain in effect shall not exceed:		**4.1687 ¢/m³**	/u
Gas Supply Charge			
Per cubic metre of Interruptible Gas delivered			
Minimum	(if applicable)	**1.4848 ¢/m³**	
Maximum	(if applicable)	**675.9484 ¢/m³**	

Rate Riders

The rates quoted herein shall be subject to the following Riders (if applicable):

Rider C - Gas Cost Adjustment
Rider D - Deferral and Variance Account Clearance
Rider E - Revenue Adjustment
Rider G - Service Charges
Rider J - Carbon Charges
Rider K - Bill 32 and Ontario Regulation 24/19
Rider L - Voluntary RNG Program
Rider N - Energy Transition Technology Fund
Rider O - Average Interruptible Rate and Price Adjustment

(1) 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.

RATE: 25	LARGE VOLUME INTERRUPTIBLE SERVICE

ADDITIONAL CHARGES FOR TRANSPORTATION

Transportation Service from Dawn

Transportation Service Customers in the Union North East Zone may contract with the Company for the transportation service from Dawn to the Customer's Delivery Area, subject to the Company's discretion. The charges for the transportation service will consist of the Rate C1 Dawn-Parkway Firm Transportation rate and applicable fuel charges, in accordance with Enbridge Gas'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.

OVERRUN CHARGES

Delivery Overrun

Authorized

Authorized Overrun charge is set at the negotiated Rate 25 Delivery Charge between the Company and the Customer, not to exceed the maximum below. /u

Authorized - Maximum	**4.1687**	**¢/m³**	/u
Unauthorized	**6.2530**	**¢/m³**	/u
Unauthorized Overrun Non-Compliance Rate	**234.4800**	**¢/m³**	

Unauthorized Overrun Gas taken any month during a period when a notice of interruption is in effect.

Gas Supply Overrun

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

Authorized

Authorized Overrun charge is set at the negotiated Rate 25 Gas Supply Charge between the Company and the Customer subject to the maximum above.

Unauthorized

Unauthorized Overrun charge is set to the greatest of:

a) The highest daily cost of Gas at Dawn, Parkway, Niagara, Empress or Iroquois in the month the Overrun occurred or the month following, as published in the Canadian Gas Price Reporter (CGPR) or equivalent as determined by the Company plus all applicable costs associated with transporting such Overrun to the applicable Delivery Area; or,

b) The Company's Dawn Reference Price as approved by the Ontario Energy Board for the Day the Overrun occurred plus all applicable costs associated with transporting such Overrun to the applicable delivery area; or,

c) The negotiated Gas Supply Charge for Rate 25 Utility Sales between the Company and the Customer for the appropriate Delivery Area for the Day the Overrun occurred, subject to the maximum above.

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 the Company'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 metre and the denominator 37.89.

RATE: 25	LARGE VOLUME INTERRUPTIBLE SERVICE

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: 100	LARGE VOLUME HIGH LOAD FACTOR FIRM SERVICE

AVAILABILITY

To Enbridge Gas Customers in the Union North Rate Zone.

APPLICABILITY

Any Customer 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 Firm Contract Demand is 100,000 m³ or more, and whose annual requirement for Firm Service is equal to or greater than its Firm Contract Demand multiplied by 256.

CHARACTER OF SERVICE

Service shall be Firm, except for events as specified in the Service Contract including Force Majeure, up to the Firm Contract Demand and subject to interruption or discontinuance, of demand in excess of the Firm Contract Demand, upon the Company issuing a notice not less than 4 hours prior to the time at which such interruption or discontinuance is to commence.

MONTHLY RATES AND CHARGES

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.

Monthly Customer Charge (1)		**$1,501.00**		
Delivery Charges				
Per cubic metre of Contract Demand		**12.9207**	**¢/m³**	/u
Per cubic metre of all Gas delivered		**0.1191**	**¢/m³**	
Gas Supply Demand Charge	(if applicable)	**18.7502**	**¢/m³**	/u
Gas Supply Transportation Charge	(if applicable)	**1.1669**	**¢/m³**	
Gas Supply Western Transportation Charge	(if applicable)	**3.0289**	**¢/m³**	
Gas Supply Commodity Charge	(if applicable)	**20.9036**	**¢/m³**	/u

Rate Riders

The rates quoted herein shall be subject to the following Riders (if applicable):

- Rider C - Gas Cost Adjustment
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider G - Service Charges
- Rider J - Carbon Charges
- Rider K - Bill 32 and Ontario Regulation 24/19
- Rider L - Voluntary RNG Program
- Rider N - Energy Transition Technology Fund

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

RATE: 100	LARGE VOLUME HIGH LOAD FACTOR FIRM SERVICE

ADDITIONAL CHARGES FOR TRANSPORTATION AND STORAGE SERVICES

Transportation Service from Dawn

Transportation Service Customers in the Union North East Zone may contract with the Company for the transportation service from Dawn to the Customer's Delivery Area, subject to the Company's discretion. The charges for the transportation service will consist of the Rate C1 Dawn-Parkway Firm Transportation rate and applicable fuel charges, in accordance with Enbridge Gas'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.

Bundled (T-Service) Storage Service Charges

Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement	**20.419**	**$/GJ**	/u
Commodity Charge for each unit of Gas withdrawn from storage	**0.108**	**$/GJ**	
Authorized Overrun Commodity Charge on each additional unit of Gas the Company authorizes for withdrawal from storage	**0.779**	**$/GJ**	/u

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 the Company at its sole discretion.

OVERRUN CHARGES

Delivery and Gas supply Overrun is accomodated through Interruptible Services provided under Rate 25.

COMMISSIONING AND DECOMMISSIONING RATE

The Service Contract may provide that the Monthly Demand Charges specified above shall not apply on all or part of the Contract 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 Service Contract will provide the following rates that such volume during the transitional period will be charged.

Monthly Customer Charge (1)	**$1,501.00**		
Delivery Charge			
Per cubic metre of Gas delivered	**0.7260**	**¢/m³**	/u
Gas Supply Transportation Charge			
Per cubic metre of Gas delivered	**2.3998**	**¢/m³**	/u

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 the Company'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 metre and the denominator 37.89.

RATE: 100	LARGE VOLUME HIGH LOAD FACTOR FIRM SERVICE

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: M1	SMALL VOLUME GENERAL SERVICE

AVAILABILITY

To Enbridge Gas Customers in the Union South Rate Zone.

APPLICABILITY

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

MONTHLY RATES AND CHARGES

Monthly Customer Charge (1)			**$24.00**		
Delivery Charge					
For the first	100 m³ per month		**14.2301**	**¢/m³**	/u
For the next	150 m³ per month		**13.6447**	**¢/m³**	/u
For all over	250 m³ per month		**12.1324**	**¢/m³**	/u
Gas Supply Commodity Charge		(if applicable)	**20.9036**	**¢/m³**	/u

Rate Riders
The rates quoted herein shall be subject to the following Riders (if applicable):
- Rider C - Gas Cost Adjustment
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider G - Service Charges
- Rider I - System Expansion and Temporary Connection Surcharge
- Rider J - Carbon Charges
- Rider K - Bill 32 and Ontario Regulation 24/19
- Rider L - Voluntary RNG Program
- Rider N - Energy Transition Technology Fund

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: M2	LARGE VOLUME GENERAL SERVICE

AVAILABILITY

To Enbridge Gas Customers in the Union South Rate Zone.

APPLICABILITY

To general service Customers whose total Consumption is greater than 50,000 m³ per year.

MONTHLY RATES AND CHARGES

Monthly Customer Charge (1)			**$81.00**		
Delivery Charge					
For the first	1,000 m³ per month		**10.4402**	**¢/m³**	/u
For the next	6,000 m³ per month		**10.2926**	**¢/m³**	/u
For the next	13,000 m³ per month		**9.7896**	**¢/m³**	/u
For all over	20,000 m³ per month		**9.2647**	**¢/m³**	/u
Gas Supply Commodity Charge		(if applicable)	**20.9036**	**¢/m³**	/u

Rate Riders

The rates quoted herein shall be subject to the following Riders (if applicable):

Rider C - Gas Cost Adjustment
Rider D - Deferral and Variance Account Clearance
Rider E - Revenue Adjustment
Rider G - Service Charges
Rider I - System Expansion and Temporary Connection Surcharge
Rider J - Carbon Charges
Rider K - Bill 32 and Ontario Regulation 24/19
Rider L - Voluntary RNG Program
Rider N - Energy Transition Technology Fund

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: M4	FIRM INDUSTRIAL AND COMMERCIAL CONTRACT SERVICE

AVAILABILITY

To Enbridge Gas Customers in the Union South Rate Zone.

APPLICABILITY

To a Customer who enters into a Service Contract for the purchase or transportation of Gas for a minimum term of one year that specifies a Contract Demand between 2,400 m³ and 60,000 m³. The Company 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 the Company and the Customer shall be no less than 350,000 m³ per year.

CHARACTER OF SERVICE

Service shall be Firm, except for events as specified in the Service Contract including Force Majeure, up to the Firm Contract Demand and subject to interruption or discontinuance of demand in excess of the Firm Contract Demand upon the Company issuing a notice not less than 4 hours prior to the time at which such interruption or discontinuance is to commence.

MONTHLY RATES AND CHARGES

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.

Monthly Customer Charge (1)				-	
Delivery Charges					
Per cubic metre of Contract Demand per month					
For the first	8,450 m³ per month		**62.9945**	**¢/m³**	/u
For the next	19,700 m³ per month		**30.0089**	**¢/m³**	/u
For all over	28,150 m³ per month		**25.7226**	**¢/m³**	/u
Per cubic metre of Gas delivered					
For the first	422,250 m³ per month		**2.7692**	**¢/m³**	/u
Next Gas delivered equal to 15 days use of Contract Demand			**2.7692**	**¢/m³**	/u
For remainder of Gas delivered in the month			**1.6078**	**¢/m³**	/u
Gas Supply Commodity Charge		(if applicable)	**20.9036**	**¢/m³**	/u

Rate Riders

The rates quoted herein shall be subject to the following Riders (if applicable):

- Rider C - Gas Cost Adjustment
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider G - Service Charges
- Rider J - Carbon Charges
- Rider K - Bill 32 and Ontario Regulation 24/19
- Rider L - Voluntary RNG Program
- Rider N - Energy Transition Technology Fund

(1): Effective July 1, 2019, Rate M4 Customers will be charged a one-time adjustment annually set at the equivalent of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

RATE: M4	FIRM INDUSTRIAL AND COMMERCIAL CONTRACT SERVICE

Firm Minimum Annual Charge

In each contract year, the Customer shall purchase from the Company or pay for a minimum volume of Gas or transportation services equivalent to 146 days use of the Firm Contract 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.

Firm Minimum Annual Delivery Charge	**2.8870**	**¢/m³**	/u
Firm Minimum Annual Gas Supply Commodity Charge	**0.1178**	**¢/m³**	

In the event that the contract period exceeds one year the Minimum Annual Volume will be prorated for any part year.

OVERRUN CHARGES

Firm Overrun Charge

Authorized Overrun Gas is available provided that it is authorized by the Company in advance. The Company will not unreasonably withhold authorization. Overrun means Gas taken on any day in excess of 103% of the Contract Demand. Authorized Overrun will be available April 1 through October 31 at the identified Authorized Overrun Delivery Charge plus applicable Riders, and the total Gas Supply Commodity Charge for utility sales per m³ for all volumes purchased.

Unauthorized Overrun Gas taken in any month shall be paid for at the identified Unauthorized Overrun Charge plus applicable Riders, and the total Gas Supply Charge for utility sales per m³ for all Gas supply volumes purchased.

Authorized Overrun Delivery Charge	**4.8403**	**¢/m³**	/u
Unauthorized Overrun Delivery Charge	**14.2301**	**¢/m³**	/u

INTERRUPTIBLE SERVICE

The price for all Interruptible Gas delivered by the Company shall be determined on the basis of the following:

Monthly Customer Charge (1)	**$501.00**		
Delivery Charge (2)			
Per cubic metre of Gas delivered			
For Contract Demand equal to			
2,400 m³ and less than 17,000 m³	**3.6627**	**¢/m³**	/u
17,000 m³ and less than 30,000 m³	**3.5328**	**¢/m³**	/u
30,000 m³ and less than 50,000 m³	**3.4645**	**¢/m³**	/u
50,000 m³ and equal to or less than 60,000 m³	**3.4166**	**¢/m³**	/u

Days Use of Interruptible Contract Demand

The Interruptible Service Delivery Charge will be reduced by the amount based on the number of Days Use of Contract Demand as scheduled below:

For 75 days use of Contract Demand	**(0.0530)**	**¢/m³**
For each additional days use of Contract Demand up to a maximum of 275 days, an additional discount of	**(0.00212)**	**¢/m³**

Gas Supply Commodity Charge	(if applicable)	**20.9036**	**¢/m³**	/u

Rate Riders

The Riders applicable to firm service also apply to interruptible service.

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

RATE: M4	FIRM INDUSTRIAL AND COMMERCIAL CONTRACT SERVICE

(2) The Company may negotiate rates for Interruptible service where the Customer is located in an area of constraint for purposes of an integrated resource planning alternative. The negotiated rates may be lower than the rates identified in the rate schedule, including negative rates or other incentives, and are subject to approval by the OEB for the integrated resource planning alternative.

Interruptible Minimum Annual Charge
In each contract year, the Customer shall take delivery from the Company, or in any event pay for, if available and not accepted by the Customer, a minimum volume of Gas or transportation services as specified in the Service 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.

In the event that the contract period exceeds one year, the Minimum Annual Volume will be prorated for any part year.

Interruptible Minimum Annual Delivery Charge	**3.7805 ¢/m³**	/u

OVERRUN CHARGES

Interruptible Overrun Charge
Overrun Gas is available without penalty provided that it is authorized in advance. The Company will not unreasonably withhold authorization. Overrun means Gas taken on any day in excess of 105% of the Contract Demand.

Unauthorized Overrun Gas taken in any month shall be paid for at the identified Unauthorized Overrun Delivery Charge plus the Facility Carbon Charge and if applicable, the identified Federal Carbon Charge and the total Gas Supply Charge for utility sales per m³ for all Gas supply volumes purchased.

Unauthorized Overrun Delivery Charge	**14.2301 ¢/m³**	/u
Unauthorized Overrun Non-Compliance Rate Unauthorized Overrun Gas delivered any month during a period when a notice of Interruption is in effect. ($60 per GJ)	**234.4800 ¢/m³**	

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: M5	INTERRUPTIBLE INDUSTRIAL AND COMMERCIAL CONTRACT SERVICE

AVAILABILITY

To Enbridge Gas Customers in the Union South Rate Zone.

APPLICABILITY

To a Customer who enters into a Service Contract for the purchase or transportation of Gas for a minimum term of one year that specifies an Interruptible Contract Demand between 2,400 m³ and 60,000 m³ inclusive. The Company may agree, in its sole discretion, to combine an Interruptible Service with a Firm Service in which case the amount of Firm Contract Demand to be delivered shall be agreed upon by the Company and the Customer.

CHARACTER OF SERVICE

Service shall be Firm, except for events as specified in the Service Contract including Force Majeure, up to the Firm Contract Demand and subject to interruption or discontinuance of demand in excess of the Firm Contract Demand upon the Company issuing a notice not less than 4 hours prior to the time at which such interruption or discontinuance is to commence.

MONTHLY RATES AND CHARGES

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.

Monthly Customer Charge (1)		**$501.00**		
Delivery Charges (2)				
Per Cubic Meter of Gas delivered				
For Contract Demand equal to				
2,400 m³ and less than 17,000 m³		**3.1545**	**¢/m³**	/u
17,000 m³ and less than 30,000 m³		**3.0246**	**¢/m³**	/u
30,000 m³ and less than 50,000 m³		**2.9563**	**¢/m³**	/u
50,000 m³ and equal to or less than 60,000 m³		**2.9084**	**¢/m³**	/u

Days Use of Interruptible Contract Demand
The Interruptible Service Delivery Charge will be reduced by the amount based on the number of Days Use of Contract Demand as scheduled below:

For 75 days use of Contract Demand	**(0.0530)**	**¢/m³**
For each additional days use of Contract Demand up to a maximum of 275 days, an additional discount of	**(0.00212)**	**¢/m³**

Gas Supply Commodity Charge	(if applicable)	**20.9036**	**¢/m³**	/u

Rate Riders
The rates quoted herein shall be subject to the following Riders (if applicable):
- Rider C - Gas Cost Adjustment
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider G - Service Charges
- Rider J - Carbon Charges
- Rider K - Bill 32 and Ontario Regulation 24/19
- Rider L - Voluntary RNG Program
- Rider N - Energy Transition Technology Fund
- Rider O - Average Interruptible Rate and Price Adjustment

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

RATE: M5	INTERRUPTIBLE INDUSTRIAL AND COMMERCIAL CONTRACT SERVICE

(2) The Company may negotiate rates for Interruptible service where the Customer is located in an area of constraint for purposes of an integrated resource planning alternative. The negotiated rates may be lower than the rates identified in the rate schedule, including negative rates or other incentives, and are subject to approval by the OEB for the integrated resource planning

Interruptible Minimum Annual Charge

In each contract year, the Customer shall take delivery from the Company, or in any event pay for, if available and not accepted by the Customer, a minimum volume of Gas or transportation services as specified in the Service 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 Commodity Charge.

In the event that the contract period exceeds one year, the Minimum Annual Volume will be prorated for any part year.

Interruptible Minimum Annual Delivery Charge	**3.2723**	**¢/m³**	/u
Interruptible Minimum Annual Gas Supply Commodity Charge	**0.1178**	**¢/m³**	

OVERRUN CHARGES

Interruptible Overrun Charge
Overrun Gas is available without penalty provided that it is authorized by the Company in advance. The Company will not unreasonably withhold authorization. Overrun means Gas taken on any day in excess of 105% of the Contract Demand.

Unauthorized Overrun Gas taken in any month shall be paid for at the identified Unauthorized Overrun Delivery Charge plus the Facility Carbon Charge and if applicable, the identified Federal Carbon Charge and the total Gas Supply Charge for utility sales per m³ for all Gas supply volumes purchased.

Unauthorized Overrun Delivery Charge	**14.2301**	**¢/m³**	/u
Unauthorized Overrun Non-Compliance Rate Unauthorized Overrun Gas delivered any month during a period when a notice of Interruption is in effect. ($60 per GJ)	**234.4800**	**¢/m³**	

FIRM SERVICE

The price for all Firm Gas delivered by the Company shall be determined on the basis of the following:

Delivery Charge

Per cubic metre of Contract Demand	**39.9104**	**¢/m³**	/u
Per cubic metre of Gas delivered			

The Commodity Charge for Firm Service shall be the rate for Firm Service at the Company's Firm rates net of a monthly Demand Charge of 39.9100 ¢/m³ of the Contract Demand.

Rate Riders
The Riders applicable to interruptible service also apply to firm service.

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective	**January 1, 2024**
Implemented	**January 1, 2024**
	OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: M7	SPECIAL LARGE VOLUME INDUSTRIAL AND COMMERCIAL CONTRACT SERVICE

AVAILABILITY

To Enbridge Gas Customers in the Union South Rate Zone.

APPLICABILITY

To a Customer who enters into a Service 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 who has access to site specific energy measuring equipment that will be used in determining energy balances.

CHARACTER OF SERVICE

Service shall be Firm, except for events as specified in the Service Contract including Force Majeure, up to the Firm Contract Demand and subject to interruption or discontinuance of demand in excess of the Firm Contract Demand upon the Company issuing a notice not less than 4 hours prior to the time at which such interruption or discontinuance is to commence.

MONTHLY RATES AND CHARGES

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.

Monthly Customer Charge (1)		**-**		
Delivery Charges				
Per cubic metre of Firm Contract Demand		**39.1803**	**¢/m³**	/u
Per cubic metre of Firm Gas delivered		**2.0374**	**¢/m³**	
Per cubic metre of Interruptible Gas delivered negotiated between Enbridge Gas and the Customer not to exceed an annual average of		**7.6726**	**¢/m³**	/u
Per cubic metre of seasonal Gas delivered negotiated between Enbridge Gas and the Customer not to exceed an annual average of		**7.4437**	**¢/m³**	/u
Gas Supply Commodity Charge	(if applicable)	**20.9036**	**¢/m³**	/u

Rate Riders

The rates quoted herein shall be subject to the following Riders (if applicable):

- Rider C - Gas Cost Adjustment
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider G - Service Charges
- Rider J - Carbon Charges
- Rider K - Bill 32 and Ontario Regulation 24/19
- Rider L - Voluntary RNG Program
- Rider N - Energy Transition Technology Fund
- Rider O - Average Interruptible Rate and Price Adjustment

(1): Effective July 1, 2019, Rate M7 Customers will be charged a one-time adjustment annually set at the equivalent of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

RATE: M7	SPECIAL LARGE VOLUME INDUSTRIAL AND COMMERCIAL CONTRACT SERVICE

Interruptible and Seasonal Commodity Charges
In negotiating the 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.

COMMISSIONING AND DECOMMISSIONING

The Service Contract may provide that the Monthly Demand Charge above shall not apply on all or part of the Firm Contract 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 Service 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 plus applicable charges and riders.

Commissioning and Decommissioning Rate	**5.9820 ¢/m³**	/u

OVERRUN CHARGES

Overrun Gas is available without penalty provided that it is authorized by the Company in advance. The Company will not unreasonably withhold authorization. Overrun means Gas taken on any day in excess of 103% of the Contract Demand.

Unauthorized Overrun Gas taken in any month shall be paid for at the M1 rate in effect, plus applicable charges and riders, at the time the Overrun occurs.

Unauthorized Overrun Non-Compliance Rate Unauthorized Overrun Gas delivered any month during a period when a notice of interruption is in effect. ($60 per GJ)	**234.4800 ¢/m³**

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: M9	LARGE WHOLESALE SERVICE RATE

AVAILABILITY

To Enbridge Gas Customers in the Union South Rate Zone.

APPLICABILITY

To a Distributor who enters into a Service Contract to purchase and/or receive delivery of a Firm supply of Gas for distribution to it's Customers; and who agrees to take or pay for an annual quantity of at least 2,000,000 m³; and who commenced and continued service under Rate M9 prior to January 1, 2019.

CHARACTER OF SERVICE

Service shall be Firm except for events as specified in the Service Contract including Force Majeure.

MONTHLY RATES AND CHARGES

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.

Monthly Customer Charge		**-**		
Delivery Charges				
Per cubic metre of Contract Demand		**29.8954**	**¢/m³**	/u
Per cubic metre of Gas delivered		**1.6271**	**¢/m³**	
Gas Supply Commodity Charge	(if applicable)	**20.9036**	**¢/m³**	/u

Rate Riders
The rates quoted herein shall be subject to the following Riders (if applicable):
- Rider C - Gas Cost Adjustment
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider J - Carbon Charges

OVERRUN CHARGES

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 the Authorized Overrun Delivery Charge plus applicable Riders. Overrun will be authorized by the Company at its sole discretion.

Authorized Overrun Delivery Charge	**1.3497**	**¢/m³**	/u

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 Unauthorized Overrun Delivery Charge plus applicable Riders.

Unauthorized Overrun Delivery Charge	**36.0000**	**¢/m³**

RATE: M9	LARGE WHOLESALE SERVICE RATE

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: **T1**	**STORAGE AND TRANSPORTATION RATES FOR CONTRACT CARRIAGE CUSTOMERS**

AVAILABILITY

To Enbridge Gas Customers in the Union South Rate Zone.

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 Firm Contract Demand up to 140,870 m³; and
b) who enters into a Carriage Service Contract with the Company for the transportation or the storage and transportation of Gas for use at facilities located within the Company'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 the Company 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.

CHARACTER OF SERVICE

Service shall be Firm, except for events as specified in the Service Contract including Force Majeure, up to the Firm Contract Demand and subject to interruption or discontinuance of demand in excess of the Firm Contract Demand upon the Company issuing a notice not less than 4 hours prior to the time at which such interruption or discontinuance is to commence.

MONTHLY RATES AND CHARGES

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 Customer Charge (1)

Per each Point of Consumption **$3,001.00**

	Demand Charge	Fuel Ratio (4)	&	Commodity Charge		
Transportation Service Charges (2)						
Per cubic metre of Firm Contract Demand						
For the first 28,150 m³ per month	**38.0914**				**$/GJ**	/u
For the next 112,720 m³ per month	**27.0881**				**$/GJ**	/u
Per cubic metre of Firm Gas delivered to the Customer's Point(s) of Consumption		**0.803%**		**-**	**¢/m³**	
Per cubic metre of Interruptible Gas delivered to the Customer's Point(s) of Consumption Maximum		**0.803%**		**7.6726**	**¢/m³**	/u

RATE: T1	STORAGE AND TRANSPORTATION RATES FOR CONTRACT CARRIAGE CUSTOMERS

	Demand Charge	Fuel Ratio (4)	&	Commodity Charge		
Storage Service Charges (3)						
Annual Firm Storage Space						
Per GJ of contracted Maximum						
Annual Storage Space	**0.017**				**$/GJ**	/u
Annual Firm Injection/Withdrawal Right						
Per GJ of the contracted Maximum						
Annual Firm Injection/Withdrawal Right						
Utility provides deliverability inventory	**2.487**				**$/GJ**	/u
Customer provides deliverability inventory (5)	**2.237**				**$/GJ**	/u
Incremental Firm Injection Right						
Per GJ of the contracted Maximum						
Incremental Firm Injection Right	**2.237**				**$/GJ**	/u
Annual Interruptible Withdrawal Right						
Per GJ of the contracted Maximum						
Annual Interruptible Withdrawal Right	**2.237**				**$/GJ**	/u
Withdrawal Commodity						
Per GJ of all quantities withdrawn from storage						
up to the Maximum Daily Storage Withdrawal Quantity		**0.834%**		-	**$/GJ**	
Injection Commodity						
Per GJ of all quantities injected into storage						
up to the Maximum Daily Storage Injection Quantity		**0.834%**		-	**$/GJ**	

Rate Riders

The rates quoted herein shall be subject to the following Riders (if applicable):

Rider A - Direct Purchase Service
Rider D - Deferral and Variance Account Clearance
Rider E - Revenue Adjustment
Rider G - Service Charges
Rider J - Carbon Charges
Rider K - Bill 32 and Ontario Regulation 24/19
Rider N - Energy Transition Technology Fund
Rider O - Average Interruptible Rate and Price Adjustment

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

RATE: T1	STORAGE AND TRANSPORTATION RATES FOR CONTRACT CARRIAGE CUSTOMERS

(2) Notes to Transportation Charges

1. 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.

2. In each contract year, the Customer shall pay for a Minimum Interruptible Transportation Activity level as specified in the Service Contract. Overrun activity will not contribute to the minimum activity level.

3. 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.

4. Either the Company 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.

(3) Notes to Storage Charges

1. **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.

   1.1 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 the Company 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.

   1.2 Obligated Daily Contract Quantity multiple of 15
   Obligated Daily Contract Quantity is the Firm daily quantity of Gas which the Customer must deliver to the Company. The 15x obligated Daily Contract Quantity calculation will be done using the Daily Contract Quantity for the upcoming contract year. At each contract renewal, the 15x 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.

2. **Annual Injection/Withdrawal Right (Deliverability)**
   The maximum level of deliverability available to a Customer at the rates specified herein is determined by one of the following storage deliverability allocation methodologies.

   2.1 The greater of obligated DCQ and Firm CD less obligated DCQ

   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.

   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 Storage Service Charges.

RATE: T1	STORAGE AND TRANSPORTATION RATES FOR CONTRACT CARRIAGE CUSTOMERS

3. Additional storage space or deliverability, in excess of the maximum allocated entitlements per Notes 1 and 2, may be available at market prices.

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

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

6. Short Term Storage / Balancing Service is:
   i) a combined space and Interruptible deliverability service for short-term or off-peak storage in the Company's storage facilities, or
   ii) short-term Firm deliverability, or
   iii) a component of an operational balancing service offered.

OVERRUN CHARGES

Annual Storage Space

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 the Company at is sole discretion.
Storage Space Overrun equal to the Customer's Firm deliveries from TransCanada: less the Customer's Firm 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.

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 the Company or provided for under a short term supplemental Storage Service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun charge will apply 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 the Company'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.

Unauthorized Overrun		
Per GJ applied to the greatest excess for each occurrence	**6.000**	**$/GJ**

Transportation and Storage Injections/Withdrawals

Overrun will be authorized by the Company at its sole discretion. The following Authorized Overrun rates are applied to any quantities transported, injected or withdrawn in excess of 103% of the Service Contract parameters. Automatic authorization of Injection Overrun will be given during all Days a Customer has been interrupted.

Authorized Overrun	Fuel Ratio	&	Commodity Charge		
Firm or Interruptible Service					
Transportation	**0.803%**		**1.2523**	**¢/m³**	/u
Storage Injections	**1.210%**		**0.082**	**$/GJ**	/u
Storage Withdrawals	**1.210%**		**0.082**	**$/GJ**	/u

RATE: **T1**	**STORAGE AND TRANSPORTATION RATES FOR CONTRACT CARRIAGE CUSTOMERS**

Overrun for which authorization has not been received shall constitute an occurence of Unauthorized Overrun. 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.

Unauthorized Overrun Transportation Charge	**14.2301**	**¢/m³**	/u
Unauthorized Overrun Storage Injections/Withdrawals Charge	**3.641**	**$/GJ**	/u
Unauthorized Overrun Non-Compliance Rate			
Unauthorized Overrun Gas delivered any month during a period when a notice of Interruption is in effect. ($60 per GJ)	**234.4800**	**¢/m³**	
Authorized Storage Balancing Service Firm Service			
Space	**6.000**	**$/GJ**	
Injection /Withdrawal Maximum	**6.000**	**$/GJ**	

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: **T2**	**STORAGE AND TRANSPORTATION RATES FOR CONTRACT CARRIAGE CUSTOMERS**

AVAILABILITY

To Enbridge Gas Customers in the Union South Rate Zone.

APPLICABILITY

To a Customer:

a) who has a Firm Contract Demand of at least 140,870 m³. Firm and/or Interruptible Contract 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 the Company for the transportation or the storage and transportation of Gas for use at facilities located within the Company'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 the Company 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.

CHARACTER OF SERVICE

Service shall be Firm, except for events as specified in the Service Contract including Force Majeure, up to the Firm Contract Demand and subject to interruption or discontinuance of demand in excess of the Firm Contract Demand upon the Company issuing a notice not less than 4 hours prior to the time at which such interruption or discontinuance is to commence.

MONTHLY RATES AND CHARGES

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 Customer Charge (1)

Per each Point of Consumption **$3,001.00**

	Demand Charge	Fuel Ratio (5)	&	Commodity Charge		
Transportation Service Charges (2)						
Per cubic metre of Firm Contract Demand						
For the first 140,870 m³ per month	**38.5289**				**¢/m³**	/u
For all over 140,870 m³ per month	**21.7223**				**¢/m³**	/u
Per cubic metre of Firm Gas delivered to the Customer's Point(s) of Consumption		**0.803%**		**-**	**¢/m³**	
Per cubic metre of Interruptible Gas delivered to the Customer's Point(s) of Consumption Maximum		**0.803%**		**7.6726**	**¢/m³**	/u

RATE: T2	STORAGE AND TRANSPORTATION RATES FOR CONTRACT CARRIAGE CUSTOMERS

	Demand Charge	Fuel Ratio (4)	&	Commodity Charge		
Storage Service Charges (3)						
Annual Firm Storage Space						
Per GJ of contracted Maximum						
Annual Storage Space	**0.017**				**$/GJ**	/u
Annual Firm Injection/Withdrawal Right						
Per GJ of the contracted Maximum						
Annual Firm Injection/Withdrawal Right						
Utility provides deliverability inventory	**2.487**				**$/GJ**	/u
Customer provides deliverability inventory (5)	**2.237**				**$/GJ**	/u
Incremental Firm Injection Right						
Per GJ of the contracted Maximum						
Incremental Firm Injection Right	**2.237**				**$/GJ**	/u
Annual Interruptible Withdrawal Right						
Per GJ of the contracted Maximum						
Annual Interruptible Withdrawal Right	**2.237**				**$/GJ**	/u
Withdrawal Commodity						
Per GJ of all quantities withdrawn from storage						
up to the Maximum Daily Storage Withdrawal Quantity		**0.834%**		-	**$/GJ**	
Injection Commodity						
Per GJ of all quantities injected into storage						
up to the Maximum Daily Storage Injection Quantity		**0.834%**		-	**$/GJ**	
Daily Variance Account						
Interruptible Injections/Withdrawals						
Per GJ of all quantities withdrawn from						
and injected into the Daily Variance Account						
up to the Maximum Injection/Withdrawal Quantity		**1.210%**		**0.082**	**$/GJ**	

Rate Riders

The rates quoted herein shall be subject to the following Riders (if applicable):

Rider A - Direct Purchase Service
Rider D - Deferral and Variance Account Clearance
Rider E - Revenue Adjustment
Rider G - Service Charges
Rider J - Carbon Charges
Rider K - Bill 32 and Ontario Regulation 24/19
Rider N - Energy Transition Technology Fund
Rider O - Average Interruptible Rate and Price Adjustment

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

RATE: T2	STORAGE AND TRANSPORTATION RATES FOR CONTRACT CARRIAGE CUSTOMERS

(2) Notes to Transportation Charges

1. Effective January 1, 2007, new Customers and existing Customers with incremental daily Firm Demand requirements in excess of 1,200,000 m³/d and who are directly connected to i) the Dawn Parkway 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 the Company 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 the Company'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.

2. 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.

3. In each contract year, the Customer shall pay for a Minimum Interruptible Transportation Activity level as specified in the Service Contract. Overrun activity will not contribute to the minimum activity level.

4. 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.

5. 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.

6. Either the Company 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.

(3) Notes to Storage Charges

1. **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.

   1.1 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 the Company and the Customer. Once sufficient historical information is available for the Customer, the standard calculation will be used. At each contract renewal, the aggregate excess calculation will be performed to set the new space allocation.

   1.2 Obligated Daily Contract Quantity multiple of 15
   Obligated Daily Contract Quantity is the Firm daily quantity of Gas which the Customer must deliver to the Company. The 15x obligated Daily Contract Quantity calculation will be done using the Daily Contract Quantity for the upcoming contract year. At each contract renewal, the 15x obligated Daily Contract Quantity calculation will be performed to set the new space allocation.

1.3 Peak Hourly Consumption x 24 x 4 Days
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 2.3), the maximum storage space available at the rates specified herein is 10x Firm storage deliverability contracted, not to exceed peak hourly Consumption x 24 x 4 days.

1.4 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 9x Firm Contract Demand and the Daily Variance Account maximum storage space is determined as 1 x Firm Contract Demand.

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

2. **Annual Injection/Withdrawal Right (Deliverability)**
The maximum level of deliverability available to a Customer at the rates specified herein is determined by one of the following storage deliverability allocation methodologies.

2.1 The greater of obligated DCQ and Firm CD less obligated DCQ.

2.2 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 herein.

2.3 For Customers with non-obligated supply and are not eligible for Note 2.2 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 Contract Demand.

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.

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 Storage Service Charges.

3. Additional storage space or deliverability, in excess of the maximum allocated entitlements per Notes 1 and 2, may be available at market prices.

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

5. Deliverability Inventory is defined as 20% of annual storage space.

6. Short Term Storage / Balancing Service is:
   i) a combined space and Interruptible deliverability service for short-term or off-peak storage in the Company's storage facilities, or
   ii) short-term Firm deliverability, or
   iii) a component of an operational balancing service offered.

RATE: T2	STORAGE AND TRANSPORTATION RATES FOR CONTRACT CARRIAGE CUSTOMERS

OVERRUN CHARGES

Annual Storage Space

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 the Company at is sole discretion. Storage Space Overrun equal to the Customer's Firm deliveries from TransCanada: less the Customer's Firm 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.

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 the Company or provided for under a short term supplemental Storage Service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun charge will apply 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 the Company'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.

Unauthorized Overrun		
Per GJ applied to the greatest excess for each occurrence	**6.000**	**$/GJ**

Transportation and Storage Injections/Withdrawals

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

Authorized Overrun	Fuel Ratio	&	Commodity Charge		
Firm or Interruptible Service					
Transportation	**0.803%**		**1.2667**	**¢/m³**	/u
Storage Injections	**1.210%**		**0.082**	**$/GJ**	/u
Storage Withdrawals	**1.210%**		**0.082**	**$/GJ**	/u

Overrun for which authorization has not been received shall constitute an occurence of Unauthorized Overrun. 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.

Unauthorized Overrun Transportation Charge	**14.2301**	**¢/m³**	/u
Unauthorized Overrun Storage Injections/Withdrawals Charge	**3.641**	**$/GJ**	/u

RATE: T2	STORAGE AND TRANSPORTATION RATES FOR CONTRACT CARRIAGE CUSTOMERS

Unauthorized Overrun Non-Compliance Rate

Unauthorized Overrun Gas delivered any month during a period when a notice of Interruption is in effect. ($60 per GJ)	**234.4800**	**¢/m³**

Authorized Storage Balancing Service Firm Service

Space	**6.000**	**$/GJ**
Injection/Withdrawal Maximum	**6.000**	**$/GJ**

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: **T3**	**STORAGE AND TRANSPORTATION RATES FOR CONTRACT CARRIAGE CUSTOMERS**

AVAILABILITY

To Enbridge Gas Customers in the Union South Rate Zone.

APPLICABILITY

To a Distributor:

a) whose minimum annual transportation of Gas is 700,000 m³ or greater; and
b) who enters into a Carriage Service Contract with the Company 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 Consumption; and
d) for whom the Company has determined transportation and/or storage capacity is available; and
e) who commenced and continued service under Rate T3 prior to January 1, 2019.

CHARACTER OF SERVICE

Service shall be Firm except for events as specified in the Service Contract including Force Majeure.

MONTHLY RATES AND CHARGES

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 Customer Charge

City of Kitchener				**$30,900.76**	/u
	Demand Charge	Fuel Ratio	&	Commodity Charge	
Transportation Service Charges					
Per cubic metre of Firm Contract Demand	**25.4243**			**¢/m³**	/u
Per cubic metre of Firm Gas delivered to the Customer's Point(s) of delivery		**0.803%**	**-**	**¢/m³**	
Storage Service Charges (1)					
Annual Firm Storage Space					
Per GJ of contracted Maximum Annual Storage Space	**0.017**			**$/GJ**	/u
Annual Firm Injection/Withdrawal Right					
Per GJ of the contracted Maximum Annual Firm Injection/Withdrawal Right					
Utility provides deliverability inventory	**2.487**			**$/GJ**	/u
Customer provides deliverability inventory (5)	**2.237**			**$/GJ**	/u
Incremental Firm Injection Right					
Per GJ of the contracted Maximum Incremental Firm Injection Right	**2.237**			**$/GJ**	/u
Annual Interruptible Withdrawal Right					
Per GJ of the contracted Maximum Annual Interruptible Withdrawal Right	**2.237**			**$/GJ**	/u

RATE: T3	STORAGE AND TRANSPORTATION RATES FOR CONTRACT CARRIAGE CUSTOMERS

	Demand Charge	Fuel Ratio	&	Commodity Charge	
Storage Service Charges (1)					
Withdrawal Commodity					
Per GJ of all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		**0.834%**		-	**$/GJ**
Injection Commodity					
Per GJ of all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		**0.834%**		-	**$/GJ**

Rate Riders

The rates quoted herein shall be subject to the following Riders (if applicable):

Rider A - Direct Purchase Service
Rider D - Deferral and Variance Account Clearance
Rider E - Revenue Adjustment
Rider J - Carbon Charges

(1) Notes to Storage Charges

1. **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.

1.1 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 the Company and the Customer. Once sufficient historical information is available for the Customer, the standard calculation will be used. At each contract renewal, the aggregate excess calculation will be performed to set the new space allocation.

1.2 Obligated Daily Contract Quantity multiple of 15
Obligated Daily Contract Quantity is the Firm daily quantity of Gas which the Customer must deliver to the Company. The 15x obligated Daily Contract Quantity calculation will be done using the Daily Contract Quantity for the upcoming contract year. At each contract renewal, the 15x 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.

2. **Annual Injection/Withdrawal Right (Deliverability)**
The maximum level of deliverability available to a Customer at the rates specified herein is determined by one of the following storage deliverability allocation methodologies.

2.1 The greater of obligated DCQ and Firm CD less obligated DCQ.

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.

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 Storage Service Charges.

RATE: T3	STORAGE AND TRANSPORTATION RATES FOR CONTRACT CARRIAGE CUSTOMERS

3. Additional storage space or deliverability, in excess of the maximum allocated entitlements per Notes 1 and 2, may be available at market prices.

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

5. Deliverability Inventory is defined as 20% of annual storage space.

6. Short Term Storage / Balancing Service is:
   i) a combined space and Interruptible deliverability service for short-term or off-peak storage in the Company's storage facilities, or
   ii) short-term Firm deliverability, or
   iii) a component of an operational balancing service offered.

OVERRUN CHARGES

Annual Storage Space

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 the Company at is sole discretion.

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 the Company or provided for under a short term supplemental Storage Service, such an event will constitute an occurrence of Unauthorized Overrun. The Unauthorized Overrun charge will apply 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 the Company'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.

Unauthorized Overrun		
Per GJ applied to the greatest excess for each occurrence	**6.000**	**$/GJ**

Transportation, & Injection/Withdrawals Right

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

Authorized Overrun	Fuel Ratio	&	Commodity Charge		
Firm or Interruptible Service					
Transportation	**0.803%**		**0.8359**	**¢/m³**	/u
Storage Injections	**1.210%**		**0.082**	**$/GJ**	/u
Storage Withdrawals	**1.210%**		**0.082**	**$/GJ**	/u

RATE: T3	STORAGE AND TRANSPORTATION RATES FOR CONTRACT CARRIAGE CUSTOMERS

Overrun for which authorization has not been received shall constitute an occurence of Unauthorized Overrun. 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.

Unauthorized Overrun Transportation Charge	**36.0000**	**¢/m³**
Unauthorized Overrun Storage Injections and Withdrawals Charge	**9.212**	**$/GJ**
Authorized Storage Balancing Service Firm Service		
Space	**6.000**	**$/GJ**
Injection / Withdrawal Maximum	**6.000**	**$/GJ**

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: 331	TECUMSEH TRANSPORTATION SERVICE

APPLICABILITY

To any Customer who enters into an agreement with the Company pursuant to the Rate 331 Tariff (Tariff) for transportation service on the Company's pipelines extending from Corunna (ANR) to Dawn. The Company will receive Gas at Corunna (ANR) and deliver the Gas at Dawn. Capitalized terms used in this Rate Schedule shall have the meanings ascribed to those terms in the Tariff.

CHARACTER OF SERVICE

Transportation Service under this Rate Schedule may be available on a Firm basis (FT Service) or an Interruptible basis (IT Service), subject to the terms and conditions of service set out in the Tariff and the applicable rates set out below.

MONTHLY RATES AND CHARGES

The following rates, effective January 1, 2024, shall apply in respect of FT and IT Service under this Rate Schedule.

	Demand Rate		Commodity Rate	
	$/GJ	$/10³m³	$/GJ	$/10³m³
FT Service	**0.155**	**5.8763**	**-**	**-**
IT Service	**-**	**-**	**0.006**	**0.2280**

FT Service: The monthly Demand Charge shall be the products obtained by multiplying the applicable Maximum Daily Volume by the above demand rate.

IT Service: The monthly Commodity Charge shall be the product obtained by multiplying the applicable Delivery Volume for the Month by the above commodity rate.

Rate Riders
The rates quoted herein shall be subject to the following Riders (if applicable):
Rider D - Deferral and Variance Account Clearance
Rider E - Revenue Adjustment
Rider J - Carbon Charges

TERMS AND CONDITIONS OF SERVICE

The terms and conditions of FT and IT Service are set out in the Tariff. The provisions of PARTS II to III of the Company's Rate Handbook do not apply to Rate 331 service.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: 332	PARKWAY TO ALBION KING'S NORTH TRANSPORTATION SERVICE

APPLICABILITY

To any Customer who enters into an agreement with the Company pursuant to the Rate 332 Tariff (Tariff) for transportation service on the Company's Albion Pipeline, as defined in the Tariff. Capitalized terms used in this Rate Schedule shall have the meanings ascribed to those terms in the Tariff.

CHARACTER OF SERVICE

Transportation service under this Rate Schedule shall be provided on a Firm basis, subject to the terms and conditions set out in the Tariff and this Rate Schedule.

MONTHLY RATES AND CHARGES

The following charges shall apply for transportation service under this Rate Schedule.

	$/GJ	$/10³m³	
Monthly Contract Demand Charge	**1.498**	**57.7179**	/u
Authorized Overrun Charge	**0.059**	**2.2733**	

The Monthly Contract Demand Charge is equal to the Daily Contract Demand of $0.0492 per GJ or $1.8976 per 10³m³. /u

Riders
The rates quoted herein shall be subject to the following Riders (if applicable):
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider J - Carbon Charges

Monthly Minimum Bill
The Monthly Minimum Bill shall equal the applicable Monthly Contract Demand Charge times the Maximum Daily Quantity.

OVERRUN CHARGES

Authorized Overrun
The Company may, in its sole discretion, authorize transportation of Gas in excess of the Maximum Daily Quantity provided excess capacity is available. The excess volumes will be subject to the Authorized Overrun Charge.

TERMS AND CONDITIONS OF SERVICE

The terms and conditions of transportation service are set out in the Tariff. The provisions of Parts II to III of the Company's Rate Handbook do not apply to Rate 332 transportation service.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: **M12**	**TRANSPORTATION SERVICE**

APPLICABILITY

To any Customer who enters into an agreement with the Company pursuant to the Rate M12 Tariff for transportation service on the Company's Dawn-Parkway facilities, as defined in the Tariff.

Applicable Points

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

Dawn as a delivery point: Dawn (Facilities).

MONTHLY RATES AND CHARGES

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.

	Demand Rate (per month)	Fuel and Commodity Rate: Fuel Ratio & Commodity Charge		
Firm Transportation (1) (2)				
Dawn to Parkway	**3.423**	Monthly fuel ratios shall be in accordance with Schedule "B".	**$/GJ**	/u
Dawn to Kirkwall	**2.429**		**$/GJ**	/u
Kirkwall to Parkway	**1.431**		**$/GJ**	/u
M12-X Firm Transportation				
Between Dawn, Kirkwall and Parkway	**4.360**	Monthly fuel ratios shall be in accordance with Schedule "B".	**$/GJ**	/u
Limited Firm/Interruptible Transportation (1)				
Dawn to Parkway – Maximum	**8.214**	Monthly fuel ratios shall be in accordance with Schedule "B".	**$/GJ**	/u
Dawn to Kirkwall – Maximum	**8.214**		**$/GJ**	/u

Rate Riders

The rates quoted herein shall be subject to the following Riders (if applicable):

Rider D - Deferral and Variance Account Clearance

Rider E - Revenue Adjustment

Rider J - Carbon Charges

Notes to Transportation Charges

1. The annual transportation fuel required is calculated by application of the YCR Formula, as per Transportation Fuel Charges below.

2. A Demand Charge of $0.051/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.

RATE: M12	TRANSPORTATION SERVICE

OVERRUN CHARGES

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

For purposes of applying the YCR Formula to transportation Overrun quantities, the transportation fuel revenue will be deemed to be equal to the fuel and Commodity Charge of the applicable service.

	Fuel and Commodity Charges			
	Fuel Ratio	&	Commodity Charge	
Transportation Overrun				
Dawn to Parkway	Monthly fuel ratios shall be in accordance with schedule "B".	**0.113**	**$/GJ**	/u
Dawn to Kirkwall		**0.080**	**$/GJ**	/u
Kirkwall to Parkway		**0.047**	**$/GJ**	/u
M12-X Firm Transportation				
Between Dawn, Kirkwall and Parkway	Monthly fuel ratios shall be in accordance with schedule "B".	**0.143**	**$/GJ**	/u

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

The Unauthorized Overrun rate 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 Enbridge Gas's contractual obligation.

RATE: **M12**	**TRANSPORTATION SERVICE**

TRANSPORTATION FUEL CHARGES

On a daily basis, the Shipper will provide the Company 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 the Company's system.

The annual fuel charge in kind 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 (YCR Formula). In the event 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. 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 YCR Formula. At the Company's sole discretion Enbridge Gas may make more frequent adjustments than once per year. The YCR adjustments must be paid/remitted to/from Shippers at Dawn within one Billing Period after invoicing.

$$YCR = \sum_{1}^{4} [(0.00484 \times (QT1 + QT3)) + (DSF \times (QT1 + QT3)) + F_{ST}] \text{ For June 1 to Sept. 30}$$

plus

$$\sum_{5}^{12} [(0.00484 \times (QT1 + QT3)) + (DWF \times QT1) + F_{WT}] \text{ For Oct. 1 to May 31}$$

where: DSF = 0.00000 for Dawn summer fuel requirements
DWF = 0.00259 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.

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 Enbridge Gas's Lobo, Bright and Parkway Compressor Stations (Lobo, Bright and Parkway) to transport the same Shipper's QT1 monthly quantities easterly.

Lobo, Bright 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 Enbridge Gas.

The monthly Parkway 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 Enbridge Gas.

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

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

Notes:

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

RATE: **M12**	**TRANSPORTATION SERVICE**

TERMS OF SERVICE

For Rate M12 contracts with an effective date before October 1, 2010, the Schedule "A" (General Terms & Conditions) posted on the Enbridge Gas website at www.enbridgegas.com shall apply. For Rate M12 contracts with an effective date of October 1, 2010 or later, the Schedule "A 2010" (General Terms & Conditions) posted on the Enbridge Gas website at www.enbridgegas.com shall apply.

Nominations

For Rate M12 contracts with an effective date before October 1, 2010, Article XVI (Nominations) of the Schedule "A" posted on the Enbridge Gas website at www.enbridgegas.com shall apply. For Rate M12 contracts with an effective date of October 1, 2010 or later, Article XXII (Nominations) of the Schedule "A 2010" posted on the Enbridge Gas website at www.enbridgegas.com shall apply.

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

Receipt and Delivery Points and Pressures

For Rate M12 contracts with an effective date of October 1, 2010 or later, Article XXIII (Receipt and Delivery Points and Pressures) of the Schedule “A 2010” posted on Enbridge Gas website at www.enbridgegas.com shall apply.

MONTHLY FUEL RATIOS

Monthly fuel rates and ratios under this rate schedule shall be in accordance with the attached Schedule “B”.

Effective	**January 1, 2024**
Implemented	**January 1, 2024**
	OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: M12	SCHEDULE B - MONTHLY TRANSPORTATION FUEL RATIOS

FIRM OR INTERRUPTIBLE TRANSPORTATION COMMODITY

				M12-X Westerly	
Month	Dawn to Parkway Fuel Ratio (%)	Dawn to Kirkwall Fuel Ratio (%)	Kirkwall to Parkway Fuel Ratio (%)	Parkway to Kirkwall, Dawn Fuel Ratio (%)	Kirkwall to Dawn Fuel Ratio (%)
January	1.414	1.091	0.807	0.484	0.484
February	1.473	1.148	0.809	0.484	0.484
March	1.492	1.135	0.841	0.484	0.484
April	1.162	0.856	0.790	0.484	0.484
May	1.017	0.818	0.683	0.484	0.484
June	0.580	0.490	0.574	0.574	0.484
July	0.576	0.488	0.572	0.572	0.484
August	0.791	0.487	0.788	0.788	0.484
September	0.587	0.493	0.578	0.578	0.484
October	0.895	0.602	0.777	0.484	0.484
November	1.291	0.905	0.870	0.484	0.484
December	1.364	1.047	0.800	0.484	0.484

FIRM OR INTERRUPTIBLE TRANSPORTATION COMMODITY
AUTHORIZED OVERRUN FUEL RATIOS AND FUEL RATES

				M12-X Westerly	
Month	Dawn to Parkway Fuel Ratio (%)	Dawn to Kirkwall Fuel Ratio (%)	Kirkwall to Parkway Fuel Ratio (%)	Parkway to Kirkwall, Dawn Fuel Ratio (%)	Kirkwall to Dawn Fuel Ratio (%)
January	2.014	1.691	1.407	1.084	1.084
February	2.073	1.748	1.409	1.084	1.084
March	2.092	1.735	1.441	1.084	1.084
April	1.762	1.456	1.390	1.084	1.084
May	1.617	1.418	1.283	1.084	1.084
June	1.180	1.090	1.174	1.174	1.084
July	1.176	1.088	1.172	1.172	1.084
August	1.391	1.087	1.388	1.388	1.084
September	1.187	1.093	1.178	1.178	1.084
October	1.495	1.202	1.377	1.084	1.084
November	1.891	1.505	1.470	1.084	1.084
December	1.964	1.647	1.400	1.084	1.084

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: M13	TRANSPORTATION SERVICE FOR LOCALLY PRODUCED GAS

APPLICABILITY

To any Customer who enters into an agreement with the Company pursuant to the Rate M13 Tariff for Gas received at a local production point to be transported to Dawn.

Applicable Points: Dawn as a delivery point: Dawn (Facilities).

MONTHLY RATES AND CHARGES

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.

		Fuel and Commodity Charges				
		Utility Supplied	Shipper Supplied Fuel			
	Charge	Fuel	Fuel Ratio	&	Commodity Charge	
Monthly Fixed Charge per Customer Station, one of						
Typical Customer Station	**469.19**					**$/month**
Large Customer Station	**1,061.58**					**$/month**
Transmission Commodity Charge	**0.044**					**$/GJ**
Delivery Commodity Charge		**0.026**	**0.484%**			**$/GJ**
Authorized Overrun Charge		**0.129**	**0.484%**		**0.104**	**$/GJ** /u
RNG Sampling Charge	**10,000.00**					**$/sample**

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.

Rate Riders
The rates quoted herein shall be subject to the following Riders (if applicable):
Rider D - Deferral and Variance Account Clearance
Rider E - Revenue Adjustment
Rider J - Carbon Charges

OVERRUN CHARGES

Authorized Overrun
The Authorized Overrun Charge is payable on all quantities transported in excess of the Company's obligation on any day. The Overrun charges payable will be calculated at the identified Authorized Overrun Charge. Overrun will be authorized at Enbridge Gas's sole discretion.

Unauthorized Overrun
The Authorized Overrun Charge is payable on all quantities transported up to 2% in excess of the Company's contractual
The Unauthorized Overrun Charge during the November 1 to April 15 period will be $50 per GJ for all usage on any day in excess of 102% of the Company's contractual obligation. The Unauthorized Overrun Charge 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 the Company's contractual obligation.

TERMS OF SERVICE

The General Terms & Conditions applicable to this rate schedule shall be in accordance with the Schedule "A 2013" (General Terms & Conditions) posted on the Enbridge Gas website at www.enbridgegas.com.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: **M16**	**STORAGE AND TRANSPORATION SERVICES**

APPLICABILITY

To any Customer who enters into an agreement with the Company pursuant to the Rate M16 Tariff for transportation service rendered by Enbridge Gas for all quantities transported to and from embedded storage pools located within Enbridge Gas's franchise area and served using the Enbridge Gas's distribution and transmission assets.

Applicable Points

Dawn as a receipt point: Dawn (Facilities).
Dawn as a delivery point: Dawn (Facilities).

MONTHLY RATES AND CHARGES

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 Fixed Charge per Customer Station **$1,669.10**

The monthly fixed charge will be applied once per month per Customer station regardless of service being Firm, Interruptible or a combination thereof.

Transmission Commodity Charge to Dawn **0.044 $/GJ**

	Customers located East of Dawn	Customers located West of Dawn		
Monthly Firm Demand Charge				
Per GJ of Firm Contract Demand	**1.065**	**1.829**	**$/GJ**	/u
Transportation Fuel				
Charges to Dawn				
Commodity Rate - Utility Supplied Fuel	**0.026**	**0.026**	**$/GJ**	
Fuel Ratio - Shipper Supplied Fuel	**0.484%**	**0.484%**		
Charges to the Pool				
Commodity Rate - Utility Supplied Fuel	**0.026**	**0.056**	**$/GJ**	
Fuel Ratio - Shipper Supplied Fuel	**0.484%**	**1.047%**		

Riders

The rates quoted herein shall be subject to the following Riders (if applicable):

Rider D - Deferral and Variance Account Clearance
Rider E - Revenue Adjustment
Rider J - Carbon Charges

RATE: M16	STORAGE AND TRANSPORATION SERVICES

OVERRUN CHARGES

Authorized Overrun
The Authorized Overrun rate is payable on all quantities transported in excess of the Company's obligation. Overrun will be authorized at the Company's sole discretion.

	Customers located East of Dawn	Customers located West of Dawn	
Firm Transportation:			
Charges to Dawn			
Commodity Rate - Utility Supplied Fuel	**0.104**	**0.129 $/GJ**	/u
Commodity Rate - Shipper Supplied Fuel	**0.079**	**0.104 $/GJ**	/u
Fuel Ratio - Shipper Supplied Fuel	**0.484%**	**0.484%**	
Charges to the Pool			
Commodity Rate - Utility Supplied Fuel	**0.061**	**0.116 $/GJ**	/u
Commodity Rate - Shipper Supplied Fuel	**0.035**	**0.060 $/GJ**	
Fuel Ratio - Shipper Supplied Fuel	**0.484%**	**1.047%**	

Unauthorized Overrun
Authorized Overrun rates payable on all transported quantities up to 2% in excess of the Company'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 the Company'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 the Company's contractual obligation.

TERMS OF SERVICE

The General Terms & Conditions applicable to this rate schedule shall be in accordance with the Schedule "A 2013" (General Terms & Conditions) posted on the Enbridge Gas website at www.enbridgegas.com.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: **M17**	**TRANSPORTATION SERVICES**

APPLICABILITY

To any distributor in the Union South rate zone who is located east of Dawn and who enters into a Service Contract with Enbridge Gas purusant to the Rate M17 Tariff for the transportation of Gas for distribution to its Customers. Transportation Services under this rate schedule is transportation on Enbridge Gas's pipeline facilities from any Applicable Receipt Point to the distributor's delivery area.

Applicable Points
- Dawn*
- Kirkwall
- Parkway (TCPL)

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

MONTHLY RATES AND CHARGES

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 Charge
A Monthly Charge shall be applied each month to each distributor and is applicable to such distributor's delivery area. Should a new delivery area be served under this rate schedule, a distributor specific charge would be established at that time.

Monthly Charge - South Bruce **$2,112.14**

	Monthly Demand Charge	Fuel Charges Fuel Ratio Apr.1 - Oct.31	Nov.1 - Mar.31		
Firm Transportation Charges					
Dawn to Delivery Area	**4.696**	**0.616%**	**1.078%**	**$/GJ**	/u
Kirkwall to Delivery Area or Dawn	**3.513**	**0.484%**	**0.484%**	**$/GJ**	/u
Parkway (TCPL) to Delivery Area or Dawn	**3.513**	**0.576%**	**0.484%**	**$/GJ**	/u

Rate Riders
The rates quoted herein shall be subject to the following Riders (if applicable):
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider J - Carbon Charges

OVERRUN CHARGES

Authorized Overrun
Authorized Overrun will be payable on all quantities transported in excess of Enbridge Gas's contractual obligation on any day. The Authorized Overrun charges payable will be calculated at the following rates. Overrun will be authorized at the Company's sole discretion.

	Fuel and Commodity Charges Fuel Ratio Apr.1 - Oct.31	Nov.1 - Mar.31	&	Commodity Charge	
Dawn to Delivery Area	**1.216%**	**1.678%**		**0.154**	**$/GJ**
Kirkwall to Delivery Area or Dawn	**1.084%**	**1.084%**		**0.115**	**$/GJ**
Parkway (TCPL) to Delivery Area or Dawn	**1.176%**	**1.084%**		**0.115**	**$/GJ**

TERMS OF SERVICE

For Rate M17 contracts, the Schedule "A" (General Terms & Conditions) posted on the Enbridge Gas website at www.enbridgegas.com shall apply.

Nominations
For Rate M17 contracts, Article XXII (Nominations) of the Schedule “A” posted on the Enbridge Gas website at www.enbridgegas.com shall apply.

Nomination variances shall be handled in accordance with the applicable Limited Balancing Agreement.

Receipt and Delivery Points and Pressures
For Rate M17 contracts, Article XXIII (Receipt and Delivery Points and Pressures) of the Schedule “A” posted on the Enbridge Gas website at www.enbridgegas.com shall apply.

Effective	**January 1, 2024**
Implemented	**January 1, 2024**
	OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: C1	TRANSPORTATION SERVICES

APPLICABILITY

To any Customer who enters into a Service Contract with Enbridge Gas pursuant to Rate C1 Tariff for delivery of Gas to Enbridge Gas at one of Enbridge Gas's points listed below for redelivery by Enbridge Gas to Shipper at one of Enbridge Gas's points.

Applicable Points	(1)	(2)
	Ojibway	WDA
	St. Clair	NDA
	Dawn*	SSMDA
	Parkway	SWDA
	Kirkwall	CDA
	Bluewater	EDA

*Dawn as a receipt point: Dawn (TCPL), Dawn (Facilities) and Dawn (Vector).
*Dawn as a delivery point: Dawn (Facilities).

RATES AND CHARGES

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	Fuel Charges Fuel Ratio Apr.1 - Oct.31	Fuel Charges Fuel Ratio Nov.1 - Mar.31		
Firm Transportation From (1):					
Dawn to Parkway	**3.423**	**0.822%**	**1.416%**	**$/GJ**	/u
Dawn to Kirkwall	**2.429**	**0.616%**	**1.078%**	**$/GJ**	/u
Kirkwall to Parkway	**1.431**	**0.689%**	**0.822%**	**$/GJ**	/u
Parkway to Dawn	**0.938**	**0.576%**	**0.484%**	**$/GJ**	/u
Parkway to Kirkwall	**0.938**	**0.576%**	**0.484%**	**$/GJ**	/u
Kirkwall to Dawn	**1.372**	**0.484%**	**0.484%**	**$/GJ**	/u
Firm Transportation From (1):					
Dawn to St. Clair and Bluewater	**6.677**	**0.527%**	**0.603%**	**$/GJ**	/u
Dawn to Ojibway	**6.677**	**0.484%**	**0.571%**	**$/GJ**	/u
St. Clair and Bluewater to Dawn	**1.829**	**0.527%**	**0.603%**	**$/GJ**	/u
Ojibway to Dawn	**1.829**	**1.047%**	**0.738%**	**$/GJ**	/u
Transportation Between Two Points within Dawn:					
Firm Transportation (1)					
Dawn to Dawn-Vector	**0.016**	**0.484%**	**0.484%**	**$/GJ**	
Dawn to Dawn-TCPL	**0.024**	**0.484%**	**0.484%**	**$/GJ**	
Interruptible Transportation Between Two Points within Dawn*					
* includes Dawn (TCPL), Dawn (Vector), and Dawn Facilities		**0.484%**	**0.484%**		

Rate Riders
The rates quoted herein shall be subject to the following Riders (if applicable):
Rider D - Deferral and Variance Account Clearance
Rider E - Revenue Adjustment
Rider J - Carbon Charges

Interruptible and Short Term (1 year or less) Firm Transportation:
Maximum, includes fuel and Commodity Charges **$75.00**

A Demand Charge of $0.051/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.

RATE: C1	TRANSPORTATION SERVICES

OVERRUN CHARGES

Authorized Overrun

The following Overrun rates are applied to any quantities transported in excess of the Contract parameters. Overrun will be authorized at the Company's sole discretion. Authorized Overrun for short-term Firm Transportation is available at negotiated rates.

	Fuel and Commodity Charges				
	Fuel Ratio				
	Apr.1 - Oct.31	Nov.1 - Mar.31	&	Commodity Charge	
Firm Transportation From:					
Dawn to Parkway	**1.422%**	**2.016%**		**0.113**	**$/GJ** /u
Dawn to Kirkwall	**1.216%**	**1.678%**		**0.080**	**$/GJ** /u
Kirkwall to Parkway	**1.289%**	**1.422%**		**0.047**	**$/GJ** /u
Parkway to Dawn	**1.176%**	**1.084%**		**0.113**	**$/GJ** /u
Parkway to Kirkwall	**0.576%**	**0.484%**		**0.113**	**$/GJ** /u
Kirkwall to Dawn	**1.084%**	**1.084%**		**0.045**	**$/GJ** /u
Firm Transportation From:					
Dawn to St. Clair and Bluewater	**0.527%**	**0.603%**		**0.220**	**$/GJ** /u
Dawn to Ojibway	**0.484%**	**0.571%**		**0.220**	**$/GJ** /u
St. Clair and Bluewater to Dawn	**0.527%**	**0.603%**		**0.060**	**$/GJ** /u
Ojibway to Dawn	**1.047%**	**0.738%**		**0.060**	**$/GJ** /u
Transportation Between Two Points within Dawn:					
Firm Transportation					
Dawn to Dawn-Vector	**0.484%**	**0.484%**		**0.001**	**$/GJ**
Dawn to Dawn-TCPL	**0.484%**	**0.484%**		**0.001**	**$/GJ**

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 the Company's contractual obligation.

TERMS OF SERVICE

For Rate C1 contracts with an effective date of October 1, 2010 or later, the Schedule "A 2010" (General Terms & Conditions) posted on the Enbridge Gas website at www.enbridgegas.com shall apply.

Nominations

For Rate C1 contracts with an effective date of October 1, 2010 or later, Article XXII (Nominations) the Schedule "A 2010" posted on the Enbridge Gas website at www.enbridgegas.com shall apply.

Receipt and Delivery Points and Pressures

For Rate C1 contracts with an effective date of October 1, 2020 or later, Article XXIII (Receipt and Delivery Points and Pressures) of the Schedule "A 2010" posted on Enbridge Gas website at www.enbridgegas.com shall apply.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RIDER: A	DIRECT PURCHASE

APPLICABILITY

This rider is applicable to any Customer who enters into a Direct Purchase Agreement with the Company under any rate schedule other than the following: Rates 125 and 300 in the EGD Rate Zone. Prior to 2024, this rider was included in the Rate R1 rate schedule, the Rate 30 rate schedule, the Union North and South Schedule A and EGD rate zone Rider H.

ADMINISTRATION RATES AND CHARGES

Monthly Direct Purchase Administration Charges			
Monthly Fee per pool/contract		**$122.00**	
Notice of Switch Letter Service Charge, per transaction		**$2.11**	
Distributor Consolidated Billing Charges			
Distributor Consolidated Billing Fee, per month, per account		**$2.23**	
Invoice Vendor Adjustment (IVA) Fee, per successful transaction		**$1.41**	
Parkway Delivery Commitment Incentive (PDCI)	(if applicable)	**(0.173) $/GJ**	/u

BALANCING RATES AND CHARGES

EGD RATE ZONE CHARGES

Average Cost of Firm Transportation
The average cost of Firm Transportation effective January 1, 2024:

Transportation	**0.8875 ¢/m³**
Transportation Western	**2.7495 ¢/m³**

In-Franchise Title Transfer Service
In any Direct Purchase Agreement between the Company and the Customer, a Customer may elect to initiate a transfer of Gas from one of its pools to the pool of another Customer for the purposes of reducing an imbalance between the Customer's deliveries and Consumption as recorded in its Banked Gas Account or Cumulative Imbalance Account. Elections must be made in accordance with the Company's policies and procedures related to transaction requests under the Direct Purchase Agreement.

The Company will not apply an Administration charge for transfers between pools that have similar Points of Receipt (i.e. both Ontario, both Western, or both Dawn Points of Receipt). For transfers between pools that have dissimilar Points of Receipt (i.e. one Ontario and one Western Point of Receipt or, one Western and one Dawn Point of Receipt), the Company will apply the following Administration Charge per transaction to the pool transferring the Gas (i.e. the seller or transferor).

Administration Charge **$169.00 per transaction**

The applicable average cost of transportation above is adjusted for transfers between Western, Dawn and Ontario Points of Receipt, so that the seller pool (transferor) is charged the applicable cost for the quantity transferred and the buyer pool or /u
(recipient) is remitted at the applicable cost for the quantity transferred. /u

Enhanced Title Transfer Service
In any Direct Purchase Agreement between the Company and the Customer, the Customer may elect to initiate a transfer of Gas between the EGD and Union rate zones and/or other market participants at Dawn for the purposes of reducing an imbalance between the Customer's deliveries and Consumption within the EGD rate zone. The ability of the Company to accept such an election may be constrained at various points in time for Customers obtaining services under any rate other than Rate 125 or 300 due to operational considerations of the Company.

RIDER: A	DIRECT PURCHASE

The cost for this service is separated between an Adminstration Charge that is applicable to all Customers and a Bundled Service Charge that is only applicable to Customers obtaining services under any rate other than Rate 125 or 300.

Administration Charge

Base Charge	**$50.00**	**per transaction**
Commodity Charge	**$0.8649**	**per 10^3m^3**

Bundled Service Charge

The Bundled Service Charge shall be equal to the absolute difference between the Eastern Zone and Southwest Zone Firm Transportation tolls approved by the National Energy Board for TCPL at a 100% Load Factor.

Also, the average cost of transportation for the transferred quantity is charged to the Customer with a Western Point of Receipt for /u
transfers to another party. The average cost of transportation below for the transferred quantity is remitted to the Customer with a /u
Western Point of Receipt for transfers from another party.

Gas In Storage Title Transfer

A Customer that holds a contract for Storage Services under Rate 315 or 316 may elect to initiate a transfer of title to the Gas currently held in storage between the Storage Service and another Storage Service held by the Customer, or any other Customer that has contracted with the Company for Storage Services under Rate 315 or 316. The service will be provided on a Firm basis up to the quantity of Gas that is equivalent to the more restrictive Firm withdrawal and injection parameters of the two parties involved /u
in the transfer. Transfer of title at rates above this level may be done on at the Company's discretion.

For Customers requesting service between two Storage Service Contracts that have like services, each party to the request shall pay an Administration Charge applicable to the request. Services shall be considered to be alike if the injection and deliverability rate at the ratchet levels in effect at the time of the request are the same and both services are Firm or both services are Interruptible. In addition to like services, the Company, at its sole discretion based on operational conditions, will also allow for the transfer of Gas from a Storage Service Contract that has a level of deliverability that is higher than the level of deliverability of the Storage Service Contract the Gas is being transfered to with only the Administration Charge being applicable to each party.

Administration Charge **$25.00** **per transaction**

In addition to the Administration Charge, Customers requesting service between two Storage Service Contracts not addressed in the preceding paragraph would be subject to the injection and withdrawal charges specified in their contracts.

BGA Rollover	**0.8292 ¢/m^3**
Curtailment Delivered Supply	**No Charge**
Make-up Gas and Suspensions	**No Charge**

Incremental Storage Space / Loan Service

May be available from the Company at negotiated prices.

UNION NORTH RATE ZONE CHARGES

Bundled Transportation

In-franchise Transfers from Union North West Bundled Transportation Service

For transfer of Gas to:

Union North East and Union South Bundled Transportation and Union South Transportation (Rate T1, T2 and T3)	**0.521 $/GJ**
Union North West Bundled Transportation	**0.044 $/GJ**

In-franchise Transfers from Union North East Bundled Transportation Service

For transfer of Gas to:

Union North East and Union South Bundled Transportation and Union South Transportation (Rate T1, T2 and T3)	**0.044 $/GJ**
Union North West Bundled Transportation	**0.044 $/GJ**

Ex-franchise Transfers at Dawn

For transfer of Gas from:

Union North West Bundled Transportation Service	**1.398 $/GJ**
Union North East Bundled Transportation Service	**0.044 $/GJ**

DCQ Assignment **No Charge**

Incremental Supply & Suspensions **No Charge**

Incremental Storage Space / Loan Service

May be available from the Company at negotiated prices.

Transportation Customer Balancing Service (CBS)

Daily Balancing Service Fee

Applied to all CBS quantities based on a proportionate share of TransCanada costs incurred by the Company to provide the balancing service. /u

CBS Commodity Fees

Applied to all CBS quantities injected or withdrawn on the day if the CBS opening balance is less than 40% of CBS upper tolerance.	**0.03 $/GJ**	/u
Applied to all CBS quantities injected or withdawn on the day if the CBS opening balance is between 40% and 100% of CBS upper tolerance.	**0.05 $/GJ**	/u

If authorized, Overrun will be charged 50% of the Union North Bundled (T-Service) Storage Authorized Overrun Commodity Charge for Rate 20 or Rate 100 as applicable for all CBS quantities if the CBS opening balance exceeds the upper tolerance. If unauthorized, Overrun will be charged the greater of i) 100% of the Union North Bundled (T-Service) Storage Authorized Overrun Commodty Charge for Rate 20 or Rate 100 or ii) the maximum cumulative balancing fee as defined in TransCanada's tariff for all CBS quantities if the CBS opening balance exceeds the upper tolerance. /u /u

For Customers who have contracted for the hourly CBS service, an Overrun charge is applied if a Customer's injection into or withdrawal from the CBS account in any hour exceeds the Customer's contracted Hourly Balancing Amount. The Hourly Overrun Fee is applied on all quantities in any hour in excess of the Hourly Balancing Amount. If authorized, Overrun will be charged 50% of the Union North Bundled (T-Service) Storage Authorized Overrun Commodity Charge for Rate 20 and Rate 100. If unauthorized, Overrun will be charged the greater of i) 100% of the Union North Bundled (T-Service) Storage Authorized Overrun Commodity Charge for Rate 20 and Rate 100 or ii) the maximum cumulative balancing fee as defined in TransCanada's tariff. /u

CBS Cumulative Balancing Fee

The Cumulative Balancing Service Fee is applied daily when a Customer's CBS ending balance exceeds the Customer's upper tolerance. The Cumulative Balancing Fee is calculated as 25% of the Kingston Public Utilities Corporation (KPUC) EDA FT (1) toll, as defined in TransCanada's tariff, multiplied by the CBS ending balance in excess of the upper tolerance. The fee is applied daily if a Customer's CBS ending balance exceeds their upper tolerance. The Fee applies only to the quantity in excess of the upper tolerance.

For Customers who have contracted for the Hourly CBS Service, the CBS Cumulative Balancing Service Fee is applied if a Customer's maximum hourly CBS balance for the day is in excess of the Customer’s upper tolerance. The Fee applies only to the quantity in excess of the upper tolerance.

(1) TransCanada rates, Mainline FT tolls in effect

Incremental Storage Space / Loan Service

May be available from the Company at negotiated prices.

UNION SOUTH RATE ZONE CHARGES

In-franchise Transfers from Union South Bundled Transportation Service **0.044 $/GJ**

For transfer of Gas to:

Union North East, Union North West and Union South Bundled Transportation and Union South Transportation (Rate T1, T2 and T3)

RIDER: A	DIRECT PURCHASE

In-franchise Transfers from Union South Transportation Service (Rate T1, T2 and T3)	**No Charge**
For transfer of Gas to:	
Union North East, Union North West and Union South Bundled Transportation and Union South Transportation (Rate T1, T2 and T3)	
Underground In-franchise Transfer (UIFT) (applicable to Rate T1, T2 and T3)	**No Charge**
Daily Variance Account Transfer During Interruption (applicable to CMS Customers under Rate T2)	**No Charge**
Ex-franchise Transfers at Dawn	
For transfer of Gas from:	
Union South Bundled Transportation Service	**0.044 $/GJ**
Union South Transportation Service (Rate T1, T2 and T3)	**No Charge**
Discretionary Gas Supply Service (DGSS)	
Discretionary Gas Supply Service price includes the Gas Supply Administration Charge	**0.030 $/GJ**
Plus Gas supply cost	
DCQ Assignment	**No Charge**
Incremental Supply & Suspensions	**No Charge**
Incremental Storage Space / Loan Service	
May be available from the Company at negotiated prices.	

COMPLIANCE RATES AND CHARGES

EGD RATE ZONE CHARGES

Unauthorized Supply Overrun Gas

The quantity of Gas by which the Daily Contract Quantity applicable exceeds the Daily Delivered Volume delivered by the Customer to the Company shall constitude Unauthorized Supply Overrun Gas. The rate applicable shall be 150% of the highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the Enbridge CDA and the Enbridge EDA delivery areas respectively. /u

Failure to Balance a Supply Shortfall Position

Any quantity of Gas that is not within 5.5% of the lower tolerance of the BGA at the end of the applicable pool's term will have been deemed as sold to the Company at the rates below: /u

Bundled Western Transportation Service

A price equal to 120% of the average price over the contract year, based on the published index price for the Monthly AECO/NIT supply adjusted for Nova's AECO to Empress transportation tolls and compressor fuel costs. /u

Bundled Dawn Transportation Service

A price equal to 120% of the average price over the contract year, based on the published index price for the Monthly AECO/NIT supply adjusted for Nova's AECO to Empress transportation tolls including compressor fuel costs, plus the Company's average transportation cost to its franchise area over the contract year and less the Company's average Dawn T-Service transportation cost to the franchise area over the contract year. /u

Bundled Ontario Transportation Service

A price equal to 120% of the average price over the contract year, based on the published inded price for the Monthly AECO/NIT supply adjusted for Nova's AECO to Empress transporation tolls and compressor fuel costs, plus the Company's average transporation cost to its franchise area over the contract year. /u

RIDER: A	DIRECT PURCHASE

Failure to Balance an Excess Supply Position
Any quantity of Gas that is not within 5.5% of the upper tolerance of the BGA at the end of the applicable pool's term will have been deemed as sold to the Company at the rates below: /u

Bundled Western Transportation Service
A price equal to 80% of the average price over the contract year, based on the published index price for the Monthly AECO/NIT supply adjusted for Nova's AECO to Empress transportation tolls and compressor fuel costs, less the Company's average transportation cost to its franchise area over the contract year. /u

Bundled Dawn Transportation Service
A price equal to 80% of the average price over the contract year, based on the published index price for the Monthly AECO/NIT supply adjusted for Nova's AECO to Empress transportation tolls including compressor fuel costs, less the Company's average Dawn T-Service transportation cost to the franchise area over the contract year. /u

Bundled Ontario Transportation Service
A price equal to 80% of the average price over the contrac year, based on the published index price for the Monthly AECO/NIT supply adjusted for Nova's AECO to Empress transporation tolls and compressor fuel costs. /u

UNION NORTH RATE ZONE CHARGES

Failure to Deliver
If the Company chooses to replace the Gas, the Customer must reimburse the Company.

Failure to Balance a Supply Shortfall Position

The Customer must reimburse the Company for the shortfall balance at a rate equivalent to the Enbridge Gas reference price.

Failure to Balance an Excess Supply Position
The Customer will be reimbursed by the Company for the excess supply at a rate equivalent to the Enbridge Gas reference price.

UNION SOUTH RATE ZONE CHARGES

Bundled Direct Purchase

Failure to Deliver
Applied to quantities not delivered to the Company in the event the Customer's supply fails. **4.968 $/GJ** /u
If the Company chooses to replace the Gas, the Customer must reimburse the Company.

Banked Gas Account Overdraft
Applied when Customer does not deliver enough gas to meet balancing obligations. The charge for banked Gas purchases /u
shall be the greater of the highest daily spot cost at Dawn in the month of or the month following the month in which Gas is sold /u
under this rate and shall not be less than the Company's reference price. /u

Banked Gas Account Overrun **6.000 $/GJ**

Transportation Service (Rate T1, T2 and T3)

Failure to Deliver
Applied to quantities not delivered to the Company in the event the Customer's supply fails. **4.968 $/GJ** /u
If the Company chooses to replace the Gas, the Customer must reimburse the Company.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RIDER: C	GAS COST ADJUSTMENT

APPLICABILITY

This rider is applicable to all gas sold or delivered during the period of January 1, 2024 to December 31, 2024.

RATES AND CHARGES

	Sales Service (¢/m³)	Western Transportation Service (¢/m³)	Ontario Transportation Service (¢/m³)	Dawn Transportation Service (¢/m³)
EGD Rate Zone				
Rate Class				
Rate 1				
Rate 6				
Rate 9				
Rate 100				
Rate 110				
Rate 115				
Rate 135				
Rate 145				
Rate 170				
Rate 200				

	Union North West		Union North East	
	Sales Service (¢/m³)	Bundled Transportation Service (¢/m³)	Sales Service (¢/m³)	Bundled Transportation Service (¢/m³)
Union Rate Zones				
Union North Rate Class				
Rate 01				
Rate 10				
Rate 20				
Rate 25				
Rate 100				

	Sales Service (¢/m³)
Union South Rate Class	
Rate M1	
Rate M2	
Rate M4	
Rate M5	
Rate M7	
Rate M9	

RIDER: C	GAS COST ADJUSTMENT

EGD Rate Zone Rate Class		Sales Service (¢/m³)	Western Transportation Service (¢/m³)	Ontario Transportation Service (¢/m³)	Dawn Transportation Service (¢/m³)
Rate 1	Commodity				
	Transportation				
	Load Balancing				
	Total				
Rate 6	Commodity				
	Transportation				
	Load Balancing				
	Total				
Rate 9	Commodity				
	Transportation				
	Load Balancing				
	Total				
Rate 100	Commodity				
	Transportation				
	Load Balancing				
	Total				
Rate 110	Commodity				
	Transportation				
	Load Balancing				
	Total				
Rate 115	Commodity				
	Transportation				
	Load Balancing				
	Total				
Rate 135	Commodity				
	Transportation				
	Load Balancing				
	Total				
Rate 145	Commodity				
	Transportation				
	Load Balancing				
	Total				
Rate 170	Commodity				
	Transportation				
	Load Balancing				
	Total				
Rate 200	Commodity				
	Transportation				
	Load Balancing				
	Total				

RIDER: C	GAS COST ADJUSTMENT

Union Rate Zones Union North Rate Class		Union North West Sales Service (¢/m³)	Union North West Bundled Transportation Service (¢/m³)	Union North East Sales Service (¢/m³)	Union North East Bundled Transportation Service (¢/m³)
Rate 01	Commodity				
	Transportation				
	Total				
Rate 10	Commodity				
	Transportation				
	Total				
Rate 20	Commodity				
	Transportation				
	Total				
Rate 25	Commodity				
	Transportation				
	Total				
Rate 100	Commodity				
	Transportation				
	Total				

Union South Rate Class		Sales Service (¢/m³)
Rate M1	Commodity	
Rate M2	Commodity	
Rate M4	Commodity	
Rate M5	Commodity	
Rate M7	Commodity	
Rate M9	Commodity	

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RIDER: D	DEFERRAL AND VARIANCE ACCOUNT CLEARANCE

APPLICABILITY

This rider is applicable to all Gas sold or delivered during the period of January 1, 2024 to December 31, 2024.

RATES AND CHARGES

EGD Rate Zone

Rate Class		
Rate 1	(0.8018)	¢/m³
Rate 6	(0.2093)	¢/m³
Rate 100	(1.2354)	¢/m³/d
Rate 110	(1.8490)	¢/m³/d
Rate 115	(2.3817)	¢/m³/d
Rate 125	(1.4324)	¢/m³/d
Rate 135	(0.2368)	¢/m³
Rate 145	(0.5233)	¢/m³/d
Rate 170	(0.1947)	¢/m³/d
Rate 200	(0.0681)	¢/m³/d
Rate 300	0.0000	¢/m³/d
Rate 300 Interruptible	0.0000	¢/m³/d

Union Rate Zones

Union North Rate Class			
Rate 01	(0.7174)	¢/m³	/u
Rate 10	(0.1730)	¢/m³	/u
Rate 20	(1.4136)	¢/m³/d	/u
Rate 25	(0.1043)	¢/m³	/u
Rate 100	(1.5057)	¢/m³/d	/u
			/u
Union South Rate Class			/u
Rate M1	(0.7342)	¢/m³	/u
Rate M2	(0.1848)	¢/m³	/u
Rate M4 Firm	(1.9101)	¢/m³/d	/u
Rate M4 Interruptible	(0.1519)	¢/m³	/u
Rate M5 Firm	(3.5162)	¢/m³/d	/u
Rate M5 Interruptible	(0.1235)	¢/m³	/u
Rate M7 Firm	(0.4433)	¢/m³/d	/u
Rate M7 Interruptible	(0.0596)	¢/m³	/u
Rate M9	(0.3900)	¢/m³/d	/u
Rate T1 Firm	(1.4901)	¢/m³/d	/u
Rate T1 Interruptible	(0.0116)	¢/m³	/u
Rate T2 Firm	(1.4478)	¢/m³/d	/u
Rate T2 Interruptible	(0.0636)	¢/m³	/u
Rate T3	(0.2028)	¢/m³/d	/u

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RIDER: E	REVENUE ADJUSTMENT

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RIDER: G	SERVICE CHARGES

APPLICABILITY

This rider is applicable to any Customer utilizing any service outlined in this schedule.

RATES AND CHARGES	Rate (excluding HST)	
New Account Establishing a new Customer account and activating billing information.	$ 25.00	per new account
Non-Sufficient Funds Recovers the amount charged from the financial institution.	$ 20.00	per occurrence
Construction Heat Activation For the temporary use of Gas for buildings under construction before a building is occupied.	$ 120.00	per occurrence
Safety Inspection To review the condition of appliances that must be performed when Gas is either first introduced or reintroduced at a premise. First inspections at the time Gas is first introduced to a premise is free of charge.	$ 120.00	per premise
Meter Unlock For turning the meter on after deactivation to reconnect the Customer to Gas service.	$ 120.00	per occurrence
Meter Dispute Test When a Customer disputes the accuracy of a meter at their premise and requests a meter test. The charge is applied if the test confirms the meter was not faulty.	$ 194.00	per occurrence
Extra Length Charge (ELC) New residential services connecting to existing mains are allowed a 20 metre service at no cost to the Customer. Any service longer than this allowable threshold is charged an ELC on a per metre basis. (1)	$ 122.00	per metre beyond 20 metres
Locate Delivery Charge Third-party contractors that request field locates of Enbridge Gas underground infrastructure.	$ 200.00	per locate
<u>Damage Cost Recovery Charges (2)</u>		
Emergency Crew Response Redirecting resources from active field sites of planned Enbridge Gas work in order to respond to a damage.	$ 290.00	per damage
Damage Investigation Dispatching resources to analyze damage and determine the root cause.	$ 550.00	per damage
Loss of Containment (Gas Loss) Recovers the value of Gas fugitive emissions lost to the atmosphere.	Varies	

<u>Notes:</u>

(1) Service length is measured from the property line to the metre location.

(2) Actual damage charge recoveries can be subject to litigation and dispute processes, including court orders and settlements.

RIDER: G	SERVICE CHARGES

	Rate (excluding HST)
Custom Charges	
Required to recover the costs incurred per occurrence for a variety of services where the work and the associated costs are not consistent. The custom charge can include regular labour, overtime labour, third party invoices and/or material. Examples of custom charges include damage response, damage remediation and ad-hoc Customer requested services. Custom charges also include installation costs in the event a Customer does not use Gas within six months of installation of a new Gas service.	
Regular Labour	$ 178.00 per hour
Overtime Labour	$ 223.00 per hour
Third Party Invoices	Based on invoice
Materials	Based on cost

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RIDER: I	SYSTEM EXPANSION AND TEMPORARY CONNECTION SURCHARGES

APPLICABILITY

This rider is applicable to the Point of Consumption of any Customer who receives Gas distribution services from the Company as part of a Community Expansion Project, Small Main Extension or Customer Attachment Project, as defined below. The System Expansion Surcharge (SES) and Temporary Connection Surcharge (TCS) are in addition to the rates charged pursuant to the applicable rate schedules.

RATES AND CHARGES

System Expansion Surcharge (SES)	**0.2300**	**¢/m³**
Temporary Connection Surcharge (TCS)	**0.2300**	**¢/m³**

SES and TCS Additional Terms and Conditions:

a) The Company may apply the SES for a term of up to 40 years, to be determined in accordance with the Company's feasibility policy;

b) The Company may require payment of a Contribution in Aid of Construction (CIAC) or apply the TCS for a term of up to 40 years, to be determined in accordance with the Company's feasibility policy;

c) The Community Expansion Projects to which the SES apply are set out below. The Company will publish the geographic location, effective date and term of TCS project areas on the Company's website. Subject to d) below, the SES and TCS will apply to all Points of Consumption within the geographic location for the term, notwithstanding any change of ownership or occupancy; and

d) The Company's estimated annual supply of Gas at the Point of Consumption must be no more than 50,000 m³. For any Terminal Location with an estimated annual supply of Gas greater than 50,000 m³, the Customer may elect to pay the SES or TCS, as applicable, or pay a CIAC.

GLOSSARY OF TERMS

Community Expansion Project
A Gas system expansion project undertaken by the Company for which the PI is less than 1.0 and which will provide first-time Gas system access to a minimum of 50 potential Customers.

Contribution in Aid of Construction (CIAC)
The Company's calculation in accordance with its feasibility policy of the amount of Customer financial contributions required to reduce the capital cost of a project to serve one or more Customers so that the project becomes feasible.

Small Main Extension and Customer Attachment Projects
A Gas system extension or expansion project undertaken by the Company for which the PI is less than 1.0 and which will provide Gas system access to less than 50 potential Customers.

Profitability Index (PI)
The Company's calculation in accordance with its feasibility policy of the ratio of the net present value (NPV) of the net cash inflows to the NPV of the net cash outflows for a Gas system expansion or extension project undertaken by the Company.

RIDER: I	SYSTEM EXPANSION AND TEMPORARY CONNECTION SURCHARGES

COMMUNITY EXPANSION PROJECTS AND EFFECTIVE DATES

Rate Zone	Community Expansion Project Description	In-service Date	SES initial Term	Board Order Number
EGD	Town of Fenelon Falls	2020	40 years	EB-2017-0147
EGD	Scugog Island	2021	40 years	EB-2017-0261
Union South	Kettle and Stony Point First Nation and Lambton Shores	2017	12 years	EB-2015-0179
Union South	Milverton, Rostock and Wartburg	2017	15 years	EB-2015-0179
Union South	Delaware Nation of Moraviantown First Nation	2018	40 years	EB-2015-0179
Union South	Chippewas of the Thames First Nation	2019	40 years	EB-2019-0139
Union South	Saugeen First Nation	2020	40 years	EB-2019-0187
Union North	Prince Township	2018	22 years	EB-2015-0179
Union North	North Bay - Northshore and Peninsula Roads	2020	40 years	EB-2019-0188

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RIDER: J	CARBON CHARGES

APPLICABILITY

This rider is applicable to all Gas delivered or transported.

RATES AND CHARGES

	Federal Carbon Charge (if applicable) ¢/m³	Facility Carbon Charge ¢/m³
EGD Rate Zone		
Rate Class		
Rate 1	7.8300	0.0066
Rate 6	7.8300	0.0066
Rate 9	7.8300	0.0066
Rate 100	7.8300	0.0066
Rate 110	7.8300	0.0066
Rate 115	7.8300	0.0066
Rate 125	7.8300	0.0066
Rate 135	7.8300	0.0066
Rate 145	7.8300	0.0066
Rate 170	7.8300	0.0066
Rate 200	0.0000	0.0066
Rate 300	7.8300	0.0066
Rate 315	0.0000	0.0066
Rate 316	0.0000	0.0066
Rate 320	0.0000	0.0000
Rate 325	0.0000	0.0066
Rate 330	0.0000	0.0066
Rate 331	0.0000	0.0066
Rate 332	0.0000	0.0066

RIDER: J	CARBON CHARGES

	Federal Carbon Charge (if applicable) ¢/m³	Facility Carbon Charge ¢/m³
Union Rate Zones		
Union North Rate Class		
Rate 01	7.8300	0.0127
Rate 10	7.8300	0.0127
Rate 20	7.8300	0.0127
Rate 25	7.8300	0.0127
Rate 100	7.8300	0.0127
Union South Rate Class		
Rate M1	7.8300	0.0127
Rate M2	7.8300	0.0127
Rate M4	7.8300	0.0127
Rate M5	7.8300	0.0127
Rate M7	7.8300	0.0127
Rate M9	7.8300	0.0127
Rate T1	7.8300	0.0127
Rate T2	7.8300	0.0127
Rate T3	7.8300	0.0127
	$/GJ	$/GJ
Rate M12	0.0000	0.004
Rate M13	0.0000	0.004
Rate M16	0.0000	0.004
Rate M17	0.0000	0.004
Rate C1	0.0000	0.004

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RIDER: K	BILL 32 AND ONTARIO REGULATION 24/19

APPLICABILITY

This rider is applicable to Customers taking service within the rate classes listed below to comply with Bill 32 and Ontario Regulation 24/19 for the expansion of Gas distribution systems within Ontario.

RATES AND CHARGES

	Monthly Charge Per Customer $	
EGD Rate Zone		
Rate Class		
Rate 1	1.00	
Rate 6	1.00	
Rate 100	1.00	
Rate 110	1.00	
Rate 115	1.00	
Rate 125	1.00	
Rate 135	1.00	
Rate 145	1.00	
Rate 170	1.00	
Union Rate Zones		
Union North Rate Class		
Rate 01	1.00	
Rate 10	1.00	
Rate 20	1.00	
Rate 100	1.00	
Union South Rate Class		
Rate M1	1.00	
Rate M2	1.00	
Rate M5	1.00	
Rate T1	1.00	
Rate T2	1.00	
Rate M4	1.00	Billed annually
Rate M7	1.00	Billed annually

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RIDER: L	VOLUNTARY RNG PROGRAM

APPLICABILITY

This rider is applicable to Sales Service Customers in the below rate classes who elect to participate in the Company's Voluntary Renewable Natural Gas (RNG) Program to fund the incremental cost of the Company's purchase of RNG as part of System Supply. The charge is a fixed monthly amount that applies (i) to the Customer and not to the Point of Consumption or address; and (ii) whether or not the Customer consumes Gas within the month.

RATES AND CHARGES

	Monthly Charge Per Customer $
EGD Rate Zone	
Rate Class	
Rate 1	2.00
Rate 6	2.00
Union Rate Zones	
Union North Rate Class	
Rate 01	2.00
Rate 10	2.00
Union South Rate Class	
Rate M1	2.00
Rate M2	2.00

MINIMUM TERM

The minimum term available is one complete Billing month renewing automatically monthly until terminated by the Customer or until the Company terminates the Voluntary RNG Program, whichever occurs earlier. Any termination will be effective as of the next Billing Period for the Customer.

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RIDER: M	HYDROGEN GAS

APPLICABILITY

This rider is applicable to the Point of Consumption of any Customer who, pursuant to any rate schedule, receives Gas distribution services from the Company as part of a Hydrogen Blending Pilot Project listed below. The Hydrogen Gas Rider will compensate Customers in the applicable Blended Gas Area for costs associated with increased Gas Consumption resulting from a lower heating value of the Gas and is in addition to the rate charged pursuant to the applicable rate schedule.

RATES AND CHARGES

Hydrogen Gas Rider for Customers in the Blended Gas Area

Rate 1: A credit of $20.00 per year per Point of Consumption
Rate 6: A credit of $175.00 per year per Point of Consumption

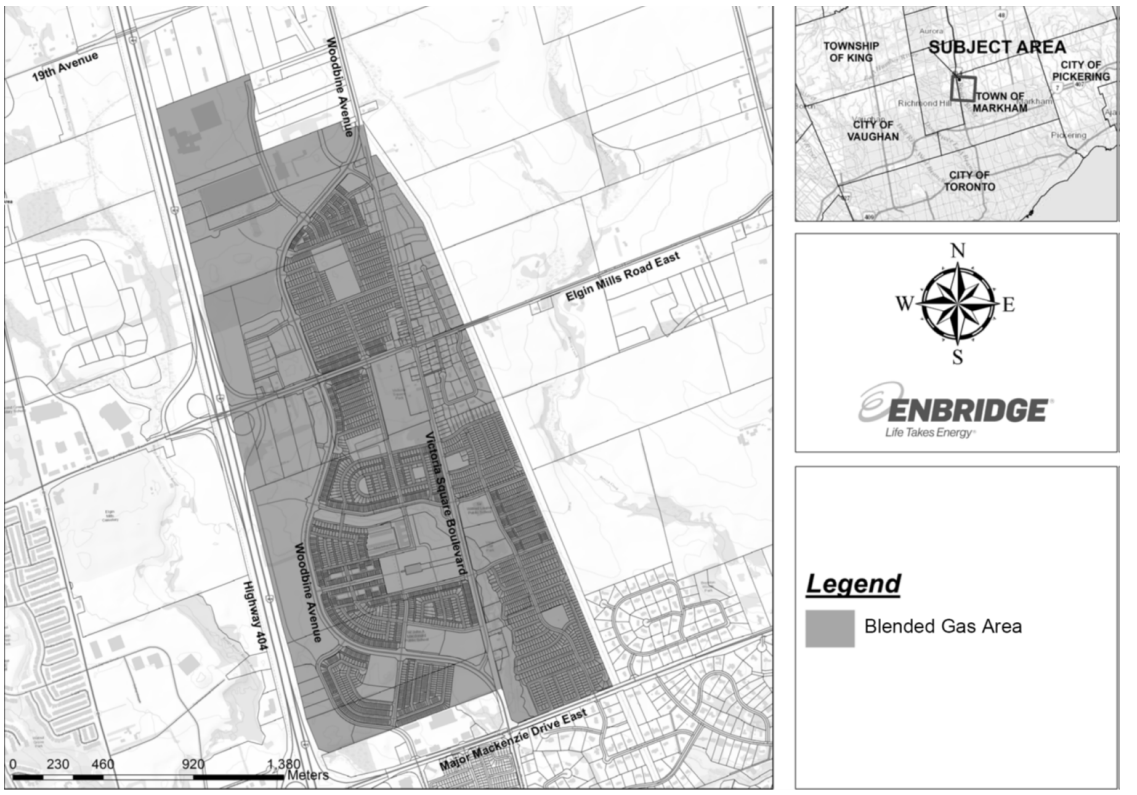
HYDROGEN BLENDING PILOT PROJECT AND EFFECTIVE DATE

Description	In-service Date	Term	Board Order Number
Hydrogen Blending Pilot Project Markham (see map below)	August 1, 2021	To be reviewed annually and updated if there is a material change in the price of Gas.	EB-2019-0294

GLOSSARY OF TERMS

Hydrogen Blending Pilot Project
A project for which the Company blends its standard Gas supply with up to 2% of hydrogen gas (blended gas) for distribution within an isolated portion the Gas Distribution System called the Blended Gas Area.

Markham Blended Gas Area Map



Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RIDER: N	ENERGY TRANSITION TECHNOLOGY FUND

APPLICABILITY

This rider is applicable to Customers taking service within the rate classes listed below.

RATES AND CHARGES

	Monthly Charge Per Customer $	
EGD Rate Zone		
Rate Class		
Rate 1	0.11	
Rate 6	0.11	
Rate 100	0.11	
Rate 110	0.11	
Rate 115	0.11	
Rate 125	0.11	
Rate 135	0.11	
Rate 145	0.11	
Rate 170	0.11	
Rate 200	0.11	
Union Rate Zones		
Union North Rate Class		
Rate 01	0.11	
Rate 10	0.11	
Rate 20	0.11	
Rate 25	0.11	
Rate 100	0.11	
Union South Rate Class		
Rate M1	0.11	
Rate M2	0.11	
Rate M5	0.11	
Rate T1	0.11	
Rate T2	0.11	
Rate M4	0.11	Billed annually
Rate M7	0.11	Billed annually

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RIDER: O	AVERAGE INTERRUPTIBLE RATE AND PRICE ADJUSTMENT

APPLICABILITY

This rider is applicable to Customers with a negotiated rate taking service within the rate classes listed below.

RATES AND CHARGES

	Increase / (Decrease) ¢/m³	Rate ¢/m³	
Union Rate Zones			
Union North Rate Class			
Rate 25			
Monthly Charge	-		
Delivery Commodity Charge	(41.3%)		/u
Gas Commodity Price Adjustment		-	
Union South Rate Class			
Rate M4			
Monthly Charge	($255.88)		
Interruptible Delivery Commodity Charge	(1.5163)		/u
Rate M5			
Monthly Charge	($255.88)		
Interruptible Delivery Commodity Charge	(1.3754)		/u
Rate M7			
Monthly Charge	-		
Interruptible Delivery Commodity Charge	(42.6%)		/u
Seasonal Delivery Commodity Charge	(42.6%)		/u
Rate T1			
Interruptible Transportation - Customer Supplied Fuel	(84.9%)		/u
Rate T2			
Interruptible Transportation - Customer Supplied Fuel	(48.3%)		/u

Effective **January 1, 2024**
Implemented **January 1, 2024**
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

Harmonized Rate Handbook

ENBRIDGE GAS INC.

RATE HANDBOOK

INDEX

PART I	**DESCRIPTION OF SERVICES AVAILABLE** **1. Distribution Services** **2. Direct Purchase Services** **3. Ex-Franchise Services**	**Page 1**
PART II	**TERMS AND CONDITIONS APPLICABLE TO SERVICES**	**Page 2**
PART III	**GLOSSARY OF TERMS**	**Page 4**
PART IV	**RATE SCHEDULES**	**Page 6**

Effective
Implemented

OEB Order EB-2022-0200
Supersedes EB-2022-0089 effective April 1, 2022

The application of rates and charges within this Rate Handbook to services rendered by the Company to a Customer shall be in accordance with an order of the Ontario Energy Board (OEB) and is applicable from its effective date until such time as it is superseded by a subsequent Order of the OEB.

Either the Company or a Customer, or potential Customer, may apply to the OEB 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.

PART I

DESCRIPTION OF SERVICES AVAILABLE

The provisions of PART I are intended to provide a general description of services offered by the Company and certain matters relating thereto. Such provisions are not definitive or comprehensive as to their subject matter and may be changed by the Company at any time without notice.

The Company provides in-franchise Distribution and Direct Purchase services and ex-franchise transportation services to Customers.

1. DISTRIBUTION SERVICES

The Company provides in-franchise distribution services for the transportation of Gas, using the Company's Distribution System, to the Point(s) of Consumption at which the Gas will be used by the Customer. The Gas to be transported may be owned by the Customer (through Direct Purchase Services described in section 2 below) or by the Company. In the latter case, the Gas will be sold to the Customer at the outlet of the meter located at the Point(s) of Consumption.

In-franchise distribution services are offered by the Company without a Service Contract under General Service, as provided under the Rate E01 and Rate E02 schedules of the Company. General service customers are subject to the Company's Conditions of Service.

In-franchise Distribution Services available under a Service Contract with the Company consist of Firm, Seasonal Firm, and/or Interruptible Services. The availability of services may be limited if the Company's Distribution System does not have sufficient physical capacity under current operating conditions to accommodate such services. A customer may group multiple meters as a Point of Consumption, provided they are on a contiguous property for the purposes of qualifying for a rate. The specific terms and conditions associated with contracted in-franchise Distribution Services are provided in the Service Contract between the Company and the Customer. Customers whose operations present a risk to the operational integrity of the Company's Distribution System may, at the Company's sole discretion, not be eligible for General Service and may be limited to in-franchise Distribution Service under a Service Contract.

In addition to the rates quoted within the Rate Schedules, Customers taking in-franchise Distribution Service may be required to pay any one-time charges as approved by the OEB from time to time.

2. DIRECT PURCHASE SERVICES

The Company provides Direct Purchase (DP) Service options that allow for Customers to contract to provide their own Gas supply to meet their Consumption needs. The Company, in turn, delivers that Gas to the Customer's Point(s) of Consumption through in-franchise Distribution Services discussed in Section 1 above. DP Service options include:

a) Bundled DP

b) Semi-unbundled DP

c) Unbundled DP

The availability of DP Service options may be limited to those specific to the Customer's location.

The specific terms and conditions associated with contracted DP Services are set out in the Service Contract between the Company and the Customer, or an Agent or Energy Marketer on behalf of the Customer. The contract administration charges, balancing transaction service charges, and compliance charges associated with DP Services are contained in the Rate Schedules and in Rider A of this Rate Handbook.

a) Bundled DP

The bundled DP Service option allows a Customer, or an Agent or Energy Marketer on the Customer's behalf, to contract to deliver their own Gas supply through a fixed quantity of Gas (Daily Contract Quantity or DCQ) to the Company to meet planned annual Consumption at the Customer's Point(s) of Consumption. The Customer is obligated to deliver the Gas at the Point(s) of Receipt identified in the Service Contract. During any period of Interruption of in-franchise Distribution Service as ordered by the Company, the Customer must continue to deliver its DCQ.

The Company tracks and manages the differences between the Customer's Daily Delivered Volume and Consumption under the bundled DP Service in a Banked Gas Account (BGA). The Customer is obligated to balance for differences between actual and planned Consumption at specific times during the year. To assist with balancing the BGA, the Company provides a suite of balancing transaction services as contained in Rider A of this Rate Handbook.

b) Semi-Unbundled DP

The Company provides a semi-unbundled DP Service under Rate E20 and Rate E64. The semi-unbundled DP Service allows the Customer to contract to deliver an obligated DCQ of Gas to the Company to meet planned annual Consumption at Customer's Point(s) of Consumption. The Customer is obligated to deliver the Gas at the Point(s) of Receipt identified in the Service Contract. During any period of Interruption of in-franchise distribution service as ordered by the Company, the Customer must continue to deliver its DCQ.

The Customer Contracts for an allocation of Storage Services from the Company to manage differences between the Customer's Daily Delivered Volume and Consumption and to meet planned annual and peak firm Consumption at the Customer's Point(s) of Consumption. The Customer is responsible for managing the storage account within its contracted parameters. To assist with managing the storage account, the Company provides a suite of balancing transaction services as contained in Rider A of this Rate Handbook.

c) Unbundled DP

The unbundled DP Service option allows a Customer to actively manage their Gas supply each day through a Nomination of Gas deliveries to their Point(s) of Receipt to meet their planned daily Consumption at Customer's Point(s) of Consumption. Provided that the company has the service available, the Customer may contract for an allocation of storage under storage allocation methodologies that recognize that the Customer does not have an obligated DCQ for all their planned Consumption. Depending on the current service, the Customer may be required to Nominate the use of their contracted storage and their Gas supply. Daily and cumulative differences between Nominated Gas quantities and actual Consumption are tracked in an Unbundled Balancing Service (UBS) account to be managed by the Customer. Where necessary, the Customer may also be required to manage their UBS quantity hourly.

The Company provides an unbundled DP Services under Rate E22 and Rate E24. Storage as a companion service may be available under Rate E38.

3. EX-FRANCHISE SERVICES

The Company provides regulated ex-franchise services for the transportation of Gas through its transmission system to a point of interconnection with a third-party pipeline system. In addition, the Company provides a Gas injection service and Gas transportation service for Gas producers.

For the purposes of interpreting the terms and conditions contained in this Rate Handbook, the ex-franchise shipper shall be considered to be the Customer.

PART II

TERMS AND CONDITIONS APPLICABLE TO SERVICES

The following terms and conditions shall apply to all in-franchise distribution and DP services unless specified otherwise. For Customers with Service Contracts, the terms and conditions contained within the Service Contract will also apply and will govern if specified below.

SECTION A - AVAILABILITY

Each of the Company's rate schedules contained herein specify the availability of the rates and services.

In-franchise distribution service will be provided subject to the Company having the capacity in its Distribution System to provide the service requested. When the Company is requested to supply the Gas to be delivered, service shall be available subject to the Company having available to it a supply of Gas adequate to meet the requirement without jeopardizing the supply to its existing Customers.

Service shall be made available after acceptance by the Company of an application for service to a Point(s) of Consumption or execution of a Service Contract, as applicable.

SECTION B - BILLS

Bills will be delivered monthly or at such other time period as set out in the Service Contract. Gas Consumption to which the Company's rates apply will be determined by the Company either by meter reading

or by the Company's estimate of Consumption where meter reading has not occurred. Customers must provide the Company with free access to their meter in order to maintain and read the meter. The rates and charges applicable to a Billing Period shall be those applicable to the respective calendar month(s) in the Billing Period.

SECTION C - MINIMUM BILLS

The Minimum Bill applicable to service under any particular Rate Schedule shall be the Customer Charge plus any applicable Contract Demand charges for Delivery, Transportation and Gas Supply and any applicable Direct Purchase Administration Charge, all as provided for in the applicable Rate Schedule.

SECTION D - BILLABLE VOLUMES

All billable volumes are referenced to standard pressure and standard temperature in accordance with applicable law. Where Gas is metered at a fixed pressure, the metered volume is multiplied by a fixed pressure factor to establish the correct billable volume. The value of the pressure factor is dependent on the fixed pressure, declared atmospheric pressure, and standard pressure values for a particular Customer and their location.

SECTION E - PAYMENT CONDITIONS

Charges for service are to be paid by the due date specified on a Customer's bill, which is twenty (20) days after the bill date specified on a Customer's bill, or other time period set out in the Service Contract. A late payment charge of 1.5% per month (19.56% effectively per annum) will be applied on any amount not received by the due date, until the Company receives payment of all unpaid charges, including all applicable federal and provincial taxes.

SECTION F - TERM OF ARRANGEMENT

For Distribution Service provided under General Service Rates, the Company shall continue to provide service from initial commencement until termination by the Company pursuant to Section J or by the Customer by providing notice and the Company accepting such notice in accordance with the Company's Conditions of Service. A Customer who temporarily discontinues service and does not pay all the Minimum Bills for the period of such temporary discontinuance of service shall, upon the continuance of service, be liable to pay an amount equal to the unpaid Minimum Bills for such period. For Customers with a Service Contract, terms and conditions related to termination of service are as set out in the Service Contract.

SECTION G - RESALE PROHIBITION

Gas taken at a Point of Consumption shall not be resold other than in accordance with all applicable laws and regulations and orders of any governmental authority, including the OEB, having jurisdiction.

SECTION H - MEASUREMENT

The Company will install, operate and maintain at a Point of Consumption measurement equipment of suitable capacity and design as is required to measure the quantity of gas delivered. A Service Contract may also contain special conditions for measurement.

SECTION I - RATES IN CONTRACTS

Notwithstanding any rates for service specified in any Service Contract, the rates and charges provided in an applicable Rate Schedule shall apply for service rendered on and after the effective date stated in such Rate Schedule until such Rate Schedule ceases to be applicable.

SECTION J - COMPANY RESPONSIBILTY AND LIABILITY

This section applies only to Distribution Service provided under General Service Rates.

The Company shall make reasonable efforts to maintain, but does not guarantee, continuity of Gas service to its Customers. The Company may, in its sole discretion, terminate or curtail Gas service to Customers;

(a) to maintain safety and reliability on, or to facilitate construction, installation, maintenance, repair, replacement or inspection of the Company's facilities; or

(b) for any reason related to dangerous or hazardous circumstances, emergencies or Force Majeure.

The Company shall not be liable for any loss, injury, damage, expense, charge, cost or liability of any kind, whether direct, indirect, special or consequential in nature, including without limitation business loss or interruption, loss of revenue, profits or inventory and excepting only direct physical injury or damage to a Customer or a Customer's premises, resulting from the negligent acts or omissions of the Company, its employees or Agent(s), arising from or connected with any failure, defect, fluctuation or interruption in the provision of Gas service by the Company to its Customers.

PART III

GLOSSARY OF TERMS

In this Rate Handbook, each term set out below, whether capitalized or not, shall have the meaning ascribed to it. Terms used within this Rate Handbook may also refer to definitions set out in a Rate Schedule or the Terms and Conditions of a Service Contract, as applicable.

Agent or Energy Marketer: A party that has been granted written authority by the Customer to act for or on behalf of the Customer in respect of the rights and obligations of such Customer.

Annual Volume Deficiency: The difference between the Minimum Annual Volume and the volume consumed by the Customer in a contract year, if such volume is less than the Minimum Annual Volume.

Authorized Overrun: A quantity of Gas in excess of contracted parameters for which the Customer received authorization from the Company in advance.

Backstopping Service: A service whereby alternative supplies of Gas may be available in the event that a Customer's supply of Gas is not available for delivery to the Company.

Banked Gas Account (BGA): A record of the quantity of gas delivered by the Customer to the Company in respect of the Point of Consumption(s) net of the quantity of gas consumed by the Customer at the Point of Consumption(s).

Bill: A monthly statement of the amount a Customer owes for services provided by the Company. The Bill will equal the sum of the monthly charges for all services selected plus the rates multiplied by the applicable gas quantities delivered or withdrawn for each service chosen plus all applicable taxes.

Billing Contract Demand (BCD): Applicable only to new Customers who take Dedicated Service under Rate E24. The Company and the Customer shall determine a BCD to be set at a level which would result in annual revenues over the term of the Service Contract that would enable the Company to recover the invested capital, return on capital, and operating and maintenance costs of the Dedicated Service in accordance with its system expansion policies.

Billing Period: A period of approximately thirty (30) days, or such other duration as otherwise determined by the Company, following which the Company renders a Bill to a Customer. The Billing Period is determined by the Company's monthly Reading and Billing Schedule.

Commodity Charge: A per unit charge for the usage of a service by the Customer.

Company: Enbridge Gas Inc.

Contract Demand (CD): The maximum volume or quantity of Gas that the Company is obligated to deliver in any one gas day of the term to a Customer at the Point of Consumption under all Services or, if the context so requires, under a particular Service.

Consumption: The quantity of Gas delivered to the customer's Point(s) of Consumption.

Contiguous: Properties are contiguous when they have the same owner and are not divided by a public right-of-way.

Cubic Metre (m^3): The volume of gas which at a temperature of 15 degrees Celsius and at an absolute pressure of 101.325 kilopascals ("kPa") occupies one cubic metre. 10^3m^3 means 1,000 cubic metres.

Customer: Any Person or Persons receiving one or more Services.

Customer Charge: A monthly fixed charge that reflects the costs of being a Customer connected to the Distribution System.

Daily Delivered Volume: The volume of Gas accepted by the Company as having been delivered by a Customer to the Company on a day.

Daily Contract Quantity (DCQ): The quantity of gas which a Customer under a Direct Purchase agreement agrees to deliver to the Company each day in the term of the arrangement.

Dedicated Service: A service provided through a distribution pipeline that is initially constructed to serve a single Customer, and for which the quantity of Gas is measured through a billing meter that is directly connected to a third-party transporter or other third-party facility, when service commences.

Delivery Charge: A charge through which the Company recovers its cost of providing service to the Customer.

Demand Charge: A fixed monthly charge which is applied to the Contract Demand specified in a Service Contract.

Direct Purchase (DP) Service: A service in which the Customer, or their Agent or Energy Marketer, contracts with the Company to provide their own Gas for the Customer's Point(s) of Consumption.

Disconnect and Reconnect Charges: The charges levied by the Company for disconnecting or reconnecting a Customer from or to the Company's Distribution System.

Distribution Contract Rates: The Rate Schedules applicable to Customers who sign a Service Contract with the Company for Distribution Service to meet hourly, daily, and annual consumption at the Customer's applicable Point(s) of Consumption.

Distribution Service: The transportation of Gas, using the Company's Distribution System, to the Point(s) of Consumption at which the Gas will be used by the Customer.

Distribution System: The physical facilities owned by the Company and utilized to contain, move and measure Gas.

End Use Customer: means a Person receiving one or more of the Services of the Company and excluding, for certainty, an Agent.

Firm: A service quality not subject to interruption, except under Force Majeure.

Force Majeure: Any cause not reasonably within the control of the Company and which the Company cannot prevent or overcome with reasonable due diligence, including:

(a) physical events such as an act of God, landslide, earthquake, storm or storm warning such as a hurricane which results in evacuation of an affected area, flood, washout, explosion, breakage or accident to machinery or equipment or lines of pipe used to transport gas, the necessity for making repairs to or alterations of such machinery or equipment or lines of pipe or inability to obtain materials, supplies (including a supply of services) or permits required by the Company to provide service;

(b) interruption of Firm Transportation by a Gas transporter for the Company;

(c) acts of others such as strike, lockout or other industrial disturbance, civil disturbance, blockade, act of a public enemy, terrorism, riot, sabotage, insurrections or war, as well as physical damage resulting from the negligence of others;

(d) failure or malfunction of any storage equipment or facilities of the Company; and

(e) governmental actions, such as necessity for compliance with any applicable laws.

Gas: Natural Gas or Renewable Natural Gas.

Gas Supply Commodity Charge: A per unit charge for the Gas commodity purchased by the Customer from the Company.

General Service: Service provided under General Service Rate Schedules.

General Service Rate Schedules: Rate Schedules Rate E01 and Rate E02, applicable to those Bundled Services for which a specific contract between the Company and the Customer is not generally required.

Hourly Quantity: A contractually specified quantity of gas applicable to service under a particular Rate Schedule which is the maximum quantity of gas the Company is required to deliver to a Customer on an hourly basis under a Service Contract.

Interruptible: A service quality, which is subject to interruption, at the discretion of the Company.

Interruption: A reduction to a Customer's service resulting from an order by the Company to discontinue or curtail the use of service.

Load Balancing: The balancing of the Gas supply to meet demand.

Minimum Annual Volume (MAV): A Customer's annual minimum Gas requirement for each service applicable at each Point of Consumption.

Monthly Minimum Bill or Minimum Bill: The minimum amount owing each Billing Period by the Customer for services provided by the Company irrespective of the amount of Gas consumed by the Customer during the Billing Period.

Natural Gas: Natural and/or residue gas comprised primarily of methane.

Nomination, Nominate: An electronic request to the Company that details of quantities and other service elements relevant to a Service Contract.

Ontario Energy Board (OEB): A statutory corporation continued pursuant to the *Ontario Energy Board Act, 1998*, as may be amended from time to time, which, amongst other things, regulates the Company's Rate Schedules (Part IV of this Rate Handbook) and the matters described in Part II of this Rate Handbook.

Overrun: A quantity of Gas in excess of contracted parameters.

Person: An individual, corporation, partnership, firm, joint venture, syndicate, association, trust, trustee, government, governmental agency, board, tribunal, ministry, commission or department or other form of entity or organization and the heirs, beneficiaries, executors, legal representatives or administrators of an individual, and "Persons" has a similar meaning.

Point of Consumption: The outlet side of the meter or meters at which Gas will be delivered to the Customer.

Point of Receipt: The point at which the Company has agreed to accept delivery of Gas from or on behalf of the Customer.

Rate Handbook: This Enbridge Gas Rate Handbook, including all Rate Schedules, approved by the OEB from time to time.

Rate Schedule: An alphabetic and/or numbered rate of the Company as fixed or approved by the OEB that specifies rates, applicability, character of service, terms and conditions of service and the effective date.

Renewable Natural Gas (RNG): Biogas resulting from the decomposition of organic matter under anaerobic conditions that has been upgraded for use in place of Natural Gas.

Sales Service: A service in which the gas supply commodity is provided by the Company to the Customer.

Seasonal Service: Any service that is available during a specified period of the year as set out in a Rate Schedule.

Service(s): Any sales, direct purchase, distribution, transportation, storage or a related service provided by the Company and set out in a Rate Schedule.

Service Area: Geographic regions defined by the Company, in which each region has a certain set of Services available to customers in the region.

Service Contract: An agreement between the Company and the Customer which describes the responsibilities of each party in respect to the arrangements for the Company to provide Service. The term of a Service Contract is for a period of not less than one year unless the Company, in its sole discretion, accepts a term of less than one year.

Storage Service: An allocation of storage space and deliverability rights to the Customer to be used to manage daily differences between the Customer's Daily Delivered Volume and Consumption. Depending on the current service, the Customer may be required to Nominate their use of their contracted storage.

Transportation Charge: A per unit charge for the use of transportation capacity to deliver Gas to the Customer.

Unauthorized Overrun: A quantity of Gas in excess of contracted parameters for which the Customer did not receive authorization from the Company in advance.

PART IV

RATE SCHEDULES

The Rate Schedules provided in this Rate Handbook include a schedule for each rate class and rate rider. The in-franchise rate class schedules are presented first, followed by the wholesale rate class schedules and the ex-franchise rate class schedules.

RATE: E01	SMALL DEMAND GENERAL SERVICE

APPLICABILITY

To any General Service Customer for the use of the Company's Distribution System for the transportation to a single Point of Consumption and purchase (if applicable) of Gas whose maximum daily volume requirement is equal to or less than 150 m³.

MONTHLY RATES AND CHARGES

Monthly Customer Charge (1)		**$29.37**
Delivery Charges		
Per Cubic Metre of Demand		**68.3385 ¢/m³**
Per Cubic Metre of Gas delivered		**0.3937 ¢/m³**
Gas Supply Transportation Charge	(if applicable)	**1.8809 ¢/m³**
Gas Supply Western Transportation Charge	(if applicable)	**3.7429 ¢/m³**
Gas Supply Commodity Charge	(if applicable)	**20.9034 ¢/m³**

Rate Riders
The rates quoted herein shall be subject to the following Riders (if applicable):
- Rider C - Gas Cost Adjustment
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider G - Service Charges
- Rider I - System Expansion and Temporary Connection Surcharge
- Rider J - Carbon Charges
- Rider K - Bill 32 and Ontario Regulation 24/19
- Rider M - Hydrogen Gas
- Rider N - Energy Transition Technology Fund

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

Monthly Minimum Bill
The Monthly Minimum Bill shall be the Monthly Customer Charge plus the monthly Demand Delivery Charge.

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective
Implemented
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: E02	GENERAL DEMAND GENERAL SERVICE

APPLICABILITY

To any General Service Customer for the use of the Company's Distribution System for the transportation to a single Point of Consumption and purchase (if applicable) of Gas whose maximum daily volume requirement is greater than 150 m³.

MONTHLY RATES AND CHARGES

Monthly Customer Charge (1)		**$29.37**	
Delivery Charges			
Per Cubic Metre of Demand		**74.8806**	**¢/m³**
Per Cubic Metre of Gas delivered		**0.3843**	**¢/m³**
Gas Supply Transportation Charge	(if applicable)	**1.8119**	**¢/m³**
Gas Supply Western Transportation Charge	(if applicable)	**3.6739**	**¢/m³**
Gas Supply Commodity Charge	(if applicable)	**20.9034**	**¢/m³**

Rate Riders
The rates quoted herein shall be subject to the following Riders (if applicable):
- Rider C - Gas Cost Adjustment
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider G - Service Charges
- Rider I - System Expansion and Temporary Connection Surcharge
- Rider J - Carbon Charges
- Rider K - Bill 32 and Ontario Regulation 24/19
- Rider L - Low-Carbon Voluntary Program Charge
- Rider M - Hydrogen Gas
- Rider N - Energy Transition Technology Fund

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

Monthly Minimum Bill
The Monthly Minimum Bill shall be the Monthly Customer Charge plus the monthly Demand Delivery Charge.

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective
Implemented
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: E10	FIRM BUNDLED CONTRACT SERVICE

APPLICABILITY

To any Customer who enters into a Service Contract for the use of the Company's Distribution System for the transportation and purchase (if applicable) of Gas that specifies a Firm Contract Demand of not less than 1,800 m³.

CHARACTER OF SERVICE

Service shall be continuous (Firm) except for events as specified in the Service Contract including Force Majeure.

MONTHLY RATES AND CHARGES

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.

Monthly Customer Charge (1)		**$501.00**
Delivery Charges		
Per Cubic Metre of Contract Demand		
For the first 20,000 m³ per month		**61.6303 ¢/m³**
For all over 20,000 m³ per month		**41.8936 ¢/m³**
Per Cubic Metre of Gas delivered		**0.3198 ¢/m³**
Gas Supply Transportation Charge	(if applicable)	**1.3285 ¢/m³**
Gas Supply Western Transportation Charge	(if applicable)	**3.1904 ¢/m³**
Gas Supply Commodity Charge	(if applicable)	**20.9034 ¢/m³**

Rate Riders
The rates quoted herein shall be subject to the following Riders (if applicable):
- Rider C - Gas Cost Adjustment
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider G - Service Charges
- Rider J - Carbon Charges
- Rider K - Bill 32 and Ontario Regulation 24/19
- Rider L - Low-Carbon Voluntary Program Charge
- Rider N - Energy Transition Technology Fund

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

Monthly Minimum Bill
The Monthly Minimum Bill shall be the Monthly Customer Charge plus the monthly Contract Demand Delivery Charge.

OVERRUN CHARGES

Demand Overrun occurs on any day when Gas Consumption is in excess of 103% of available Contract Demand.

Authorized Demand Overrun
The Company may, at its sole discretion, authorize in advance Demand Overrun for limited periods within a month, provided the local Distribution System has sufficient capacity to accommodate higher demand.

All occurrences of Authorized Demand Overrun will be charged the Authorized Demand Overrun charge.

Authorized Demand Overrun charge	**2.3460 ¢/m³**

Authorization of Demand Overrun shall not exceed 5 days in any contract year, subject to the Company's discretion. Based on the terms of the Service Contract, requests beyond 5 days will be treated as Unauthorized Demand Overrun, subject to the Company's discretion. The new Contract Demand level may be restricted by the capability of the local Distribution System to accommodate higher demand.

Unauthorized Demand Overrun

Demand Overrun if not authorized, will be deemed to be Unauthorized Demand Overrun. On the first occurrence in a contract year when the Customer takes Unauthorized Demand Overrun Gas, the applicable Unauthorized Demand Overrun charge applies. On the second and any subsequent occurrence in a contract year when the Customer takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established effective immediately and shall be subject to a charge equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract. Based on the capability of the local Distribution System to accommodate higher demand, different conditions may apply as specified in the applicable Service Contract.

Unauthorized Demand Overrun charge (first occurrence)	**2.3460 ¢/m³**

COMMISSIONING AND DECOMMISSIONING

The Authorized Demand Overrun charge may be applied to commissioning and decommissioning volumes in place of the Delivery Charges at the Company's sole discretion, for a contractual period of not more than one year, as specified in the Service Contract. The monthly Customer Charge, Gas supply commodity and transportation, and any rate riders also apply.

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective
Implemented

OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: E20	SEMI-UNBUNDLED CONTRACT SERVICE

APPLICABILITY

To any Customer, subject to the noted exclusion, who enters into a Service Contract for the use of the Company's Distribution System for the transportation and storage of Gas that specifies a combined Firm and Interruptible Contract Demand of not less than 13,000 m³. The Customer must have site specific energy measuring equipment that will be used in determining energy balances.

The Rate E20 rate class is not applicable to large Gas fired power generation Customers with a Firm Contract Demand of 1,200,000 m³ or greater.

Eligibility for this rate class is limited to Customers located in Enbridge Gas's South and Central Service Areas.

CHARACTER OF SERVICE

Firm Service shall be continuous up to the Firm Contract Demand. Interruptible Service shall be subject to curtailment or discontinuance upon the Company issuing a notice not less than 4 hours prior to the time at which such curtailment or discontinuance is to commence. Interruptible and Firm Service is also subject to discontinuance for events as specified in the Service Contract including Force Majeure.

MONTHLY RATES AND CHARGES

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 Customer Charge (1)

Per each Point of Consumption **$3,001.00**

	Demand Charge	Fuel Ratio	&	Commodity Charge	
Transportation Service Charges (2)					
Per Cubic Metre of Firm Contract Demand					
Up to 30,000 m³ per month	**42.6126**				**¢/m³**
Next 120,000 m³ per month	**28.3272**				**¢/m³**
For all over 150,000 m³ per month	**23.4037**				**¢/m³**
Per Cubic Metre of Interruptible Contract Demand	**1.2038**				**¢/m³**
Per Cubic Metre of Firm and Interruptible Gas delivered		**0.803%**		**-**	**¢/m³**
Per Cubic Metre of Gas delivered under pre-authorized Interruptible Service		**0.803%**		**0.0396**	**¢/m³**
Central Transportation Charge					
Incremental transportation charge for Customers located in the Central Service Area per Cubic Metre of Firm Gas delivered				**1.2553**	**¢/m³**

RATE: E20	SEMI-UNBUNDLED CONTRACT SERVICE

	Demand Charge (per month)	Fuel Ratio	&	Commodity Charge	
Storage Service Charges (3)					
Annual Firm Storage Space					
Per GJ of contracted Maximum					
Annual Storage Space	**0.016**				**$/GJ**
Annual Firm Injection/Withdrawal Right					
Per GJ of the contracted Maximum					
Annual Firm Injection/Withdrawal Right					
Utility provides deliverability inventory	**2.468**				**$/GJ**
Customer provides deliverability inventory (5)	**2.218**				**$/GJ**
Incremental Firm Injection Right					
Per GJ of the contracted Maximum					
Incremental Firm Injection Right	**2.218**				**$/GJ**
Withdrawal Commodity					
Per GJ of all quantities withdrawn from storage					
up to the Maximum Daily Storage Withdrawal Quantity		**0.834%**		**-**	**$/GJ**
Injection Commodity					
Per GJ of all quantities injected into storage					
up to the Maximum Daily Storage Injection Quantity		**0.834%**		**-**	**$/GJ**

Rate Riders

The rates quoted herein shall be subject to the following Riders (if applicable):

Rider C - Gas Cost Adjustment
Rider D - Deferral and Variance Account Clearance
Rider E - Revenue Adjustment
Rider G - Service Charges
Rider J - Carbon Charges
Rider K - Bill 32 and Ontario Regulation 24/19
Rider N - Energy Transition Technology Fund

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

Monthly Minimum Bill

The Monthly Minimum Bill shall be the Monthly Customer Charge plus monthly transportation Demand Charges and storage Demand Charges.

(2) Notes to Transportation Charges

1. 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.

2. The Company may negotiate rates for Interruptible Service where the Customer is located in an area of constraint for purposes of an integrated resource planning alternative. The negotiated rates may be lower than the rates identified in the rate schedule, including negative rates or other incentives, and are subject to approval by the OEB for the integrated resource planning alternative.

(3) Notes to Storage Charges

1. **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.

   1.1 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 the Company and the Customer. Once sufficient historical information is available for the Customer, or if there have been no signficant changes in operations, the standard calculation will be used. At each contract renewal, the aggregate excess calculation will be performed to set the new space allocation.

   1.2 Obligated Daily Contract Quantity multiple of 15
   Obligated Daily Contract Quantity is the Firm daily quantity of Gas which the Customer must deliver to the Company. The 15x obligated Daily Contract Quantity calculation will be done using the Daily Contract Quantity for the upcoming contract year. At each contract renewal, the 15x 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.

2. **Annual Injection/Withdrawal Right (Deliverability)**
   The maximum level of deliverability available to a Customer at the rates specified herein is determined by one of the following storage deliverability allocation methodologies.

   2.1 The greater of obligated DCQ and Firm CD less obligated DCQ.

   Annual Firm Injection Rights are equal to 100% of their respective Annual Firm Withdrawal Rights. Customers may choose either methodology but the Annual Withdrawal Right as a percentage of Annual Firm Storage Space is limited to 5%. The chosen quantity in excess of the 5% limit may be contracted as Incremental Firm Injection Right.

   Customers may contract for less than their maximum entitlement of deliverability.

3. Additional storage space or deliverability, in excess of the maximum allocated entitlements per Notes 1 and 2, may be available at market prices.

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

5. Deliverability inventory is defined as 20% of annual storage space.

TRANSPORTATION SERVICE OVERRUN

Transportation Demand Overrun occurs on any day when Gas Consumption is in excess of 103% of available Contract Demand.

Authorized Transportation Demand Overrun
The Company may, at its sole discretion, authorize in advance Transportation Demand Overrun for limited periods within a month, provided the local Distribution System has sufficient capacity to accommodate higher demand.

All occurrences of Authorized Transportation Demand Overrun will be charged the applicable Authorized Transportation Demand Overrun charge plus the transportation fuel ratio.

	Commodity Charge	Fuel Ratio	
Authorized Firm Transportation Demand Overrun charge	**1.4010**	**0.803%**	**¢/m³**
Authorized Firm Central Transportation Demand Overrun charge	**2.6562**	**0.803%**	**¢/m³**
Authorized Interruptible Transportation Demand Overrun charge	**0.0396**	**0.803%**	**¢/m³**

Authorization of Transportation Demand Overrun shall not exceed 5 days in any contract year, subject to the Company's discretion. Based on the terms of the Service Contract, requests beyond 5 days will be treated as Unauthorized Transportation Demand Overrun, subject to the Company's discretion. The new Contract Demand level may be restricted by the capability of the local Distribution System to accommodate higher demand.

Unauthorized Transportation Demand Overrun
Transportation Demand Overrun if not authorized, will be deemed to be Unauthorized Transportation Demand Overrun.
On the first occurrence in a contract year when the Customer takes Unauthorized Transportation Demand Overrun Gas, the applicable Unauthorized Transportation Demand Overrun charge plus the transportation fuel ratio applies. On the second and any subsequent occurrence in a contract year when the Customer takes Unauthorized Transportation Demand Overrun Gas, a new Contract Demand will be established effective immediately and shall be subject to a charge equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract. Based on the capability of the local Distribution System to accommodate higher demand, different conditions may apply as specified in the applicable Service Contract.

	Commodity Charge	Fuel Ratio	
Unauthorized Firm Transportation Demand Overrun charge (first occurrence)	**1.4010**	**0.803%**	**¢/m³**
Unauthorized Firm Central Transportation Demand Overrun charge (first occurrence)	**2.6562**	**0.803%**	**¢/m³**
Unauthorized Interruptible Transportation Demand Overrun charge (first occurrence)	**0.0396**	**0.803%**	**¢/m³**

Unauthorized Transportation Demand Overrun Interruption Non-Compliance
Any Gas consumed in excess of the Firm Contract Demand and/or Firm hourly quantity requirements during a period when a notice of Interruption is in effect will be deemed to be Unauthorized Transportation Demand Overrun Interruption Non-compliance Gas. All occurrences where the Customer takes Unauthorized Transportation Demand Overrun Interruption Non-compliance Gas the applicable Unauthorized Transportation Demand Overrun (first occurrence) charge applies in addition to the Unauthorized Transportation Demand Overrun Interruption Non-compliance charge.

Unauthorized Transportation Demand Overrun Interruption Non-compliance charge ($60/GJ) **234.4800** **¢/m³**

STORAGE SERVICE SPACE OVERRUN

Storage Space Overrun is applicable on any day when the Customer's Gas storage balance is in excess of 103% of the contracted Maximum Storage Space.

Incremental Storage Space
Incremental Storage Space may be available from the Company at negotiated prices provided as short-term storage / balancing service options and payable on all quantities on any day in excess of the Customer's contracted Maximum Storage Space. Storage/Balancing Services are available provided storage facilities have sufficient capacity to accommodate the request.

Authorized Storage Space Overrun
Storage Space Overrun is deemed to be authorized for Interruptible Customers at no charge in the event a distribution Interruption is called coincident with a suspension interruption. The amount of authorized Storage Space Overrun is equal to the Customer's obligated DCQ less the Customer's Firm Contract Demand multiplied by the days of distribution Interruption called during the period of November 1 to March 31, until the following July 1.

Unauthorized Storage Space Overrun
Storage Space Overrun, if not provided for under a short-term storage / balancing service, will be deemed to be Unauthorized Storage Space Overrun. In each month, Unauthorized Storage Space Overrun will incur the Unauthorized Storage Space Overrun charge applied to the greatest excess for each occurrence.

Unauthorized Storage Space Overrun charge	**6.000**	**$/GJ**

If on any day the Customer's Gas storage balance is less than zero, the Unauthorized Storage Space 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 the Company's approved weighted average cost of Gas at the time of occurrence. 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 contracted Annual Firm Storage Space.

STORAGE SERVICE DELIVERABILITY OVERRUN

Storage Injection and Withdrawal (Deliverability) Overrun occurs when Gas injected into or withdrawn from storage is in excess of 103% of the available contracted Storage Injections and Withdrawals rights, as applicable.

Authorized Storage Injection and Withdrawal Overrun
The Company may, at its sole discretion, authorize in advance Storage Injection and Withdrawal Overrun for limited periods within a month, as applicable, provided storage facilities have sufficient capacity to accommodate higher demand. All occurrences of Authorized Storage Injection and Withdrawal Overrun will be charged the Authorized Injection and Withdrawal Overrun charges and fuel ratios, as applicable.

Authorized Storage Injection and Withdrawal charge	**0.081**	**$/GJ**
Authorized Storage Injection and Withdrawal fuel ratio	**1.210%**	

Unauthorized Storage Injection and Withdrawal Overrun
Storage Injection and Withdrawal Overrun if not authorized, will be deemed to be Unauthorized Storage Injection and/or Withdrawal Overrun. All occurrences of Unauthorized Storage Injection and Withdrawal Overrun will be charged the Unauthorized Storage Injection/Withdrawal Overrun charge and fuel ratio, as applicable.

Unauthorized Storage Injection and Withdrawal charge	**1.750**	**$/GJ**

COMMISSIONING AND DECOMMISSIONING

The Authorized Transportation Demand Overrun charge plus transportation fuel ratio may be applied to commissioning and decommissioning volumes in place of the Transportation Charges at the Company's sole discretion, for a contractual period of not more than one year, as specified in the Service Contract. The monthly Customer Charge, and any rate riders also apply.

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective
Implemented
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: E22	UNBUNDLED CONTRACT SERVICE

APPLICABILITY

To any Customer who enters into a Service Contract for the transportation using the Company's Distribution System that specifies a combined Firm and Interruptible Contract Demand between 13,000 m³ and 1,200,000 m³.

CHARACTER OF SERVICE

Firm Service shall be continuous up to the Firm Contract Demand. Interruptible Service shall be subject to curtailment or discontinuance upon the Company issuing a notice not less than 4 hours prior to the time at which such curtailment or discontinuance is to commence. Interruptible and Firm Service is also subject to discontinuance for events as specified in the Service Contract including Force Majeure.

MONTHLY RATES AND CHARGES

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.

Monthly Customer Charge (1)	**$1,501.00**
Transportation Charges (2)	
Per Cubic Metre of Firm Contract Demand	
For the first 30,000 m³ per month	**22.7451 ¢/m³**
For all over 30,000 m³ per month	**11.5843 ¢/m³**
Per Cubic Metre of Interruptible Contract Demand	**1.1374 ¢/m³**
Per Cubic Metre of Firm or Interruptible Gas delivered	**0.11 ¢/m³**
plus fuel ratio	**0.515%**
Per Cubic Metre of Gas delivered under pre-authorized Interruptible Service	**0.0374 ¢/m³**
plus fuel ratio	**0.515%**
South Transportation Charge	
Incremental transportation charges for Customers located in the South Service Area	
Per Cubic Metre of Firm Contract Demand	**13.2789 ¢/m³**
plus fuel ratio	**0.287%**

Rate Riders

The rates quoted herein shall be subject to the following Riders (if applicable):

- Rider C - Gas Cost Adjustment
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider G - Service Charges
- Rider J - Carbon Charges
- Rider K - Bill 32 and Ontario Regulation 24/19
- Rider N - Energy Transition Technology Fund

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

(2) The Company may negotiate rates for Interruptible Service where the Customer is located in an area of constraint for purposes of an integrated resource planning alternative. The negotiated rates may be lower than the rates identified in the rate schedule, including negative rates or other incentives, and are subject to approval by the OEB for the integrated resource planning alternative.

RATE: E22	UNBUNDLED CONTRACT SERVICE

Monthly Minimum Bill
The Monthly Minimum Bill shall be the Monthly Customer Charge plus the monthly Contract Demand Delivery Charge.

OVERRUN CHARGES

Demand Overrun occurs on any day when Gas Consumption is in excess of 103% of available Contract Demand.

Authorized Demand Overrun
The Company may, at its sole discretion, authorize in advance Demand Overrun for limited periods within a month, provided the local Distribution System has sufficient capacity to accommodate higher demand.

All occurrences of Authorized Demand Overrun will be charged the Authorized Demand Overrun charge plus the transportation fuel ratio.

	Commodity Charge	Fuel Ratio	
Authorized Firm Demand Overrun charge	**0.7478**	**0.515%**	**¢/m³**
Authorized Firm South Demand Overrun charge	**1.1844**	**0.802%**	**¢/m³**
Authorized Interruptible Demand Overrun charge	**0.0374**	**0.515%**	**¢/m³**

Authorization of Demand Overrun shall not exceed 5 days in any contract year, subject to the Company's discretion. Based on the terms of the Service Contract, requests beyond 5 days will be treated as Unauthorized Demand Overrun, subject to the Company's discretion. The new Contract Demand level may be restricted by the capability of the local Distribution System to accommodate higher demand.

Unauthorized Demand Overrun
Demand Overrun if not authorized, will be deemed to be Unauthorized Demand Overrun. On the first occurrence in a contract year when the Customer takes Unauthorized Demand Overrun Gas, the applicable Unauthorized Demand Overrun charge plus the transportation fuel ratio applies. On the second and any subsequent occurrence in a contract year when the Customer takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established effective immediately and shall be subject to a charge equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract. Based on the capability of the local Distribution System to accommodate higher demand, different conditions may apply as specified in the applicable Service Contract.

	Commodity Charge	Fuel Ratio	
Unauthorized Firm Demand Overrun charge (first occurrence)	**0.7478**	**0.515%**	**¢/m³**
Unauthorized Firm South Demand Overrun charge (first occurrence)	**1.1844**	**0.802%**	**¢/m³**
Authorized Interruptible Demand Overrun charge (first occurrence)	**0.0374**	**0.515%**	**¢/m³**

Unauthorized Demand Overrun Interruption Non-Compliance
Any Gas consumed in excess of the Firm Contract Demand and/or Firm hourly quantity requirements during a period when a notice of Interruption is in effect will be deemed to be Unauthorized Demand Overrun Interruption Non-compliance Gas. All occurrences where the Customer takes Unauthorized Demand Overrun Interruption Non-compliance Gas the applicable Unauthorized Demand Overrun (first occurrence) charge applies in addition to the Unauthorized Demand Overrun Interruption Non-compliance charge.

Unauthorized Demand Overrun Interruption Non-compliance charge ($60/GJ)	**234.4800**	**¢/m³**

COMMISSIONING AND DECOMMISSIONING

The Authorized Demand Overrun charge plus transportation fuel ratio may be applied to commissioning and decommissioning volumes in place of the Delivery Charges at the Company's sole discretion, for a contractual period of not more than one year, as specified in the Service Contract. The monthly Customer Charge, Gas supply commodity and Transportation Charges, and any rate riders also apply.

TRANSPORTATION FROM DAWN SERVICE

The transportation from Dawn service may be available to Customers in the East and North Service Areas, at the Company's discretion. Charges for the transportation from Dawn service will consist of the Rate E70 Dawn-Parkway Firm transportation rate and applicable fuel charges, in accordance with Enbridge Gas's Rate E70 rate schedule, and all applicable third party (i.e. TransCanada) Transportation Charges on upstream pipelines from Parkway to the Customer's delivery area.

UNBUNDLED BALANCING SERVICE

The Unbundled Balancing Service shall apply at the Customer's Point(s) of Consumption. In the event of an imbalance, any excess delivery above the Customer's actual Consumption, or delivery less than the Customer's actual Consumption shall be subject to the Unbundled Balancing Service. A description of the Unbundled Balancing Service is posted on the Enbridge Gas website at www.enbridgegas.com

The charges for the Unbundled Balancing Service are in accordance with Rider A - Direct Purchase.

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective
Implemented

OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: E24	EXTRA-LARGE UNBUNDLED CONTRACT SERVICE

APPLICABILITY

To any Customer who enters into a Service Contract for the use of the Company's Distribution System for the transportation of Gas that specifies a combined Firm and/or Interruptible Contract Demand of not less than 1,200,000 m³.

CHARACTER OF SERVICE

Firm Service shall be continuous up to the Firm Contract Demand. Interruptible Service shall be subject to curtailment or discontinuance upon the Company issuing a notice not less than 4 hours prior to the time at which such curtailment or discontinuance is to commence. Interruptible and Firm Service is also subject to discontinuance for events as specified in the Service Contract including Force Majeure.

MONTHLY RATES AND CHARGES

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.

Monthly Customer Charge (1)	**$15,032.46**
Transportation Charges (2)	
Per Cubic Metre of Firm Contract or Billing Contract Demand (3)	**9.7469 ¢/m³**
Per Cubic Metre of Interruptible Contract Demand	**0.9813 ¢/m³**
Per Cubic Metre of Firm or Interruptible Gas delivered	**0.0077 ¢/m³**
plus fuel ratio (3)	**0.471%**
Per Cubic Metre of Gas delivered under pre-authorized Interruptible Service	**0.0399 ¢/m³**
plus fuel ratio (3)	**0.471%**
South Transportation Charge	
Incremental transportation charges for Customers located in the South Service Area	
Per Cubic Metre of Firm Contract Demand	**13.2789 ¢/m³**
plus fuel ratio	**0.287%**

Rate Riders

The rates quoted herein shall be subject to the following Riders (if applicable):

Rider C - Gas Cost Adjustment
Rider D - Deferral and Variance Account Clearance
Rider E - Revenue Adjustment
Rider G - Service Charges
Rider J - Carbon Charges
Rider K - Bill 32 and Ontario Regulation 24/19
Rider N - Energy Transition Technology Fund

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

(2) The Company may negotiate rates for Interruptible Service where the Customer is located in an area of constraint for purposes of an integrated resource planning alternative. The negotiated rates may be lower than the rates identified in the rate schedule, including negative rates or other incentives, and are subject to approval by the OEB for the integrated resource planning alternative.

(3) For Dedicated Service, the monthly demand charges payable shall be based on the Billing Contract Demand or the Contract Demand as specified in the Service Contract. In the case of a Dedicated Service, the unaccounted for Gas fuel ratio is not applicable.

RATE: E24	EXTRA-LARGE UNBUNDLED CONTRACT SERVICE

Monthly Minimum Bill
The Monthly Minimum Bill shall be the Monthly Customer Charge plus the monthly Contract Demand Delivery Charge.

OVERRUN CHARGES

Demand Overrun occurs on any day when Gas Consumption is in excess of 103% of available Contract Demand.

Authorized Demand Overrun
The Company may, at its sole discretion, authorize in advance Demand Overrun for limited periods within a month, provided the local Distribution System has sufficient capacity to accommodate higher demand.

All occurrences of Authorized Demand Overrun will be charged the Authorized Demand Overrun charge plus the transportation fuel ratio.

	Commodity Charge	Fuel Ratio	
Authorized Firm Demand Overrun charge	**0.3281**	**0.471%**	**¢/m³**
Authorized Firm South Demand Overrun charge	**0.7647**	**0.758%**	**¢/m³**
Authorized Interruptible Demand Overrun charge	**0.0400**	**0.471%**	**¢/m³**

Authorization of Demand Overrun shall not exceed 5 days in any contract year, subject to the Company's discretion. Based on the terms of the Service Contract, requests beyond 5 days will be treated as Unauthorized Demand Overrun, subject to the Company's discretion. The new Contract Demand level may be restricted by the capability of the local Distribution System to accommodate higher demand.

Unauthorized Demand Overrun
Demand Overrun if not authorized, will be deemed to be Unauthorized Demand Overrun. On the first occurrence in a contract year when the Customer takes Unauthorized Demand Overrun Gas, the applicable Unauthorized Demand Overrun charge plus the transportation fuel ratio applies. On the second and any subsequent occurrence in a contract year when the Customer takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established effective immediately and shall be subject to a charge equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract. Based on the capability of the local Distribution System to accommodate higher demand, different conditions may apply as specified in the applicable Service Contract.

	Commodity Charge	Fuel Ratio	
Unauthorized Firm Demand Overrun charge (first occurrence)	**0.3281**	**0.471%**	**¢/m³**
Unauthorized Firm South Demand Overrun charge (first occurrence)	**0.7647**	**0.758%**	**¢/m³**
Unauthorized Interruptible Demand Overrun charge (first occurrence)	**0.0400**	**0.471%**	**¢/m³**

Unauthorized Demand Overrun Interruption Non-Compliance
Any Gas consumed in excess of the Firm Contract Demand and/or Firm hourly quantity requirements during a period when a notice of Interruption is in effect will be deemed to be Unauthorized Demand Overrun Interruption Non-compliance Gas. All occurrences where the Customer takes Unauthorized Demand Overrun Interruption Non-compliance Gas the applicable Unauthorized Demand Overrun (first occurrence) charge applies in addition to the Unauthorized Demand Overrun Interruption Non-compliance charge.

Unauthorized Demand Overrun Interruption Non-compliance charge ($60/GJ)	**234.4800**	**¢/m³**

COMMISSIONING AND DECOMMISSIONING

The Authorized Demand Overrun charge plus transportation fuel ratio may be applied to commissioning and decommissioning volumes in place of the Delivery Charges at the Company's sole discretion, for a contractual period of not more than one year, as specified in the Service Contract. The monthly Customer Charge, Gas supply commodity and Transportation Charges, and any rate riders also apply.

TRANSPORTATION FROM DAWN SERVICE

The transportation from Dawn service is available to Customers in the Central, East and North Service Areas. Charges for the transportation from Dawn service will consist of the Rate E70 Dawn-Parkway Firm transportation rate and applicable fuel charges, in accordance with Enbridge Gas's Rate E70 rate schedule, and all applicable third party (i.e. TransCanada) Transportation Charges on upstream pipelines from Parkway to the Customer's delivery area.

UNBUNDLED BALANCING SERVICE

The Unbundled Balancing Service shall apply at the Customer's Point of Consumption. In the event of an imbalance, any excess delivery above the Customer's actual Consumption, or delivery less than the Customer's actual Consumption shall be subject to the Unbundled Balancing Service. A description of the Unbundled Balancing Service is posted on the Enbridge Gas website at www.enbridgegas.com.

The charges for the Unbundled Balancing Service are in accordance with Rider A - Direct Purchase.

OTHER SERVICES & CHARGES

Nominations
New Customers and existing Customers with incremental Firm Contract Demand requirements in excess of 1,200,000 m³/day who have non-obligated deliveries may contract to use the Company's 5 additional Nomination windows (13 in total) for the purposes of delivering Gas to Enbridge Gas. These windows are in addition to the standard North American Energy Standards Board (NAESB) and TransCanada Storage Transportation Service (STS) Nomination windows. Customers taking the additional Nomination window service will pay an additional monthly Demand Charge of $0.051/GJ/day/month multiplied by the non-obligated Daily Contract Quantity.

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective
Implemented

OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: E30	INTERRUPTIBLE BUNDLED CONTRACT SERVICE

APPLICABILITY

To any Customer who enters into a Service Contract for the use of the Company's Distribution System for the transportation and purchase (if applicable) of Gas that specifies an Interruptible Contract Demand of not less than 1,800 m³. The Company may agree, in its sole discretion, to combine an Interruptible Service with a Firm Service under Rate E10 in which case the amount of Firm Contract Demand shall be agreed upon by the Company and the Customer to a maximum of 1,800 m³.

CHARACTER OF SERVICE

Interruptible Service shall be subject to curtailment or discontinuance upon the Company issuing a notice not less than 4 hours prior to the time at which such curtailment or discontinuance is to commence. Firm Service shall be continuous (Firm) up to the Firm Contract Demand. Interruptible and Firm Service is also subject to discontinuance for events as specified in the Service Contract including Force Majeure.

MONTHLY RATES AND CHARGES

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.

Monthly Customer Charge (1) The monthly Customer Charge is applicable only to Customers who have not contracted for a Firm Service under Rate E10.		**$501.00**
Delivery Charges (2)		
Per Cubic Metre of Firm Contract Demand		**74.8806 ¢/m³**
Per Cubic Metre of Interruptible Contract Demand		**7.7500 ¢/m³**
Per Cubic Metre of Firm or Interruptible Gas delivered		**0.2607 ¢/m³**
Per Cubic Metre of Gas delivered under pre-authorized Interruptible Service		**0.5155 ¢/m³**
Gas Supply Transportation Charge	(if applicable)	**0.8877 ¢/m³**
Gas Supply Western Transportation Charge	(if applicable)	**2.7497 ¢/m³**
Gas Supply Commodity Charge	(if applicable)	**20.9034 ¢/m³**

Rate Riders

The rates quoted herein shall be subject to the following Riders (if applicable):

Rider C - Gas Cost Adjustment
Rider D - Deferral and Variance Account Clearance
Rider E - Revenue Adjustment
Rider G - Service Charges
Rider J - Carbon Charges
Rider K - Bill 32 and Ontario Regulation 24/19
Rider L - Low-Carbon Voluntary Program Charge
Rider N - Energy Transition Technology Fund

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

(2) The Company may negotiate rates for Interruptible Service where the Customer is located in an area of constraint for purposes of an integrated resource planning alternative. The negotiated rates may be lower than the rates identified in the rate schedule, including negative rates or other incentives, and are subject to approval by the OEB for the integrated resource planning alternative.

Monthly Minimum Bill

The Monthly Minimum Bill shall be the Monthly Customer Charge plus the monthly Contract Demand Delivery Charge.

OVERRUN CHARGES

Demand Overrun occurs on any day when Gas Consumption is in excess of 103% of available Contract Demand.

Authorized Demand Overrun

The Company may, at its sole discretion, authorize in advance Demand Overrun for limited periods within a month, provided the local Distribution System has sufficient capacity to accommodate higher demand.

All occurrences of Authorized Demand Overrun will be charged the Authorized Demand Overrun charge.

Authorized Demand Overrun charge	**0.5155 ¢/m³**

Authorization of Demand Overrun shall not exceed 5 days in any contract year, subject to the Company's discretion. Based on the terms of the Service Contract, requests beyond 5 days will be treated as Unauthorized Demand Overrun, subject to the Company's discretion. The new Contract Demand level may be restricted by the capability of the local Distribution System to accommodate higher demand.

Unauthorized Demand Overrun
Demand Overrun if not authorized, will be deemed to be Unauthorized Demand Overrun. On the first occurrence in a contract year when the Customer takes Unauthorized Demand Overrun Gas, the applicable Unauthorized Demand Overrun charge applies. On the second and any subsequent occurrence in a contract year when the Customer takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established effective immediately and shall be subject to a charge equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract. Based on the capability of the local Distribution System to accommodate higher demand, different conditions may apply as specified in the applicable Service Contract.

Unauthorized Demand Overrun charge (first occurrence)	**0.5155 ¢/m³**

Unauthorized Demand Overrun Interruption Non-Compliance
Any Gas consumed in excess of the Firm Contract Demand and/or Firm hourly quantity requirements during a period when a notice of Interruption is in effect will be deemed to be Unauthorized Demand Overrun Interruption Non-compliance Gas. All occurrences where the Customer takes Unauthorized Demand Overrun Interruption Non-compliance Gas the applicable Unauthorized Demand Overrun (first occurrence) charge applies in addition to the Unauthorized Demand Overrun Interruption Non-compliance charge.

Unauthorized Demand Overrun Interruption Non-compliance charge ($60/GJ)	**234.4800 ¢/m³**

COMMISSIONING AND DECOMMISSIONING

The Authorized Demand Overrun charge may be applied to commissioning and decommissioning volumes in place of the Delivery Charges at the Company's sole discretion, for a contractual period of not more than one year, as specified in the Service Contract. The monthly Customer Charge, Gas supply commodity and transportation, and any rate riders also apply.

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective
Implemented

OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: E34	SEASONAL FIRM BUNDLED CONTRACT SERVICE

APPLICABILITY

To any Customer who enters into a Service Contract for the use of the Company's Distribution System for the transportation and purchase (if applicable) of Gas that specifies a Firm Contract Demand of not less than 1,800 m³ for the months April to November.

CHARACTER OF SERVICE

Service shall be continuous (Firm), except for events as specified in the Service Contract including Force Majeure, up to the Firm Contract Demand. The Firm Contract Demand and the contracted Firm hourly quantity are reduced to 10% during the months of December to March, inclusively.

MONTHLY RATES AND CHARGES

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.

Monthly Customer Charge (1)		**$501.00**
The monthly Customer Charge is applicable only to Customers who have not contracted for a Firm Service under Rate E10.		
Delivery Charges		
Per Cubic Metre of Contract Demand		**11.0953 ¢/m³**
Per Cubic Metre of Gas delivered		**0.2607 ¢/m³**
Gas Supply Transportation Charge	(if applicable)	**0.8875 ¢/m³**
Gas Supply Western Transportation Charge	(if applicable)	**2.7495 ¢/m³**
Gas Supply Commodity Charge	(if applicable)	**20.9034 ¢/m³**

Rate Riders

The rates quoted herein shall be subject to the following Riders (if applicable):

- Rider C - Gas Cost Adjustment
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider G - Service Charges
- Rider J - Carbon Charges
- Rider K - Bill 32 and Ontario Regulation 24/19
- Rider L - Low-Carbon Voluntary Program Charge
- Rider N - Energy Transition Technology Fund

(1) Aggregated within the Monthly Customer Charge is the amount of one dollar per month in accordance with Rider K - Bill 32 and Ontario Regulation 24/19.

Monthly Minimum Bill

The Monthly Minimum Bill shall be the Monthly Customer Charge plus the monthly Contract Demand Delivery Charge.

OVERRUN CHARGES

Demand Overrun occurs on any day when Gas Consumption is in excess of 103% of available Contract Demand.

Authorized Demand Overrun
The Company may, at its sole discretion, authorize in advance Demand Overrun for limited periods within a month, provided the local Distribution System has sufficient capacity to accommodate higher demand.

All occurrences of Authorized Demand Overrun will be charged the Authorized Demand Overrun charge.

Authorized Demand Overrun charge	**0.5160 ¢/m³**

Authorization of Demand Overrun shall not exceed 5 days in any contract year, subject to the Company's discretion. Based on the terms of the Service Contract, requests beyond 5 days will be treated as Unauthorized Demand Overrun, subject to the Company's discretion. The new Contract Demand level may be restricted by the capability of the local Distribution System to accommodate higher demand.

Unauthorized Demand Overrun

Demand Overrun if not authorized, will be deemed to be Unauthorized Demand Overrun.

For the months April to November:
On the first occurrence in a contract year when the Customer takes Unauthorized Demand Overrun Gas during the months November to April inclusively, the applicable November to April Unauthorized Demand Overrun charge applies. On the second and any subsequent occurrence in a contract year when the Customer takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established effective immediately and shall be subject to a charge equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract. Based on the capability of the local Distribution System to accommodate higher demand, different conditions may apply as specified in the applicable Service Contract.

Unauthorized Demand Overrun charge November through April (first occurrence)	**0.5160 ¢/m³**

For the months December to March:
On all occurrence in a contract year when the Customer takes Unauthorized Demand Overrun Gas during the month December to March inclusively, the applicable December to March Unauthorized Demand Overrun charge applies.

Unauthorized Demand Overrun charge December through March	**37.3366 ¢/m³**

COMMISSIONING AND DECOMMISSIONING

The Authorized Demand Overrun charge may be applied to commissioning and decommissioning volumes in place of the Delivery Charges at the Company's sole discretion, for a contractual period of not more than one year, as specified in the Service Contract. The monthly Customer Charge, Gas supply commodity and transportation, and any rate riders also apply.

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective
Implemented

OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: E38	UNBUNDLED STORAGE CONTRACT SERVICE

APPLICABILITY

To any Customer taking transportation service under Rate E22 and Rate E24 who enters into a Service Contract for the storage of Gas.

CHARACTER OF SERVICE

Service shall be Firm when used in conjunction with Firm Distribution Service. All service is subject to contract terms and Force Majeure.

The Gas Storage Service is Nominated daily based on the available capacity and Gas in storage up to the maximum contracted daily deliverability.

MONTHLY RATES AND CHARGES

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 Charge (per month)	Fuel Ratio	&	Commodity Charge	
Storage Service Charges (1)					
Annual Firm Storage Space					
Per GJ of contracted Maximum					
Annual Storage Space	**0.016**				**$/GJ**
Annual Firm Injection/Withdrawal Right					
Per GJ of the contracted Maximum					
Annual Firm Injection/Withdrawal Right					
Utility provides deliverability inventory	**2.468**				**$/GJ**
Customer provides deliverability inventory (5)	**2.218**				**$/GJ**
Withdrawal Commodity					
Per GJ of all quantities withdrawn from storage					
up to the Maximum Daily Storage Withdrawal Quantity		**0.834%**		**-**	**$/GJ**
Injection Commodity					
Per GJ of all quantities injected into storage					
up to the Maximum Daily Storage Injection Quantity		**0.834%**		**-**	**$/GJ**
Transportation Charge (if applicable)					
Per GJ of Gas transported from Dawn					
to Customers located in the North or East Service Area	**17.269**			**0.063**	**$/GJ**

Rate Riders
The rates quoted herein shall be subject to the following Riders (if applicable):
Rider E - Revenue Adjustment

Monthly Minimum Bill
The Monthly Minimum Bill shall be the transportation Demand Charges and storage Demand Charges.

(3) Notes to Storage Charges

1. **Annual Firm Storage Space**
   The maximum storage space available to a Customer at the rates specified herein is determined by Firm hourly quantity x 24 hours x 4 days.

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

2. **Annual Injection/Withdrawal Right (Deliverability)**
   The maximum level of deliverability available to a Customer at the rates specified herein is determined as 1.2% of Firm storage space as determined in Note 1.

   Annual Firm Injection Rights are equal to 100% of their respective Annual Firm Withdrawal Rights.

   Customers may contract for less than their maximum entitlement of deliverability.

3. Additional storage space or deliverability, in excess of the maximum allocated entitlements per Notes 1 and 2, may be available at market prices.

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

5. Deliverability inventory is defined as 20% of annual storage space.

STORAGE SERVICE SPACE OVERRUN

Storage Space Overrun is applicable on any day when the Company's Gas storage balance is in excess of 103% of the contracted Maximum Storage Space.

Incremental Storage Space
Incremental Storage Space may be available from the Company at negotiated prices provided as short-term storage / balancing service options and is payable on all quantities on any day in excess of the Customer's contracted Maximum Storage Space. Storage/Balancing Services are available provided storage facilities have sufficient capacity to accommodate the request.

Authorized Storage Space Overrun
Storage Space Overrun is deemed to be authorized for Interruptible Customers at no charge in the event a distribution Interruption is called coincident with a suspension interruption. The amount of authorized Storage Space Overrun is equal to the Customer's obligated DCQ less the Customer's Firm Contract Demand multiplied by the days of distribution interruption called during the period of November 1 to March 31, until the following July 1.

Unauthorized Storage Space Overrun
Storage Space Overrun, if not provided for under a short-term storage / balancing service, will be deemed to be Unauthorized Storage Space Overrun. In each month, Unauthorized Storage Space Overrun will incur the Unauthorized Storage Space Overrun charge applied to the greatest excess for each occurrence.

Unauthorized Storage Space Overrun charge	**6.000 $/GJ**

If on any day the Customer's Gas storage balance is less than zero, the Unauthorized Storage Space 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 the Company's approved weighted average cost of Gas at the time of occurrence. If the Company has contracted to provide its own deliverability inventory, the zero inventory level shall be deemed to mean twenty percent (20%) of the contracted Annual Firm Storage Space.

RATE: E38	UNBUNDLED STORAGE CONTRACT SERVICE

STORAGE SERVICE DELIVERABILITY OVERRUN

Storage Injection and Withdrawal (Deliverability) Overrun occurs when Gas injected into or withdrawn from storage is in excess of 103% of the available contracted Storage Injections and Withdrawals rights, as applicable.

Authorized Storage Injection and Withdrawal Overrun
The Company may, at its sole discretion, authorize in advance Storage Injection and Withdrawal Overrun for limited periods within a month, as applicable, provided storage facilities have sufficient capacity to accommodate higher demand. All occurrences of Firm or Interruptible Authorized Storage Injection and Withdrawal Overrun will be charged the Authorized Injection and Withdrawal Overrun charges and fuel ratios, as applicable.

Authorized Storage Injection and Withdrawal charge	**0.081**	**$/GJ**
Authorized Storage Injection and Withdrawal fuel ratio	**1.210%**	

Unauthorized Injection and Withdrawal Overrun
Injection and Withdrawal Overrun if not authorized, will be deemed to be Unauthorized Injection and Withdrawal Overrun. For all occurrences of Unauthorized Injection and Withdrawal Overrun the applicable Unauthorized Injection and Withdrawal Overrun charge and fuel ratio applies.

Unauthorized Storage Injection and Withdrawal charge	**1.750**	**$/GJ**

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective
Implemented
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: E60	WHOLESALE TRANSPORTATION CONTRACT SERVICE

APPLICABILITY

The charges under this rate schedule shall be applicable to a distributor who enters into a Service Contract for the use of the Company's Distribution System for the transportation of Gas for distribution to its Customers.

CHARACTER OF SERVICE

Service shall be continuous (Firm) except for events as specified in the Service Contract including Force Majeure.

MONTHLY RATES AND CHARGES

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 Charge
A Monthly Charge shall be applied each month to each distributor and is applicable to such distributor's delivery area. Should a new delivery area be served under this rate schedule, a distributor specific charge would be established at that time.

Monthly Charge - South Bruce	**$2,112.14**
Firm Transportation Demand Charge	**2.544 $/GJ**

Rate Riders
The rates quoted herein shall be subject to the following Riders (if applicable):
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider J - Carbon Charges

Monthly Minimum Bill
The Monthly Minimum Bill shall be the Monthly Charge plus monthly transportation Demand Charge.

OVERRUN CHARGES

Demand Overrun occurs on any day when Gas Consumption is in excess of 103% of available Contract Demand.

Authorized Demand Overrun

The Company may, at its sole discretion, authorize in advance Demand Overrun for limited periods within a month, provided the local Distribution System has sufficient capacity to accommodate higher demand.

All occurrences of Authorized Demand Overrun will be charged the Authorized Demand Overrun charge.

Authorized Demand Overrun charge	**0.084 $/GJ**

Authorization of Demand Overrun shall not exceed 5 days in any contract year, subject to the Company's discretion. Based on the terms of the Service Contract, requests beyond 5 days will be treated as unauthorized demand overrun, subject to the Company's discretion. The new Contract Demand level may be restricted by the capability of the local Distribution System to accommodate higher demand.

Unauthorized Demand Overrun
Demand Overrun if not authorized, will be deemed to be Unauthorized Demand Overrun. On the first occurrence in a contract year when the Customer takes Unauthorized Demand Overrun Gas, the applicable Unauthorized Demand Overrun charge applies. On the second and any subsequent occurrence in a contract year when the Customer takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established effective immediately and shall be subject to a charge equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract. Based on the capability of the local Distribution System to accommodate higher demand, different conditions may apply as specified in the applicable Service Contract.

Unauthorized Demand Overrun charge (first occurrence)	**0.084 $/GJ**

TERMS OF SERVICE

For Rate E60 contracts, the Ex-Franchise Transportation Services General Terms and Conditions posted on the Enbridge Gas website at www.enbridgegas.com shall apply.

Nominations
For Rate E60 contracts, Article XXII (Nominations) of the Ex-Franchise Transportation Services General Terms and Conditions posted on the Enbridge Gas website at www.enbridgegas.com shall apply.

Nomination variances shall be handled in accordance with the applicable Limited Balancing Agreement.

Receipt and Delivery Points and Pressures
For Rate E60 contracts, Article XXIII (Receipt and Delivery Points and Pressures) of the Ex-Franchise Transportation Services General Terms and Conditions posted on the Enbridge Gas website at www.enbridgegas.com shall apply.

Effective
Implemented
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: E62	WHOLESALE BUNDLED CONTRACT SERVICE

APPLICABILITY

To any Distributor who enters into a Service Contract for the use of the Company's Distribution System for the transportation and purchase (if applicable) of Gas for distribution to its Customers that specifies a Firm Contract Demand of not less than 13,000 m³. The Distributor must have commenced and continued service under the wholesale service prior to January 1, 2024.

CHARACTER OF SERVICE

Firm Service shall be continuous up to the Firm Contract Demand. Interruptible Service shall be subject to curtailment or discontinuance upon the Company issuing a notice not less than 4 hours prior to the time at which such curtailment or discontinuance is to commence. Interruptible and Firm Service is also subject to discontinuance for events as specified in the Service Contract including Force Majeure.

MONTHLY RATES AND CHARGES

Monthly Customer Charge		**$500.00**	
Delivery Charges			
Per Cubic Metre of Firm Contract Demand		**30.3526**	**¢/m³**
Per Cubic Metre of Gas delivered		**0.3245**	**¢/m³**
Gas Supply Transportation Charge	(if applicable)	**1.3641**	**¢/m³**
Gas Supply Western Transportation Charge	(if applicable)	**3.2261**	**¢/m³**
Gas Supply Commodity Charge	(if applicable)	**20.9034**	**¢/m³**

Rate Riders
The rates quoted herein shall be subject to the following Riders (if applicable):
- Rider C - Gas Cost Adjustment
- Rider D - Deferral and Variance Account Clearance
- Rider E - Revenue Adjustment
- Rider G - Service Charges
- Rider J - Carbon Charges

The Gas Supply Charge is applicable to volumes of Gas purchased from the Company. The volumes purchased shall be the volumes delivered at the Point of Consumption less any volumes, which the Company does not own and are received at the Point of Receipt for delivery to the Company at the Point of Consumption.

Monthly Minimum Bill
The Monthly Minimum Bill shall be the Monthly Customer Charge plus the monthly Contract Demand Delivery Charge.

OVERRUN CHARGES

Demand Overrun occurs on any day when Gas Consumption is in excess of 103% of available Contract Demand.

Authorized Demand Overrun
The Company may, at its sole discretion, authorize in advance Demand Overrun for limited periods within a month, provided the local Distribution System has sufficient capacity to accommodate higher demand.

All occurrences of Authorized Demand Overrun will be charged the Authorized Demand Overrun charge.

Authorized Demand Overrun charge	**1.3224**	**¢/m³**

Authorization of Demand Overrun shall not exceed 5 days in any contract year, subject to the Company's discretion. Based on the terms of the Service Contract, requests beyond 5 days will be treated as Unauthorized Demand Overrun, subject to the Company's discretion. The new Contract Demand level may be restricted by the capability of the local Distribution System to accommodate higher demand.

Unauthorized Demand Overrun
Demand Overrun if not authorized, will be deemed to be Unauthorized Demand Overrun. On the first occurrence in a contract year when the Customer takes Unauthorized Demand Overrun Gas, the applicable Unauthorized Demand Overrun charge applies. On the second and any subsequent occurrence in a contract year when the Customer takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established effective immediately and shall be subject to a charge equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract. Based on the capability of the local Distribution System to accommodate higher demand, different conditions may apply as specified in the applicable Service Contract.

Unauthorized Demand Overrun charge (first occurrence)	**1.3224 ¢/m³**

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective
Implemented

OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: E64	WHOLESALE SEMI-UNBUNDLED CONTRACT SERVICE

APPLICABILITY

To any Distributor who enters into a Service Contract for the use of the Company's Distribution System for the transportation and storage of Gas for distribution to its Customers that specifies a Firm Contract Demand of not less than 13,000 m³. The Distributor must have commenced and continued service under the wholesale service prior to January 1, 2024.

CHARACTER OF SERVICE

Service shall be continuous (Firm) except for events as specified in the Service Contract including Force Majeure.

MONTHLY RATES AND CHARGES

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 Customer Charge

City of Kitchener **$31,938.65**

	Demand Charge	Fuel Ratio	&	Commodity Charge	
Transportation Service Charges					
Per Cubic Metre of Firm Contract Demand	**25.2755**				**¢/m³**
Per Cubic Metre of Firm Gas delivered		**0.803%**			**¢/m³**
Storage Service Charges (1)					
Annual Firm Storage Space					
Per GJ of contracted Maximum					
Annual Storage Space	**0.016**				**$/GJ**
Annual Firm Injection/Withdrawal Right					
Per GJ of the contracted Maximum					
Annual Firm Injection/Withdrawal Right					
Utility provides deliverability inventory	**2.468**				**$/GJ**
Customer provides deliverability inventory (5)	**2.218**				**$/GJ**
Incremental Firm Injection Right					
Per GJ of the contracted Maximum					
Incremental Firm Injection Right	**2.218**				**$/GJ**
Withdrawal Commodity					
Per GJ of all quantities withdrawn from storage					
up to the Maximum Daily Storage Withdrawal Quantity		**0.834%**			**/GJ**
Injection Commodity					
Per GJ of all quantities injected into storage					
up to the Maximum Daily Storage Injection Quantity		**0.834%**			**/GJ**

Rate Riders
The rates quoted herein shall be subject to the following Riders (if applicable):
Rider C - Gas Cost Adjustment
Rider D - Deferral and Variance Account Clearance
Rider E - Revenue Adjustment
Rider G - Service Charges
Rider J - Carbon Charges

Monthly Minimum Bill
The Monthly Minimum Bill shall be the Monthly Customer Charge plus monthly transportation Demand Charges and storage Demand Charges.

(1) Notes to Storage Charges

1. **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.

1.1 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 the Company and the Customer. Once sufficient historical information is available for the Customer, or if there have been no significant changes in operations, the standard calculation will be used. At each contract renewal, the aggregate excess calculation will be performed to set the new space allocation.

1.2 Obligated Daily Contract Quantity multiple of 15
Obligated Daily Contract Quantity is the Firm daily quantity of Gas which the Customer must deliver to the Company. The 15x obligated Daily Contract Quantity calculation will be done using the Daily Contract Quantity for the upcoming contract year. At each contract renewal, the 15x 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.

2. **Annual Injection/Withdrawal Right (Deliverability)**
The maximum level of deliverability available to a Customer at the rates specified herein is determined by one of the following storage deliverability allocation methodologies.

2.1 The greater of obligated DCQ and Firm CD less obligated DCQ.

Annual Firm Injection Rights are equal to 100% of their respective Annual Firm Withdrawal Rights. Customers may choose either methodology but the Annual Withdrawal Right as a percentage of Annual Firm Storage Space is limited to 5%. The chosen quantity in excess of the 5% limit may be contracted as Incremental Firm Injection Right.

Customers may contract for less than their maximum entitlement of deliverability.

3. Additional storage space or deliverability, in excess of the maximum allocated entitlements per Notes 1 and 2, may be available at market prices.

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

5. Deliverability inventory is defined as 20% of annual storage space.

TRANSPORTATION SERVICE OVERRUN

Transportation Demand Overrun occurs on any day when Gas Consumption is in excess of 103% of available Contract Demand.

Authorized Transportation Demand Overrun
The Company may, at its sole discretion, authorize in advance Transportation Demand Overrun for limited periods within a month, provided the local Distribution System has sufficient capacity to accommodate higher demand.

All occurrences of Authorized Transportation Demand Overrun will be charged the Authorized Transportation Demand Overrun charge plus the transportation fuel ratio.

Authorized Transportation Demand Overrun charge	**0.8310 ¢/m³**
Transportation fuel ratio	**0.803%**

Authorization of Transportation Demand Overrun shall not exceed 5 days in any contract year, subject to the Company's discretion. Based on the terms of the Service Contract, requests beyond 5 days will be treated as Unauthorized Transportation Demand Overrun, subject to the Company's discretion. The new Contract Demand level may be restricted by the capability of the local Distribution System to accommodate higher demand.

Unauthorized Transportation Demand Overrun
Transportation Demand Overrun if not authorized, will be deemed to be Unauthorized Transportation Demand Overrun. On the first occurrence in a contract year when the Customer takes Unauthorized Transportation Demand Overrun Gas, the applicable Unauthorized Transportation Demand Overrun charge plus the transportation fuel ratio applies. On the second and any subsequent occurrence in a contract year when the Customer takes Unauthorized Transportation Demand Overrun Gas, a new Contract Demand will be established effective immediately and shall be subject to a charge equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract. Based on the capability of the local Distribution System to accommodate higher demand, different conditions may apply as specified in the applicable Service Contract.

Unauthorized Transportation Demand Overrun charge (first occurrence)	**0.8310 ¢/m³**
Transportation fuel ratio	**0.803%**

STORAGE SERVICE SPACE OVERRUN

Storage Space Overrun is applicable on any day when the Customer's Gas storage balance is in excess of 103% of the contracted Maximum Storage Space.

Incremental Storage Space
Incremental Storage Space may be available from the Company at negotiated prices provided as short-term storage / balancing service options and is payable on all quantities on any day in excess of the Customer's contracted Maximum Storage Space. Storage/Balancing Services are available provided storage facilities have sufficient capacity to accommodate the request.

Authorized Storage Space Overrun
Storage Space Overrun is deemed to be authorized for Interruptible Customers at no charge in the event a distribution Interruption is called coincident with a suspension interruption. The amount of authorized Storage Space Overrun is equal to the Customer's obligated DCQ less the Customer's Firm Contract Demand multiplied by the days of distribution Interruption called during the period of November 1 to March 31, until the following July 1.

Unauthorized Storage Space Overrun
Storage Space Overrun, if not provided for under a short-term storage / balancing service, will be deemed to be Unauthorized Storage Space Overrun. In each month, Unauthorized Storage Space Overrun will incur the Unauthorized Storage Space Overrun charge applied to the greatest excess for each occurrence.

Unauthorized Storage Space Overrun charge	**6.000**	**$/GJ**

If on any day the Customer's Gas storage balance is less than zero, the Unauthorized Storage Space 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 the Company's approved weighted average cost of Gas at the time of occurrence. 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 contracted Annual Firm Storage Space.

STORAGE SERVICE DELIVERABILITY OVERRUN

Storage Injection and Withdrawal (Deliverability) Overrun occurs when Gas injected into or withdrawn from storage is in excess of 103% of the available contracted Storage Injections and Withdrawals rights, as applicable.

Authorized Storage Injection and Withdrawal Overrun
The Company may, at its sole discretion, authorize in advance Storage Injection and Withdrawal Overrun for limited periods within a month, as applicable, provided storage facilities have sufficient capacity to accommodate higher demand. All occurrences of Authorized Storage Injection and Withdrawal Overrun will be charged the Authorized Injection and Withdrawal Overrun charges and fuel ratios, as applicable.

Authorized Storage Injection and Withdrawal charge	**0.081**	**$/GJ**
Authorized Storage Injection and Withdrawal fuel ratio	**1.210%**	

Unauthorized Storage Injection and Withdrawal Overrun
Storage Injection and Withdrawal Overrun if not authorized, will be deemed to be Unauthorized Storage Injection and/or Withdrawal Overrun. All occurrences of Unauthorized Storage Injection and Withdrawal Overrun will be charged the Unauthorized Storage Injection/Withdrawal Overrun charge and fuel ratio, as applicable.

Unauthorized Storage Injection and Withdrawal charge	**1.750**	**$/GJ**

RATE: E64	WHOLESALE SEMI-UNBUNDLED CONTRACT SERVICE

DIRECT PURCHASE SERVICES

Rider A - Direct Purchase shall be applicable to Customers who enter into Direct Purchase Services under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE

The provisions of PARTS II and III of the Company's Rate Handbook apply, as contemplated therein, to service under this Rate Schedule.

Effective
Implemented

OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: E70	TRANSPORTATION CONTRACT SERVICE

APPLICABILITY

To a Shipper who enters into a Contract with Enbridge Gas for delivery by Shipper of Gas to Enbridge Gas at one of Enbridge Gas's points listed below for redelivery by Enbridge Gas to Shipper at one of Enbridge Gas's points.

Applicable Points	(1)	(2)
	Ojibway	WDA
	St. Clair	NDA
	Bluewater	SSMDA
	Dawn*	SWDA
	Parkway	CDA
	Kirkwall	EDA
	Bluewater	
	Owen Sound Line	
	Albion King's North	
	Corunna (ANR)	

*Dawn as a receipt point: Dawn (TCPL), Dawn (Facilities) and Dawn (Vector).
*Dawn as a delivery point: Dawn (Facilities).

MONTHLY RATES AND CHARGES

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	Fuel Charges Fuel Ratio	
Firm Transportation (1), (2)			
Dawn to Parkway	**3.466**		**$/GJ**
Dawn to Kirkwall	**2.511**		**$/GJ**
Kirkwall to Parkway	**1.387**		**$/GJ**
Parkway to Dawn	**0.950**	Monthly fuel	**$/GJ**
Parkway to Kirkwall	**0.950**	ratios shall be in	**$/GJ**
Kirkwall to Dawn	**1.340**	accordance with	**$/GJ**
Dawn to Owen Sound Line (3)	**2.140**	Schedule "B".	**$/GJ**
Kirkwall to Owen Sound Line or Dawn (3)	**0.950**		**$/GJ**
Parkway to Owen Sound Line or Dawn (3)	**0.950**		**$/GJ**
Parkway to Albion King's North	**1.492**		**$/GJ**
E70-X Firm Transportation			
Between Dawn, Kirkwall and Parkway	**4.416**	Monthly fuel ratios shall be in accordance with Schedule "B".	**$/GJ**
Limited Firm/Interruptible Transportation			
Dawn to Parkway – Maximum	**8.318**	Monthly fuel ratios shall be in accordance with Schedule "B".	**$/GJ**
Dawn to Kirkwall – Maximum	**8.318**		**$/GJ**

RATE: **E70** | **TRANSPORTATION CONTRACT SERVICE**

	Monthly Demand Charges	Fuel Charges Fuel Ratio Apr.1-Oct.31	Nov.1-Mar.31	
Firm Transportation				
Dawn to St.Clair & Bluewater	**6.640**	**0.527%**	**0.604%**	**$/GJ**
Dawn to Ojibway	**6.640**	**0.484%**	**0.571%**	**$/GJ**
St.Clair & Bluewater to Dawn	**1.819**	**0.527%**	**0.604%**	**$/GJ**
Ojibway to Dawn	**1.819**	**1.048%**	**0.738%**	**$/GJ**
Corunna (ANR) to Dawn	**0.155**	**-**	**-**	**$/GJ**
Transportation Between Two Points within Dawn				
Firm Transportation				
Dawn & Dawn-Vector	**0.016**	**0.484%**	**0.484%**	**$/GJ**
Dawn & Dawn-TCPL	**0.024**	**0.484%**	**0.484%**	**$/GJ**
Interruptible Transportation Between Two Points within Dawn*		**0.484%**	**0.484%**	
* includes Dawn (TCPL), Dawn (Vector),and Dawn Facilities				
Interruptible and Short Term (less than one year) Firm Transportation:				
Maximum Commodity Charge, includes fuel	**$75.00**			

Rate Riders

The rates quoted herein shall be subject to the following Riders (if applicable):

Rider D - Deferral and Variance Account Clearance
Rider E - Revenue Adjustment
Rider J - Carbon Charges

Notes

(1) The annual transportation fuel required is calculated by application of the YCR Formula, as per Transportation Fuel Charges for shippers who have contracted for firm long-term (5 years or greater) transportation service on the Dawn Parkway System. The YCR Formula is not applicable to transportation services to the Owen Sound Line.

(2) A Demand Charge of $0.051/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.

(3) Available to Customers who contract for service under Rate E60 Wholesale Transportation Contract Service.

OVERRUN CHARGES

Authorized Overrun

The following Overrun rates are applied to any quantities transported in excess of 103% of the Contract parameters. Overrun will be authorized at the Company's sole discretion. Authorized Overrun for short-term Firm transportation is available at negotiated rates.

	Fuel and Commodity Charges Fuel Ratio	&	Commodity Charge	
Firm Transportation (1), (2)				
Dawn to Parkway			**0.114**	**$/GJ**
Dawn to Kirkwall			**0.083**	**$/GJ**
Kirkwall to Parkway			**0.046**	**$/GJ**
Parkway to Dawn	Monthly fuel ratios shall be in accordance with schedule "B".		**0.114**	**$/GJ**
Parkway to Kirkwall			**0.114**	**$/GJ**
Kirkwall to Dawn			**0.044**	**$/GJ**
Dawn to Owen Sound Line (3)			**0.070**	**$/GJ**
Kirkwall to Owen Sound Line or Dawn (3)			**0.031**	**$/GJ**
Parkway to Owen Sound Line or Dawn (3)			**0.031**	**$/GJ**
Parkway to Albion King's North			**0.059**	**$/GJ**

RATE: E70	TRANSPORTATION CONTRACT SERVICE

	Fuel Charges Fuel Ratio Apr.1-Oct.31	Nov.1-Mar.31 &	Commodity Charge	
E70-X Firm Transportation				
Between Dawn, Kirkwall and Parkway	Monthly fuel ratios shall be in accordance with schedule "B".		**0.145**	**$/GJ**
Firm Transportation				
Dawn to St.Clair & Bluewater	**0.527%**	**0.604%**	**0.218**	**$/GJ**
Dawn to Ojibway	**0.484%**	**0.571%**	**0.218**	**$/GJ**
St.Clair & Bluewater to Dawn	**0.527%**	**0.604%**	**0.060**	**$/GJ**
Ojibway to Dawn	**1.048%**	**0.738%**	**0.060**	**$/GJ**
Transportation Between Two Points within Dawn				
Firm Transportation				
Dawn & Dawn-Vector	**0.484%**	**0.484%**	**0.001**	**$/GJ**
Dawn & Dawn-TCPL	**0.484%**	**0.484%**	**0.001**	**$/GJ**

Unauthorized Overrun

Authorized Overrun rates will be payable on all quantities up to 3% in excess of the Company'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 103% of the Company's contractual obligation.

TRANSPORTATION FUEL CHARGES

On a daily basis, the Shipper will provide the Company 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 the Company's system.

The annual fuel charge in kind 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 (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 YCR Formula. At the Company's sole discretion Enbridge Gas may make more frequent adjustments than once per year. The YCR adjustments must be paid/remitted to/from Shippers at Dawn within one Billing cycle after invoicing.

$$YCR = \sum_{1}^{4} [(0.00484 \times (QT1 + QT3)) + (DSF \times (QT1 + QT3)) + F_{ST}] \text{ For June 1 to Sept. 30}$$

plus

$$\sum_{5}^{12} [(0.00484 \times (QT1 + QT3)) + (DWF \times QT1) + F_{WT}] \text{ For Oct. 1 to May 31}$$

where: DSF = 0.00000 for Dawn summer fuel requirements
DWF = 0.00259 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.

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 Enbridge Gas's Lobo, Bright and Parkway Compressor Stations (Lobo, Bright and Parkway) to transport the same Shipper's QT1 monthly quantities easterly.

Lobo, Bright 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 Enbridge Gas.

The monthly Parkway 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 Enbridge Gas.

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

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

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

TERMS OF SERVICE

For Rate E70 contracts, the Ex-Franchise Transportation Services General Terms and Conditions posted on the Enbridge Gas website at www.enbridgegas.com shall apply.

Nominations
For Rate E70 contracts, Article XXII (Nominations) of the Ex-Franchise Transportation Services General Terms and Conditions posted on the Enbridge Gas website at www.enbridgegas.com shall apply.

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

Receipt and Delivery Points and Pressures
For Rate E70 contracts, Article XXIII (Receipt and Delivery Points and Pressures) of the Ex-Franchise Transportation Services General Terms and Conditions posted on the Enbridge Gas website at www.enbridgegas.com shall apply.

MONTHLY FUEL RATIOS

Monthly fuel rates and ratios under this Rate Schedule shall be in accordance with the attached Schedule "B".

Effective
Implemented

Board Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: **E70**

SCHEDULE B - MONTHLY TRANSPORTATION FUEL RATIOS

FIRM OR INTERRUPTIBLE TRANSPORTATION COMMODITY

				E70-X Westerly		
Month	Dawn to Parkway Fuel Ratio (%)	Dawn to Kirkwall, Owen Sound Line Fuel Ratio (%)	Kirkwall to Parkway Fuel Ratio (%)	Parkway to Kirkwall, Dawn, Owen Sound Line Fuel Ratio (%)	Kirkwall to Dawn, Owen Sound Line Fuel Ratio (%)	Parkway to Albion King's North Fuel Ratio (%)
January	1.414	1.091	0.807	0.484	0.484	-
February	1.473	1.148	0.809	0.484	0.484	-
March	1.492	1.135	0.841	0.484	0.484	-
April	1.162	0.856	0.790	0.484	0.484	-
May	1.017	0.818	0.683	0.484	0.484	-
June	0.580	0.490	0.574	0.574	0.484	-
July	0.576	0.488	0.572	0.572	0.484	-
August	0.791	0.487	0.788	0.788	0.484	-
September	0.587	0.493	0.578	0.578	0.484	-
October	0.895	0.602	0.777	0.484	0.484	-
November	1.291	0.905	0.870	0.484	0.484	-
December	1.364	1.047	0.800	0.484	0.484	-

FIRM OR INTERRUPTIBLE TRANSPORTATION COMMODITY
AUTHORIZED OVERRUN FUEL RATIOS AND FUEL RATES

				E70-X Westerly		
Month	Dawn to Parkway Fuel Ratio (%)	Dawn to Kirkwall, Owen Sound Line Fuel Ratio (%)	Kirkwall to Parkway Fuel Ratio (%)	Parkway to Kirkwall, Dawn, Owen Sound Line Fuel Ratio (%)	Kirkwall to Dawn, Owen Sound Line Fuel Ratio (%)	Parkway to Albion King's North Fuel Ratio (%)
January	2.014	1.691	1.407	1.084	1.084	-
February	2.073	1.748	1.409	1.084	1.084	-
March	2.092	1.735	1.441	1.084	1.084	-
April	1.762	1.456	1.390	1.084	1.084	-
May	1.617	1.418	1.283	1.084	1.084	-
June	1.180	1.090	1.174	1.174	1.084	-
July	1.176	1.088	1.172	1.172	1.084	-
August	1.391	1.087	1.388	1.388	1.084	-
September	1.187	1.093	1.178	1.178	1.084	-
October	1.495	1.202	1.377	1.084	1.084	-
November	1.891	1.505	1.470	1.084	1.084	-
December	1.964	1.647	1.400	1.084	1.084	-

Effective
Implemented

Board Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: E72	STORAGE POOL TRANSPORTATION CONTRACT SERVICE

APPLICABILITY

The charges under this Rate Schedule shall be applicable for transportation service rendered by Enbridge Gas for all quantities transported to and from embedded storage pools located within Enbridge Gas's franchise area and served using Enbridge Gas's distribution and transmission assets.

Applicable Points
Dawn as a receipt point: Dawn (Facilities).
Dawn as a delivery point: Dawn (Facilities).

MONTHLY RATES AND CHARGES

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 Fixed Charge per Customer Station (1) **$1,669.10**
The monthly fixed charge will be applied once per month per Customer station regardless of service being Firm, Interruptible or a combination thereof.

Transmission Commodity Charge to Dawn **0.044 $/GJ**

	Customers located East of Dawn	Customers located West of Dawn	
Monthly Firm Demand Charge	**1.078**	**1.819**	**$/GJ**
Transportation Fuel			
Fuel charges to Dawn			
Commodity Rate - Utility supplied fuel	**0.026**	**0.026**	**$/GJ**
Fuel Ratio - Shipper supplied fuel	**0.484%**	**0.484%**	
Fuel charges to the Pool			
Commodity Rate - Utility supplied fuel	**0.026**	**0.056**	**$/GJ**
Fuel Ratio - Shipper supplied fuel	**0.484%**	**1.047%**	

Rate Riders
The rates quoted herein shall be subject to the following Riders (if applicable):
Rider D - Deferral and Variance Account Clearance
Rider E - Revenue Adjustment
Rider J - Carbon Charges

RATE: E72	STORAGE POOL TRANSPORTATION CONTRACT SERVICE

OVERRUN CHARGES

Authorized Overrun

The Authorized Overrun rate is payable on all quantities transported in excess of 103% of the Company's obligation. Overrun will be authorized at the Company's sole discretion.

	Customers located East of Dawn	Customers located West of Dawn	
Firm Transportation:			
Charges to Dawn			
Commodity Rate - Utility supplied fuel	**0.105**	**0.130**	**$/GJ**
Commodity Rate - Shipper supplied fuel	**0.080**	**0.104**	**$/GJ**
Fuel Ratio - Shipper supplied fuel	**0.484%**	**0.484%**	
Charges to the Pool			
Commodity Rate - Utility supplied fuel	**0.061**	**0.115**	**$/GJ**
Commodity Rate - Shipper supplied fuel	**0.035**	**0.060**	**$/GJ**
Fuel Ratio - Shipper supplied fuel	**0.484%**	**1.047%**	

Unauthorized Overrun

Authorized Overrun rates payable on all transported quantities up to 3% in excess of the Company'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 the Company'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 the Company's contractual obligation.

TERMS OF SERVICE

For Rate E72 contracts, the Ex-Franchise Transportation Services for Embedded Storage Pools General Terms and Conditions posted on the Enbridge Gas website at www.enbridgegas.com shall apply.

Effective
Implemented

OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: E80	PRODUCER INJECTION AND TRANSPORTATION CONTRACT SERVICE

APPLICABILITY

The charges under this Rate Schedule shall be applicable to a Customer who enters into a contract with Enbridge Gas for Gas received at a local production point.

Applicable Points: Dawn as a delivery point: Dawn (Facilities).

MONTHLY RATES AND CHARGES

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.

		Fuel and Commodity Charges				
		Utility	Shipper Supplied Fuel			
		Supplied	Fuel		Commodity	
	Charge	Fuel	Ratio	&	Charge	
Monthly Fixed Charge per Customer Station, one of						
Typical Customer Station	**469.19**					**$/month**
Large Customer Station	**1,061.58**					**$/month**
Transmission Commodity Charge	**0.044**					**$/GJ**
Delivery Commodity Charge		**0.026**	**0.484%**			**$/GJ**
Authorized Overrun Charge		**0.130**	**0.484%**		**0.104**	**$/GJ**
RNG Sampling Charge	**10,000.00**					**$/sample**

These charges are in addition to the transportation, storage and/or balancing charges which shall be paid for under Rate E70, or other services that may be negotiated.

Rate Riders
The rates quoted herein shall be subject to the following Riders (if applicable):
Rider D - Deferral and Variance Account Clearance
Rider E - Revenue Adjustment
Rider J - Carbon Charges

OVERRUN CHARGES

Authorized Overrun
Authorized Overrun will be payable on all quantities transported in excess of 103% of the Company's obligation on any day. The Overrun charges payable will be calculated at the identified Authorized Overrun charge plus the facility carbon charge. Overrun will be authorized at Enbridge Gas's sole discretion.

Unauthorized Overrun
Authorized Overrun rates payable on all volumes up to 3% in excess of the Company'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 the Company'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 the Company's contractual obligation.

TERMS OF SERVICE

The Producer Service General Terms and Conditions posted on the Enbridge Gas website at www.enbridgegas.com shall apply.

Effective
Implemented
OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RATE: E82	RENEWABLE NATURAL GAS INJECTION CONTRACT SERVICE

APPLICABILITY

To any Renewable Natural Gas Producer (Customer) who enters into a Service Agreement (Agreement) with the Company for Renewable Natural Gas (RNG) Injection Service located on or adjacent to the property employed by the Customer for producing RNG in an area served by the Company's Gas Distribution System. RNG Injection Service under this Schedule is conditioned upon arrangements mutually satisfactory to the Customer and the Company for design, location, construction, and operation of required facilities.

MONTHLY RATES AND CHARGES

The Company will set a rate based on the Customer's unique circumstances (Service Fee). The Service Fee shall be based on a cost-of-service calculation of the Company's fully-allocated direct and indirect costs using the Company's weighted average cost of capital (WACC) of providing the services under the Agreement for a period of time agreed to between the Company and the Customer. The Service Fee for RNG Injection Services will be derived from a Discounted Cash Flow (DCF) analysis. The DCF analysis will be based on the principles and parameters set out in the Ontario Energy Board's EBO 188 feasibility guideline (the Guideline). The Service Fee for RNG Injection Services is a site specific levelized (constant) service fee return on investment and related taxes. The Service Fee for Renewable Natural Gas Injection Service is a site specific levelized (constant) service fee applicable to each month of the term of the Agreement. The Service Fee is set so as to recover all costs associated with the provision of service such as, but not limited to; operating and maintenance costs, depreciation, cost of debt the Company's return on investment and related taxes. The Service Fee will be calculated such that the application of the Guideline is forecast to result in a Profitability Index of equal to or greater than 1.02 over the service life of the plant and facilities required to provide this service.

TERMS AND CONDITIONS OF SERVICE

To be set out in the Service Agreement.

Effective
Implemented

OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RIDER: A	DIRECT PURCHASE

APPLICABILITY

This rider is applicable to any Customer who enters into a Direct Purchase Agreement with the Company under any Rate Schedule.

RATES AND CHARGES

ADMINISTRATION RATES AND CHARGES

Monthly Direct Purchase Administration Charges		
Monthly Fee per pool/contract	**$122.00**	
Notice of Switch Letter Service Charge, per transaction	**$2.11**	
Distributor Consolidated Billing Charges		
Distributor Consolidated Billing Fee, per month, per account	**$2.23**	
Invoice Vendor Adjustment (IVA) Fee, per successful transaction	**$1.41**	
Parkway Delivery Commitment Incentive (PDCI), if applicable	**(0.174)**	**$/GJ**

BALANCING RATES AND CHARGES

BUNDLED DIRECT PURCHASE

In-franchise Transfers	**0.044**	**$/GJ**
For in-franchise transfers except from Western Transportation		
In-franchise Transfers from Western Transportation		
For transfer of Gas to:		
Western Transportation	**0.044**	**$/GJ**
Other Bundled DP and Semi Unbundled DP	**0.521**	**$/GJ**
Ex-franchise Transfers	**0.044**	**$/GJ**
For ex-franchise transfers except from Western Transportation		
Ex-franchise Transfers from Western Transportation	**1.398**	**$/GJ**
Backstop Supply		
Will be facilitiated at a Point of Receipt agreed to by the Customer and the Company.		
Customer will be charged the price paid by the Company for the Gas.		
Plus the Gas Supply Administrative Fee	**0.030**	**$/GJ**
DCQ Assignment	**No Charge**	
Suspension	**No Charge**	
Incremental Supply	**No Charge**	

Incremental Storage Space / Loan Service
May be available from the Company at negotiated prices.

SEMI-UNBUNDLED DIRECT PURCHASE

Backstop Supply
Will be facilitiated at a Point of Receipt agreed to by the Customer and the Company.
Customer will be charged the price paid by the Company for the Gas.
Plus the Gas Supply Administrative Fee **0.030 $/GJ**

Balancing Transactions **No Charge**
In-franchise Transfers
Underground In-franchise Transfer (UIFT)
Ex-franchise Transfers at Dawn
DCQ Assignment
Suspension
Incremental Supply

Incremental Storage Space / Loan Service
May be available from the Company at negotiated prices.

UNBUNDLED DIRECT PURCHASE

Unbundled Balancing Service (UBS) - Balancing Commodity Charge **0.780 $/GJ**

UBS - Daily Balancing Charge (if applicable)
Applied to all UBS volumes based on a proportionate share of TransCanada costs incurred by the Company to provide the balancing service.

UBS transfer during an Interruption **No Charge**

Incremental Storage Space / Loan Service
May be available from the Company at negotiated prices.

COMPLIANCE RATES AND CHARGES

BUNDLED DIRECT PURCHASE

Failure to Deliver
Applied to quantities not delivered to the Company in the event the Customer's supply fails. A Gas supply charge will be applied at an equivalent to the greater of the highest spot price at the Empress, Dawn, Parkway, Niagara, or Iroquois trading points on the day, or 150% of the Enbridge Gas reference price.

Unauthorized Account Draft
The charge for banked Gas purchases shall be the greater of the highest spot price at Dawn in the last month of the pool term, or the month after, but not less than the Dawn reference price.

Unauthorized Account Overrun **6.000 $/GJ**
When the Customer does not meet their balancing requirements during the September checkpoint, any quantities in excess of the agreed upon checkpoint level will be deemed to be unauthorized. An Unauthorized Banked Gas Account Overrun charge will be applied to the excess amount. The Unauthorized Overrun charge will continue for each month until the Customer removes the excess Gas.

SEMI-UNBUNDLED DIRECT PURCHASE

Failure to Deliver
Applied to quantities not delivered to the Company in the event the Customer's supply fails. A Gas supply charge will be applied at an equivalent to the greater of the highest spot price at the Empress, Dawn, Parkway, Niagara, or Iroquois trading points on the day, or 150% of the Enbridge Gas reference price.

UNBUNDLED DIRECT PURCHASE

Unauthorized UBS Account Overdraft

If on any day the Customer's UBS account is less than zero, the unauthorized UBS account overdraft charge will apply for each GJ of Gas below the zero inventory level and this amount of Gas shall be deemed not to have been withdrawn from the UBS account. The Gas shall be deemed to have been sold to the Customer at the highest spot price at the Empress, Dawn, Parkway, Niagara, or Iroquois trading points on the day, or 150% of the Enbridge Gas reference price.

UBS Account Overrun **6.000 $/GJ**

Applied to all UBS volumes if the UBS opening balance exceeds max balancee. For Customers who have contracted for the Hourly UBS service, the Overrun is applied if the UBS volumes in any hour exceeds the Customer's contracted Hourly Balancing Amount.

Effective
Implemented

OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RIDER: C	GAS COST ADJUSTMENT

Effective
Implemented

OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RIDER: D	DEFERRAL AND VARIANCE ACCOUNT CLEARANCE

Effective
Implemented

OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RIDER: E	REVENUE ADJUSTMENT

Effective
Implemented

OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RIDER: G	SERVICE CHARGES

APPLICABILITY

This rider is applicable to any Customer utilizing any service outlined in this schedule.

RATES AND CHARGES	Rate (excluding HST)
New Account Establishing a new Customer account and activating Billing information.	$ 25.00 per new account
Non-Sufficient Funds Recovers the amount charged from the financial institution.	$ 20.00 per occurrence
Construction Heat Activation For the temporary use of Gas for buildings under construction before a building is occupied.	$ 120.00 per occurrence
Safety Inspection To review the condition of appliances that must be performed when Gas is either first introduced or reintroduced at a premise. First inspections at the time Gas is first introduced to a premise is free of charge.	$ 120.00 per premise
Meter Unlock For turning the meter on after deactivation to reconnect the Customer to Gas service.	$ 120.00 per occurrence
Meter Dispute Test When a Customer disputes the accuracy of a meter at their premise and requests a meter test. The charge is applied if the test confirms the meter was not faulty.	$ 194.00 per occurrence
Extra Length Charge (ELC) New residential services connecting to existing mains are allowed a 20 metre service at no cost to the Customer. Any service longer than this allowable threshold is charged an ELC on a per metre basis. (1)	$ 122.00 per metre beyond 20 metres
Locate Delivery Charge Third-party contractors that request field locates of Enbridge Gas underground infrastructure.	$ 200.00 per locate
<u>Damage Cost Recovery Charges (2)</u>	
Emergency Crew Response Redirecting resources from active field sites of planned Enbridge Gas work in order to respond to a damage.	$ 290.00 per damage
Damage Investigation Dispatching resources to analyze damage and determine the root cause.	$ 550.00 per damage
Loss of Containment (Gas Loss) Recovers the value of Gas fugitive emissions lost to the atmosphere.	Varies

Notes:
(1) Service length is measured from the property line to the metre location.
(2) Actual damage charge recoveries can be subject to litigation and dispute processes, including court orders and settlements.

RIDER: G	SERVICE CHARGES

Custom Charges	Rate (excluding HST)
Required to recover the costs incurred per occurrence for a variety of services where the work and the associated costs are not consistent. The custom charge can include regular labour, overtime labour, third party invoices and/or material. Examples of custom charges include damage response, damage remediation and ad-hoc Customer requested services. Custom charges also include installation costs in the event a Customer does not use Gas within six months of installation of a new Gas service.	
Regular Labour	$ 178.00 per hour
Overtime Labour	$ 223.00 per hour
Third Party Invoices	Based on invoice
Materials	Based on cost

Effective
Implemented

OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RIDER: I	SYSTEM EXPANSION AND TEMPORARY CONNECTION SURCHARGES

APPLICABILITY

This rider is applicable to the Point of Consumption of any Customer who receives Gas distribution services from the Company as part of a Community Expansion Project, Small Main Extension or Customer Attachment Project, as defined below. The System Expansion Surcharge (SES) and Temporary Connection Surcharge (TCS) are in addition to the rates charged pursuant to the applicable rate schedules.

SYSTEM EXPANSION SURCHARGE (SES)	**$0.23/m^3**
TEMPORARY CONNECTION SURCHARGE (TCS)	**$0.23/m^3**

SES and TCS additional terms and conditions:

a) The Company may apply the SES for a term of up to 40 years, to be determined in accordance with the Company's feasibility policy;

b) The Company may require payment of a Contribution in Aid of Construction (CIAC) or apply the TCS for a term of up to 40 years, to be determined in accordance with the Company's feasibility policy;

c) The Community Expansion Projects to which the SES apply are set out below. The Company will publish the geographic location, effective date and term of TCS project areas on the Company's website. Subject to d) below, the SES and TCS will apply to all Point(s) of Consumption within the geographic location for the term, notwithstanding any change of ownership or occupancy; and

d) The Company's estimated annual supply of Gas at the Point of Consumption must be no more than 50,000 m³. For any Point of Consumption with an estimated annual supply of Gas greater than 50,000 m³, the Customer may elect to pay the SES or TCS, as applicable, or pay a CIAC.

GLOSSARY OF TERMS

Community Expansion Project – A Gas system expansion project undertaken by the Company for which the PI is less than 1.0 and which will provide first-time Gas system access to a minimum of 50 potential Customers.

Contribution in Aid of Construction (CIAC) - The Company's calculation in accordance with its feasibility policy of the amount of Customer financial contributions required to reduce the capital cost of a project to serve one or more Customers so that the project becomes feasible.

Small Main Extension and Customer Attachment Projects – A Gas system extension or expansion project undertaken by the Company for which the PI is less than 1.0 and which will provide Gas system access to less than 50 potential Customers.

Profitability Index (PI) – The Company's calculation in accordance with its feasibility policy of the ratio of the net present value (NPV) of the net cash inflows to the NPV of the net cash outflows for a Gas system expansion or extension project undertaken by the Company.

RIDER: I	SYSTEM EXPANSION AND TEMPORARY CONNECTION SURCHARGES

COMMUNITY EXPANSION PROJECTS AND EFFECTIVE DATES:

Community Expansion Project Description	In-service Date	SES initial Term	Board Order Number
Town of Fenelon Falls	2020	40 years	EB-2017-0147
Scugog Island	2021	40 years	EB-2017-0261
Kettle and Stony Point First Nation and Lambton Shores	2017	12 years	EB-2015-0179
Milverton, Rostock and Wartburg	2017	15 years	EB-2015-0179
Delaware Nation of Moraviantown First Nation	2018	40 years	EB-2015-0179
Chippewas of the Thames First Nation	2019	40 years	EB-2019-0139
Saugeen First Nation	2020	40 years	EB-2019-0187
Prince Township	2018	22 years	EB-2015-0179
North Bay - Northshore and Peninsula Roads	2020	40 years	EB-2019-0188

Effective
Implemented

OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RIDER: J	CARBON CHARGES

APPLICABILITY

This rider is applicable to all Gas delivered or transported.

RATES AND CHARGES

	Federal Carbon Charge (if applicable) ¢/m³	Facility Carbon Charge ¢/m³
Rate Class		
Rate E01	7.8300	0.0066
Rate E02	7.8300	0.0066
Rate E10	7.8300	0.0066
Rate E20	7.8300	0.0066
Rate E22	7.8300	0.0066
Rate E24	7.8300	0.0066
Rate E30	7.8300	0.0066
Rate E34	7.8300	0.0066
Rate E38	7.8300	0.0066
Rate E60	0.0000	0.0066
Rate E62	0.0000	0.0066
Rate E64	0.0000	0.0066
	$/GJ	$/GJ
Rate E70	0.0000	0.0066
Rate E72	0.0000	0.0066
Rate E80	0.0000	0.0066

Effective
Implemented

OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RIDER: K	BILL 32 AND ONTARIO REGULATION 24/19

APPLICABILITY

This rider is applicable to any Customer taking service within the rate classes listed below.

Rate Class	Monthly Charge Per Customer $
Rate E01	1.00
Rate E02	1.00
Rate E10	1.00
Rate E20	1.00
Rate E22	1.00
Rate E24	1.00
Rate E30	1.00
Rate E34	1.00

Effective
Implemented

OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RIDER: L	LOW-CARBON VOLUNTARY PROGRAM CHARGE

APPLICABILITY

This rider is applicable to Sales Service Customers in the below rate classes who elect to participate in the Company's Low-Carbon Voluntary Program to fund the incremental cost of low-carbon energy purchased by the Company as part of system supply.

Rate Class

Rate E02
Rate E10
Rate E30
Rate E34

RATES AND CHARGES

The Company will set a rate based on the incremental portfolio price of low-carbon energy (Low-Carbon Energy Fee) that will be applied to each unit of low-carbon energy elected by the Customer. The Low-Carbon Energy Fee (in cents/m^3) shall be set to the portfolio average cost per unit of the low-carbon energy procured by the Company that is incremental to the cost of conventional Gas for the duration of the term for each unit of low-carbon energy elected.

MINIMUM TERM

The minimum term available is 12 months from the first delivery of low-carbon energy (Delivery Term) made by the Company to the Customer. Customers will have the option to renew or change election on an annual basis for the following Delivery Term subject to the availability of low-carbon energy by the Company.

Effective
Implemented

OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RIDER: M	HYDROGEN GAS

APPLICABILITY

This rider is applicable to all Gas sold or delivered to any Customer who, pursuant to any rate schedule, receives Gas Distribution Services from the Company as part of a Hydrogen Blending Pilot Project listed below. The Hydrogen Gas Rider will compensate Customers in the applicable Blended Gas Area for costs associated with increased Gas Consumption resulting from a lower heating value of the Gas and is in addition to the rate charged pursuant to the applicable Rate Schedule.

HYDROGEN GAS RIDER FOR CUSTOMERS IN THE BLENDED GAS AREA

Rate E01: A credit of $17.00 per year per Point of Consumption
Rate E02: A credit of $154.00 per year per Point of Consumption

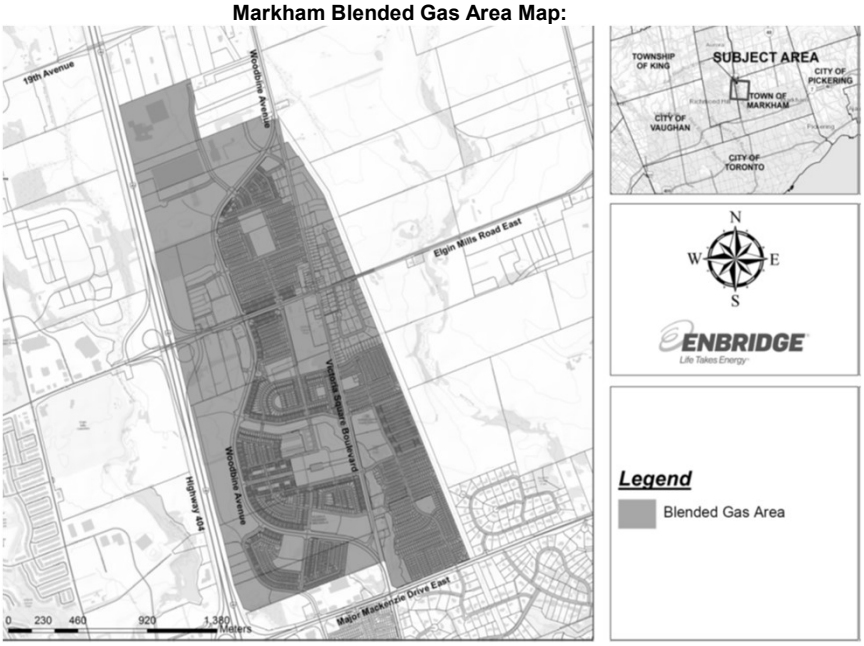
HYDROGEN BLENDING PILOT PROJECT AND EFFECTIVE DATE

Description	In-service Date	Term	Board Order Number
Hydrogen Blending Pilot Project Markham (see map below)	August 1, 2021	To be reviewed annually and updated if there is a material change in the price of Gas.	EB-2019-0294

GLOSSARY OF TERMS

- A project for which the Company blends its standard Gas supply with up to 2% of hydrogen gas (blended gas) for distribution within an isolated portion the Distribution System called the Blended Gas Area.

Markham Blended Gas Area Map:



Effective
Implemented

OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

RIDER: N	ENERGY TRANSITION TECHNOLOGY FUND

APPLICABILITY

This rider is applicable to any Customer taking service within the rate classes listed below.

Rate Class	Monthly Charge Per Customer $
Rate E01	0.11
Rate E02	0.11
Rate E10	0.11
Rate E20	0.11
Rate E22	0.11
Rate E24	0.11
Rate E30	0.11
Rate E34	0.11

Effective
Implemented

OEB Order EB-2022-0200

Supersedes EB-2022-0089 Rate Schedule effective April 1, 2022.

Filed: 2022-03-11
EB-2022-0089
Exhibit C
Tab 4
Schedule 9
Page 1 of 72

ENBRIDGE GAS INC.

EGD RATE ZONE
HANDBOOK OF RATES AND DISTRIBUTION SERVICES

INDEX

PART I:	**GLOSSARY OF TERMS**	**Page 1**
PART II:	**RATES AND SERVICES AVAILABLE**	**Page 4**
PART III:	**TERMS AND CONDITIONS - APPLICABLE TO ALL SERVICES**	**Page 5**
PART IV:	**TERMS AND CONDITIONS - DIRECT PURCHASE ARRANGEMENTS**	**Page 8**
PART V:	**RATE SCHEDULES**	**Page 11**

Part I

GLOSSARY OF TERMS

In this Handbook of Rates and Distribution Services, each term set out below shall have the meaning set out opposite it:

Annual Turnover Volume ("ATV"): The sum of the contracted volumes injected into and withdrawn from storage by an applicant within a contract year.

Annual Volume Deficiency: The difference between the Minimum Annual Volume and the volume actually taken in a contract year, if such volume is less than the Minimum Annual Volume.

Applicant: The party who makes application to the Company for one or more of the services of the Company and such term includes any party receiving one or more of the services of the Company.

Authorized Volume: In regards to Sales Service Agreements, the Contract Demand.

In regards to Bundled Transportation Service arrangements, the Contract Demand (CD) less the amount by which the Applicant's Mean Daily Volume (MDV) exceeds the Daily Delivered Volume (Delivery) and less the volume by which the Applicant has been ordered to curtail or discontinue the use of gas (Curtailment Volume) or otherwise represented as:

CD – (MDV – Delivery) – Curtailment Volume

Back-stopping: A service whereby alternative supplies of gas may be available in the event that an Applicant's supply of gas is not available for delivery to the Company.

Banked Gas Account: A record of the amount of gas delivered by the Applicant to the Company in respect of a Terminal Location (credits) and of volume of gas taken by the Applicant at the Terminal Location (debits)

Billing Contract Demand: Applicable only to new customers who take Dedicated Service under Rate 125. The Company and the Applicant shall determine a Billing Contract Demand which would result in annual revenues over the term of the contract that would enable the Company to recover the invested capital, return on capital, and O&M costs of the Dedicated Service in accordance with its system expansion policies.

Billing Month: A period of approximately thirty (30) days following which the Company renders a bill to an applicant. The billing month is determined by the Company's monthly Reading and Billing Schedule. With respect to rate 135 LVDC's, there are eight summer months and four winter months.

Board: Ontario Energy Board. (OEB)

Bundled Service: A service in which the demand for natural gas at a Terminal Location is met by the Company utilizing Load balancing resources.

Buy/Sell Arrangement: An arrangement, the terms of which are provided for in one or more agreements to which one or more of an end user of gas (being a party that buys from the Company gas delivered to a Terminal Location), an affiliate of an end user and a marketer, broker or agent of an end user is a party and the Company is a party, and pursuant to which the Company agrees to buy from the end user or its affiliate a supply of gas and to sell to the end user gas delivered to a Terminal Location served from the gas distribution network. The Company will not enter into any new buy/sell agreement after April 1, 1999.

Buy/Sell Price: The Price per cubic meter which the Company would pay for gas purchased pursuant to a Buy/Sell Arrangement in which the purchase takes place in Ontario.

Commodity Charge: A charge per unit volume of gas actually taken by the Applicant, as distinguished from a demand charge which is based on the maximum daily volume an Applicant has the right to take.

Company: Enbridge Gas Inc.

Contract Demand: A contractually specified volume of gas applicable to service under a particular Rate Schedule for each Terminal Location which is the maximum volume of gas the Company is required to deliver on a daily basis under a Large Volume Distribution Contract.

Cubic Metre ("m³"): That volume of gas which at a temperature of 15 degrees Celsius and at an absolute pressure of 101.325 kilopascals ("kPa") occupies one cubic metre. "10³m³" means 1,000 cubic metres.

Curtailment: An interruption in an Applicant's gas supply at a Terminal Location resulting from compliance with a request or an order by the Company to discontinue or curtail the use of gas.

Curtailment Credit: A credit available to interruptible customers to recognize the benefits they provide to the system during the winter months.

Curtailment Delivered Supply (CDS): An additional volume of gas, in excess of the Applicant's Mean Daily Volume and determined by mutual agreement between the Applicant and the Company, which is Nominated and delivered by or on behalf of the Applicant to a point

of interconnection with the Company's distribution system on a day of Curtailment.

Customer Charge: A monthly fixed charge that reflects being connected to the gas distribution system.

Daily Consumption vs Gas Quantity: The volume of natural gas taken on a day at a Terminal Location as measured by daily metering equipment or, where the Company does not own and maintain daily metering equipment at a Terminal Location, the volume of gas taken within a billing period divided by the number of days in the billing period.

Daily Delivered Volume: The volume of gas accepted by the Company as having been delivered by an Applicant to the Company on a day.

Dedicated Service: An Unbundled Service provided through a gas distribution pipeline that is initially constructed to serve a single customer, and for which the volume of gas is measured through a billing meter that is directly connected to a third party transporter or other third party facility, when service commences.

Delivery Charge: A component of the Rate Schedule through which the Company recovers its operating costs.

Demand Charge: A fixed monthly charge which is applied to the Contract Demand specified in a Service Contract.

Demand Overrun: The amount of gas taken at a Terminal Location exceeding the Contract Demand.

Direct Purchase: Natural gas supply purchase arrangements transacted directly between the Applicant and one or more parties, including the Company.

Disconnect and Reconnect Charges: The charges levied by the Company for disconnecting or reconnecting an Applicant from or to the Company's distribution system.

Diversion: Delivery of gas on a day to a delivery point different from the normal delivery point specified in a Service Contract.

EGD Rate Zone: The geographic areas within which the Company provides the services set out in this Rate Handbook formerly provided by Enbridge Gas Distribution Inc. prior to its amalgamation with Union Gas Limited on January 1, 2019, as such areas may be amended from time to time.

Firm Service: A service for a continuous delivery of gas without curtailment, except under extraordinary circumstances.

Firm Transportation ("FT"): Firm Transportation service offered by upstream pipelines to move gas from a receipt point to a delivery point, as defined by the pipeline.

Force Majeure: Any cause not reasonably within the control of the Company and which the Company cannot prevent or overcome with reasonable due diligence, including:

(a) physical events such as an act of God, landslide, earthquake, storm or storm warning such as a hurricane which results in evacuation of an affected area, flood, washout, explosion, breakage or accident to machinery or equipment or lines of pipe used to transport gas, the necessity for making repairs to or alterations of such machinery or equipment or lines of pipe or inability to obtain materials, supplies (including a supply of services) or permits required by the Company to provide service;

(b) interruption and/or curtailment of firm transportation by a gas transporter for the Company;

(c) acts of others such as strike, lockout or other industrial disturbance, civil disturbance, blockade, act of a public enemy, terrorism, riot, sabotage, insurrections or war, as well as physical damage resulting from the negligence of others;

(d) in relation to Load Balancing, failure or malfunction of any storage equipment or facilities of the Company; and

(e) governmental actions, such as necessity for compliance with any applicable laws.

Gas: Natural Gas.

Gas Delivery Agreement: A written agreement pursuant to which the Company agrees to transport gas on the Applicant's behalf to a specified Terminal Location.

Gas Distribution Network: The physical facilities owned by the Company and utilized to contain, move and measure natural gas.

Gas Sale Contract: A written agreement pursuant to which the Company agrees to supply and deliver gas to a specified Terminal Location.

Gas Supply Charge: A charge for the gas commodity purchased by the applicant.

Gas Supply Load Balancing Charge: A charge in the Rate Schedules where the Company recovers the cost of ensuring gas supply matches consumption on a daily basis.

General Service Rates: The Rate Schedules applicable to those Bundled Services for which a specific contract between the Company and the Applicant is not generally required. The General Service Rates include Rates 1, 6, and 9 of the Company.

Gigajoule ("GJ"): See Joule.

Hourly Demand: A contractually specified volume of gas applicable to service under a particular Rate Schedule which is the maximum volume of gas the Company is required to deliver to an Applicant on a hourly basis under a Service Contract.

Imperial Conversion Factors:

Volume:

1,000 cubic feet (cf)	=	1 Mcf
	=	28.32784 cubic metres (m^3)
1 billion cubic feet (cf)	=	28.32784 $10^6 m^3$

Pressure:

1 pound force per square inch (p.s.i.)	=	6.894757 kilopascals (kPa)
1 inch Water Column (in W.C.) (60°F)	=	0.249 kPa (15.5°C)
1 standard atmosphere	=	101.325 kPa

Energy:

1 million British thermal units	=	1 MMBtu
	=	1.055056 gigajoules (GJ)
948,213.3 Btu	=	1 GJ

Monetary Value:

$1 per Mcf	=	$0.03530096 per m^3
$1 per MMBtu	=	$0.9482133 per GJ

Interruptible Service: Gas service which is subject to curtailment for either capacity and/or supply reasons, at the option of the Company.

Intra-Alberta Service: Firm transportation service on the Nova pipeline system under which volumes are delivered to an Intra-Alberta point of acceptance.

Joule ("J"): The amount of work done when the point of application of a force of one newton is displaced a distance of one metre in the direction of the force. One megajoule ("MJ") means 1,000,000 joules; one gigajoule ("GJ") means 1,000,000,000 joules.

Large Volume Distribution Contract: (**LVDC):** A written agreement pursuant to which the Company agrees to supply and deliver gas to a specified Terminal Location.

Large Volume Distribution Contract Rates: The Rate Schedules applicable for annual consumption exceeding 340,000 cubic metres of gas per year and for which a specific contract between the Company and the Applicant is required.

Load-Balancing: The balancing of the gas supply to meet demand. Storage and other peak supply sources, curtailment of interruptible services, and diversions from one delivery point to another may be used by the Company.

Make-up Volume: A volume of gas nominated and delivered, pursuant to mutually agreed arrangements, by an Applicant to the Company for the purpose of reducing or eliminating a net debit balance in the Applicant's Banked Gas Account.

Mean Daily Volume (MDV): The volume of gas which an Applicant who delivers gas to the Company, under a T-Service arrangement, agrees to deliver to the Company each day in the term of the arrangement.

Metric Conversion Factors:

Volume:

1 cubic metre (m^3)	=	35.30096 cubic feet (cf)
1,000 cubic metres $10^3 m^3$	=	35,300.96 cf
	=	35.30096 Mcf
28.32784 m^3	=	1 Mcf

Pressure:

1 kilopascal (kPa)	=	1,000 pascals
	=	0.145 pounds per square inch (p.s.i.)
101.325 kPa	=	one standard atmosphere

Energy:

1 megajoule (MJ)	=	1,000,000 joules
	=	948.2133 British thermal units (Btu)
1 gigajoule (GJ)	=	948,213.3 Btu
1.055056 GJ	=	1 MMBtu

Monetary Value:

$1 per $10^3 m^3$	=	$0.02832784 per Mcf
$1 per gigajoule	=	$1.055056 per MMBtu

Minimum Annual Volume: The minimum annual volume as stated in the customer's contract, also Section E.

Natural Gas: Natural and/or residue gas comprised primarily of methane.

Nominated Volume: The volume of gas which an Applicant has
advised the Company it will deliver to the Company in a day.

Nominate, Nomination: The procedure of advising the Company of the volume which the Applicant expects to deliver to the Company in a day.

Ontario Energy Board or OEB: An agency of the Ontario Government which, amongst other things, approves the Company's Rate Schedules (Part V of this HANDBOOK) and the matters described in Parts III and IV of this HANDBOOK.

Point of Acceptance: The point at which the Company accepts delivery of a supply of natural gas for transportation to, or purchase from, the Applicant.

Rate Schedule: A numbered rate of the Company as fixed or approved by the OEB. that specifies rates, applicability, character of service, terms and conditions of service and the effective date.

Seasonal Credit: A credit applicable to Rate 135 customers to recognize the benefits they provide to the storage operations during the winter period.

Service Contract: An agreement between the Company and the Applicant which describes the responsibilities of each party in respect to the arrangements for the Company to provide Sales Service or Transportation Service to one or more Terminal Locations.

System Sales Service: A service of the Company in which the Company acquires and sells to the Applicant the Applicant's natural gas requirements.

T-Service: Transportation Service.

Terminal Location: The building or other facility of the Applicant at or in which natural gas will be used by the Applicant.

Transportation Service: A service in which the Company agrees to transport gas on the Applicant's behalf to a specified Terminal Location.

Unbundled Service: A service in which the demand for natural gas at a Terminal Location is met by the Applicant contracting for separate services (upstream transportation, load balancing/storage, transportation on the Company's distribution system) of which only Transportation Service is mandatory with the Company.

Western Canada Buy Price: The price per cubic metre which the Company would pay for gas pursuant to a Buy/Sell Agreement in which the purchase takes place in Western Canada.

PART II

RATES AND SERVICES AVAILABLE

The provisions of this PART II are intended to provide a general description of services offered by the Company in the EGD Rate Zone and certain matters relating thereto. Such provisions are not definitive or comprehensive as to their subject matter and may be changed by the Company at any time without notice.

SECTION A - INTRODUCTION

1. **In Franchise Services**

The Company provides in franchise services for the transportation of natural gas from the point of its delivery to the Company to the Terminal Location at which the gas will be used. The natural gas to be transported may be owned by the Applicant for service or by the Company. In the latter case, it will be sold to the customer at the outlet of the meter located at the Terminal Location.

Applicants may elect to have the Company provide all-inclusively the services which are mutually agreed to be required or they may select (from the 300 series of rates, and Rate 125) only the amounts of those services which they consider they need.

The all-inclusive services are provided pursuant to Rates 1, 6 and 9, ("the General Service Rates") and Rates 100, 110, 115, 135, 145, and 170 ("the Large Volume Service Rates"). Individual services are available under Rates 125, 300, 315, and 316 ("the Unbundled Service Rates").

Service to residential locations is provided pursuant to Rate 1.

Service which may be interrupted at the option of the Company is available, at rates lower than would apply for equivalent service under a firm rate schedule, pursuant to Rates 145, 170. Under all other rate schedules, service is provided upon demand by the Applicant, i.e., on a firm service basis.

2. **Ex-Franchise Services**

The Company provides ex-franchise services for the transportation of natural gas through its distribution system to a point of interconnection with the distribution system of other distributors of natural gas. Such service is provided pursuant to Rate 200 and provides for the bundled transportation of gas owned by the Company, owned by customers of that distributor, or owned by that distributor.

For the purposes of interpreting the terms and conditions contained in this Handbook of Rates and Distribution Services the ex -franchise distributor shall be considered to be the applicant for the transportation

of its customer owned gas and shall assume all the obligations of transportation as if it owned the gas.

Nominations for transportation service must specify whether the volume to be transported is to displace firm or interruptible demand or general service.

In addition, the Company provides Compression, Storage, and Transmission services on its Tecumseh system under Rates 325, 330 and 331.

SECTION B -DIRECT PURCHASE ARRANGEMENTS

Applicants who purchase their natural gas requirements directly from someone other than the Company or who are brokers or agents for an end user, may arrange to transport gas on the Company's distribution network using one of the following options: a) in conjunction with a Western Buy/Sell Arrangement, b) Ontario Delivery Transportation Service Arrangement, whether Bundled or Unbundled, c) Western Bundled Transportation Service Arrangement or d) Dawn Bundled Transportation Service.

A. Western Canada

Buy/Sell in a Western Canada Buy/Sell Arrangement the Applicant delivers gas to a point in Western Canada which connects with the transmission pipeline of TransCanada PipeLines Limited. At that point, the Company purchases the gas from the Applicant at a price specified in Rider 'B' of the rate schedules less the costs for transmission of the gas from the point of purchase to a point in Ontario at which the Company's gas distribution network connects with a transmission pipeline system. The Company will not be entering into any new Western Canada buy/sell arrangements after April 1, 1999.

B. Ontario Delivery T-Service Arrangement

In an Ontario Delivery T-Service Arrangement the Applicant delivers gas, to a contractually agreed-upon point of acceptance in Ontario.

Delivery from the point of direct interconnection with the Company's gas distribution network to a Terminal Location served from the Company's gas distribution network may be obtained by the Applicant either under the Bundled Service Rate Schedules or under the Unbundled Service Rate Schedules.

(i) Bundled T-Service

Bundled T-Service is so called because all of the services required by the Applicant (delivery and load balancing) are provided for the prices specified in the applicable Rate Schedule. In a Bundled T-Service arrangement the Applicant contracts to deliver each day to the Company a Mean Daily Volume of gas. Fluctuations in the demand for gas at the Terminal Location are balanced by the Company.

(ii) Unbundled T-Service

The Unbundled Service Rates allow an Applicant to contract for only such kinds of service as the Applicant chooses. The potential advantage to an Applicant is that the chosen amounts of service may be less than the amounts required by an average customer represented in the applicable Rate Schedule, in which case the Applicant may be able to reduce the costs otherwise payable under Bundled T-Service.

C. Western Delivery T-Service Arrangement

In a Western Delivery T-Service Arrangement the Applicant contracts to deliver each day to a point on the TransCanada PipeLines Ltd. transmission system in Western Canada a Mean Daily Volume of gas plus fuel gas. Delivery from that point to the Terminal Location is carried out by the Company using its contracted capacity on the TransCanada PipeLines Limited system and its gas distribution network. Unbundled T-Service in Ontario is not available with the Western Delivery Option.

An Applicant desiring to receive Transportation Service or to establish a Buy/Sell Agreement must first enter into the applicable written agreements with the Company.

D. Dawn Delivery T-Service Arrangement

In a Dawn Delivery T-Service Arrangement the Applicant contracts to deliver each day to the Dawn natural gas hub as point of acceptance the Mean Daily Volume of gas. Delivery from that point to the Terminal Location is carried out by the Company using capacity of facilities upstream of the distribution system and its gas distribution network.

PART III

TERMS AND CONDITIONS APPLICABLE TO ALL SERVICES

The provisions of this PART III are applicable to, and only to, Sales Service and Transportation Service.

SECTION A - AVAILABILITY

Unless otherwise stated in a Rate Schedule, the Company's rates and services are available throughout the EGD Rate Zone. Transportation Service and/or Sales Service will be provided subject to the Company having the capacity in its gas distribution network to provide the service requested. When the Company is requested to supply the natural gas to be delivered, service shall be available subject to the Company having available to it a supply of gas adequate to meet the requirement without jeopardizing the supply to its existing customers.

Service shall be made available after acceptance by the Company of an application for service to a Terminal Location at which the natural gas will be used.

SECTION B - ENERGY CONTENT

The price of natural gas sold at a Terminal Location is based on the assumption that each cubic metre of such natural gas contains a certain number of megajoules of energy which number is specified in the Rate Schedules. Variations in cost resulting from the energy content of the gas actually delivered to the Company by its supplier(s) differing from the assumed energy content will be recorded and used to adjust future bills. Such adjustments shall be made in accordance with practices approved from time to time by the Ontario Energy Board.

SECTION C - SUBSTITUTION PROVISION

The Company may deliver gas from any standby equipment provided that the gas so delivered shall be reasonably equivalent to the natural gas normally delivered.

SECTION D - BILLS

Bills will be mailed or delivered monthly or at such other time period as set out in the Service Contract. Gas consumption to which the Company's rates apply will be determined by the Company either by meter reading or by the Company's estimate of consumption where meter reading has not occurred. The rates and charges applicable to a billing month shall be those applicable to the calendar month which includes the last day of the billing month.

SECTION E - MINIMUM BILLS

The minimum bill per month applicable to service under any particular Rate Schedule shall be the Customer Charge plus any applicable Contract Demand Charges for Delivery, Gas Supply Load Balancing, and Gas Supply and any applicable Direct Purchase Administration Charge, all as provided for in the applicable Rate Schedule.

In addition, for service under each of the Large Volume Distribution Contact Rates, if in a contract year a volume of gas equal to or greater than the product of the Contract Demand multiplied by a contractually specified multiple of the Contract Demand ("Minimum Annual Volume") is not taken at the Terminal Location the Applicant shall pay, in addition to the minimum monthly bills, the amount obtained when the difference between the Minimum Annual Volume and the volume taken in the contract year (such difference being the Annual Volume Deficiency) is multiplied by the applicable Minimum Bill Charge(s) as provided for in the applicable Rate Schedule. Notwithstanding the foregoing, the Minimum Annual Volume shall be the greater of the Minimum Annual Volume as determined above and 340,000 m^3.

If gas deliveries to the Terminal Location have been ordered to be curtailed or discontinued in a contract year at the request of the Company and have been curtailed or discontinued as ordered, the Minimum Annual Volume shall be reduced for each day of curtailment or discontinuance by the excess of the Contract Demand over the volume delivered to the Terminal Location on such day.

SECTION F - PAYMENT CONDITIONS

Charges from the Company are due when the bill is received, which is considered to be three days after the date the bill is rendered, or within such other time period as set out in the Service Contract. A late payment charge of 1.5% per month (19.56% effectively per annum) of all of the unpaid Company charges, including all applicable federal and provincial taxes, is applied to the account on the seventeenth (17th) day following the date the bill is due.

SECTION G - TERM OF ARRANGEMENT

When gas service is provided and there is no written agreement in effect relating to the provision of such service, the term for which such service is to continue shall be one year. The term shall automatically be extended for a further year immediately following the expiry of any initial one year term or one year extension unless reasonable notice to terminate service is given to the Company, in a manner acceptable to the Company, prior to the expiry of the term. An Applicant receiving such service who temporarily discontinues service in the initial one year term or any one year extension and does not pay all the minimum bills for the period of such temporary discontinuance of service shall, upon the continuance of service, be liable to pay

an amount equal to the unpaid minimum bills for such period. When a written agreement is in effect relating to the provision of gas service, the term for which such service is to continue shall be as provided for in the agreement.

SECTION H - RESALE PROHIBITION

Gas taken at a Terminal Location shall not be resold other than in accordance with all applicable laws and regulations and orders of any governmental authority, including the OEB, having jurisdiction.

SECTION I - MEASUREMENT

The Company will install, operate and maintain at a Terminal Location such measurement equipment of suitable capacity and design as is required to measure the volume of gas delivered. Any special conditions for measurement are contained in the General Terms and Conditions which form part of each Large Volume Distribution Contract.

SECTION J - RATES IN CONTRACTS

Notwithstanding any rates for service specified in any Service Contract, the rates and charges provided for in an applicable Rate Schedule shall apply for service rendered on and after the effective date stated in such Rate Schedule until such Rate Schedule ceases to be applicable.

SECTION K - ADVICE RE: CURTAILMENT

The Company, if requested, will advise Applicants taking interruptible service of its estimate of service curtailment for the forthcoming winter. Such estimate will be provided as guidance to the Applicant in arranging for alternate fuel supply requirements. Abnormal weather and/or other unforeseen events may cause greater or lesser curtailment of service than expected.

SECTION L - DAILY DELIVERED VOLUMES

For purposes including that of calculating daily overrun gas volumes, the Company will recognize as having been delivered to it on a given day the sum of:

a) the volume of gas delivered under Intra-Alberta transportation arrangements, if any, plus;

b) the volume of gas delivered under FT transportation arrangements, if any, plus;

SECTION M - AUTHORIZED OVERRUN GAS

If an Applicant requests permission to exceed the Authorized Volume for a day, and such authorization is granted, such gas shall constitute Authorized Overrun Gas. Such gas shall either be sold by the Company to the Applicant pursuant to the provisions of Rate 320 applicable on such day, or, at the Company's sole discretion, under the Rate Schedule the customer is purchasing prior to such request. If the Applicant is supplying their own gas requirements and if the Applicant request and at the Company's sole discretion, such Overrun Gas will be debited to the Applicant's Banked Gas Account.

SECTION N - UNAUTHORIZED SUPPLY OVERRUN GAS

If an Applicant for Transportation Service pursuant to the General Service Rates on any day delivers to the Company a Daily Delivered Volume which is less than the Mean Daily Volume, the volume of gas by which the Mean Daily Volume applicable to such day exceeds the Daily Delivered Volume delivered by the Applicant to the Company on such day shall constitute Unauthorized Supply Overrun Gas and shall be deemed to have been taken and purchased on such day. The rate applicable to such volume shall be 150% of the highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and the EDA delivery areas respectively.

Unauthorized Supply Overrun Gas for a day applicable to a Service Contract with an Applicant for service under the Large Volume Distribution Contract Rates is:

(a) the volume of gas by which the Daily Gas Quantity under the Service Contract on such day exceeds the Authorized Volume for such day, if any

plus

(b) if the day is in the months of December to March inclusive for an Applicant taking service on Rate 135 under Option a) or if the day is in the month of December under Option b), or if the day is a day on or in respect of which the Applicant has been requested in accordance with the Service Contract to curtail or discontinue the use of gas and the Service Contract is in whole or in part for interruptible Transportation Service, the volume of gas, if any, by which

(i) the Mean Daily Volume set out in the Service Contract and is applicable to such day exceeds

(ii) the Daily Delivered Volume delivered by the Applicant to the Company on such day, which excess

volume of gas shall be deemed to have been taken and purchased by the Applicant on such day.

The Applicant shall pay the Company for Unauthorized Supply Overrun Gas at the rate applicable to Unauthorized Supply Overrun Gas as provided for in the Rate Schedule(s) applicable to the Service Contract.

An Applicant taking service pursuant to a Gas Delivery Agreement and a Large Volume Distribution Contract Rate must provide two business days notice to the Company of the Applicant's intention to deliver a Daily Delivered Volume which is less than the Mean Daily Volume for a specified time period. Failure to provide proper notice will result in Unauthorized Supply Overrun Gas calculated as the difference between Daily Delivered Volume and the Mean Daily Volume.

Unauthorized Supply Overrun Gas for a day applicable to a Service Contract with an Applicant for service under Rate 125 or Rate 300 shall be determined from the provisions of the applicable Rate Schedule. The Applicant shall pay the Company for Unauthorized Supply Overrun Gas at the rate applicable to Unauthorized Supply Overrun Gas as provided for in the Rate Schedule(s) applicable to the Service Contract.

SECTION O – COMPANY RESPONSIBILTY AND LIABILITY

This Section O applies only to gas distribution service under Rates 1, 6 and 9, and does not replace or supercede the terms in any applicable Service Contract.

The Company shall make reasonable efforts to maintain, but does not guarantee, continuity of gas service to its customers. The Company may, in its sole discretion, terminate or interrupt gas service to customers;

(a) to maintain safety and reliability on, or to facilitate construction, installation, maintenance, repair, replacement or inspection of the Company's facilities; or

(b) for any reason related to dangerous or hazardous circumstances, emergencies or Force Majeure.

The Company shall not be liable for any loss, injury, damage, expense, charge, cost or liability of any kind, whether direct, indirect, special or consequential in nature, (excepting only direct physical loss, injury or damage to a customer or a customer's property, resulting from the negligent acts or omissions of the Company, its employees or agents) arising from or connected with any failure, defect, fluctuation or interruption in the provision of gas service by the Company to its customers.

SECTION P – OBLIGATION FOR LARGE CUSTOMERS TO PROVIDE CONSUMPTION AND EMERGENCY CONTACT INFORMATION

All customers whose annual consumption exceeds 1,000,000 m3 are obligated to provide their expected annual consumption, peak demand, and emergency contact information to the Company annually.

PART IV

TERMS AND CONDITIONS – DIRECT PURCHASE ARRANGEMENTS

Any Applicant, at the time of applying for service, may elect, in and for the term of any Service Contract, to deliver its own natural gas requirements to the Company and the Company shall deliver gas to a Terminal Location as required by the Applicant, subject to the terms and conditions contained in the applicable Rate Schedule and in the Service Contract. For Buy/Sell Arrangements and Bundled T-Service the deliveries by the Applicant to the Company shall be at the Applicant's estimated mean daily rate of consumption.

Backstopping of an Applicant's natural gas supply for Transportation Service arrangements will be available pursuant to Rate 320 subject to the Company's ability to do so using reasonable commercial efforts. Gas Purchase Agreements in respect to Buy/Sell Arrangements shall specify terms and conditions available to the Company to alleviate certain consequences of the Applicant's failure to deliver the required volume of gas.

The following Terms and Conditions shall apply to, and only to, Transportation Service and/or Gas Purchase Agreements.

SECTION A - NOMINATIONS

An Applicant delivering gas to the Company pursuant to a contract is responsible for advising the Company, by means of a contractually specified Nomination procedure, of the daily volume of gas to be delivered to the Company by or on behalf of the Applicant.

An initial daily volume must be Nominated by a contractually specified time before the first day on

which gas is to be delivered to the Company. Any Nomination, once accepted by the Company, shall be considered as a standing nomination applicable to each subsequent day in a contract term unless specifically varied by written notice to the Company.

A contract may specify certain contractual provisions that are applicable in the event that an Applicant either fails to advise of a revised daily nomination or fails to deliver the daily volume so nominated.

A Nominated Volume in excess of the Applicant's Maximum Daily Volume as specified in the Service Contract will not be accepted except as specifically provided for in any contract.

SECTION B - OBLIGATION TO DELIVER

During any period of curtailment or discontinuance of Bundled interruptible Transportation Service as ordered by the Company, any Applicant supplying its own gas requirements must, on such day, deliver to the Company the Mean Daily Volume of gas specified in any Service Contract.

Each Applicant taking service pursuant to a Gas Delivery Agreement and a Large Volume Distribution Contract Rate is obligated to deliver the Mean Daily Volume of gas as specified in any Service Contract, unless the Applicant provides two business days notice to the Company of the Applicant's intention to deliver a Daily Delivered Volume which is less than the Mean daily Volume for a specified time period.

An Applicant taking service on Rate 135 under Option a) must deliver to the Company the Mean Daily Volume of gas specified in the Service Contract in the months of December to March, inclusive.

An Applicant taking service on Rate 135 under Option b) must deliver to the Company the Modified Mean Daily Volume of gas specified in the Service Contract in the month of December.

Applicants taking service on General Service rates pursuant to a Direct Purchase Agreement must, on each day in the term of such agreement, deliver to the Company the Mean Daily Volume of gas specified in such agreement.

SECTION C - DIVERSION RIGHTS

Subject to compliance with the Terms and Conditions of all Required Orders, an Applicant who has entered into a Transportation Service Agreement or Agreements which provide(s) for deliveries to the Company for more than one Terminal Location shall have the right, on such terms and only on such terms as are specified in the applicable Transportation Service Agreement, to divert deliveries from one or more contractually specified Terminal Locations to other contractually specified Terminal Locations.

SECTION D - BANKED GAS ACCOUNT (BGA)

For T-Service Applicants, the Company shall keep a record ("Banked Gas Account") of the volume of gas delivered by the Applicant to the Company in respect of a Terminal Location (credits) and of the volume of gas taken by the Applicant at the Terminal Location (debits). (Any volume of gas sold by the Company to the Applicant in respect to the Terminal Location shall not be debited to the Banked Gas Account). The Company shall periodically report to the Applicant the net balance in the Applicant's Banked Gas Account.

SECTION E - DISPOSITION OF BANKED GAS ACCOUNT (BGA) BALANCES

A. The following Terms and Conditions shall apply to Bundled T-Service:

(a) At the end of each contract year, disposition of any net debit balance in the Banked Gas Account (BGA) shall be made as follows:

The Applicant may elect to return to the Company, in kind, during the one hundred and eighty (180) days following the end of the contract year, that portion of any debit balance in the Banked Gas Account as at the end of the contract year not exceeding a tolerance volume of 5.5% times MDV deliveries for the contract term, by the Applicant delivering to the Company on days agreed upon by the Company and the Applicant a volume of gas greater than the Mean Daily Volume, if any, applicable to such day under a Service Contract. Any volume of gas returned to the Company as aforesaid shall not be credited to the Banked Gas Account in the subsequent contract year. Any debit balance in the Banked Gas Account as at the end of the contract year which is not both elected to be returned, and actually returned, to the Company as aforesaid shall be deemed to have been sold to the Applicant and the Applicant shall pay for such gas within ten (10) days of the rendering of a bill therefor. The rate applicable to such gas shall be:

(1) For Bundled Western T-Service, 120% of the average price over the contracted year, based on the published index price for the Monthly AECO/NIT supply adjusted for Nova's AECO to Empress transportation tolls and compressor fuel costs.

(2) For Bundled Dawn T-Service, 120% of the average price over the contracted year, based on the published index price for the Monthly AECO/NIT supply adjusted for Nova's AECO to Empress transportation tolls including compressor fuel costs, plus the Company's average transportation cost to its franchise area over the contract year and less the Company's average Dawn T-Service transportation cost to the franchise area over the contract year.

(3) For Bundled Ontario T-Service, 120% of the average price over the contracted year, based on the published index price for the Monthly AECO/NIT supply adjusted for Nova's AECO to Empress transportation tolls and compressor fuel costs, plus the Company's average transportation cost to its franchise area over the contract year.

(b) A credit balance in the Banked Gas Account as at the end of the contract year must be eliminated in one or more of the following manners, namely:

(i) Subject to clause (ii), if the Applicant continues to take service from the Company under a contract pursuant to which the Applicant delivers gas to the Company , that portion of such balance which does not exceed a tolerance volume of 5.5% times MDV deliveries for the contract year may be carried forward as a credit to the Banked Gas Account for the next succeeding contract year. Any volume within the tolerance shall be carried forward , and may only, be reduced within the period of one hundred and eighty (180) days ("Adjustment Period") immediately following the contract year, by the Applicant delivering to the Company, on days in the Adjustment Period agreed upon by the Company and the Applicant ("Adjustment Days"), a volume of gas less than the Mean Daily Volume applicable to such day under a Service Contract. Subject to the foregoing, the credit balance in the Banked Gas Account shall be deemed to be reduced on each Adjustment Day by the volume ("Daily Reduction Volume") by which the Mean Daily Volume applicable to such day exceeds the greater of the volume of gas delivered by the Applicant on such day and the Nominated Volume for such day which was accepted by the Company.

(ii) Any portion of a credit balance in the Banked Gas Account which is not eligible to be eliminated in accordance with clause (i), or which the Applicant elects (by written notice to the Company within thirty (30) days of the end of the contract year) to sell under this clause, shall be deemed to have been tendered for sale to the Company and the Company shall purchase such portion at:

(1) For Bundled Western T-Service, a price per cubic metre of eighty percent (80%) of the average price over the contract year, based on the published index price for the Monthly AECO/NIT supply adjusted for Nova's AECO to Empress transportation tolls and compressor fuel costs, less the Company's average transportation cost to its franchise area over the contract year.

(2) For Bundled Dawn T-Service, a price per cubic metre of eighty percent (80%) of the average price over the contract year, based on the published index price for the Monthly AECO/NIT supply adjusted for Nova's AECO to Empress transportation tolls including compressor fuel costs, less the Company's average Dawn T-Service transportation cost to the franchise area over the contract year.

(3) For *Bundled Ontario T-Service*, a price per cubic metre of eighty percent (80%) of the average price over the contract year, based on the published index price for the Monthly AECO/NIT supply adjusted for Nova's AECO to Empress transportation tolls and compressor fuel costs.

Any volume of gas deemed to have been so tendered for sale shall be deemed to have been eliminated from the credit balance of the Banked Gas Account.

During the Adjustment Period the Company shall use reasonable efforts to accept the Applicant's reduced gas deliveries. Any credit balance in the Banked Gas Account not eliminated as aforesaid in the Adjustment Period shall be forfeited to, and be the property of, the Company, and such volume of gas shall be debited to the Banked Gas Account as at the end of the Adjustment Period.

Subject to its ability to do so, the Company will attempt to accommodate arrangements which would permit adjustments to Banked Gas Account balances at times and in a manner which are mutually agreed upon by the Applicant and the Company.

B. The following Terms and Conditions shall apply to Unbundled Service:

The Terms and Conditions for disposition of Cumulative Imbalance Account balances shall be as specified in the applicable Service Contracts.

RATE NUMBER: 1	RESIDENTIAL SERVICE

APPLICABILITY:

To any Applicant needing to use the Company's natural gas distribution network to have transported a supply of natural gas to a residential building served through one meter and containing no more than six dwelling units ("Terminal Location").

RATE:

Rates per cubic metre assume an energy content of 38.53 MJ/m³.

	Billing Month January to December
Monthly Customer Charge [(1)]	**$22.12**
Delivery Charge per cubic metre	
For the first 30 m³ per month	**11.2999 ¢/m³**
For the next 55 m³ per month	**10.6591 ¢/m³**
For the next 85 m³ per month	**10.1573 ¢/m³**
For all over 170 m³ per month	**9.7832 ¢/m³**
Transportation Charge per cubic metre (If applicable)	**3.9258 ¢/m³**
Transportation Dawn Charge per cubic metre (If applicable)	**0.9694 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**18.3745 ¢/m³**

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider “C”, the Revenue Adjustment Rider contained in Rider "E" and the Federal Carbon Charge (if applicable) and the Facility Carbon Charge (in addition to delivery charge) contained in Rider “J”. Also, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer’s location as shown in Rider “F”. The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

[(1)]: Aggregated within Monthly Customer Charge is the amount of one dollar per month in accordance with Bill 32 and Ontario Regulation 24/19.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after April 1, 2022 under Sales Service and Transportation Service. This rate schedule is effective April 1, 2022 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2022 and that indicates the Board Order, EB-2021-0281, effective January 1, 2022.

RATE NUMBER: 6	GENERAL SERVICE

APPLICABILITY:

To any Applicant needing to use the Company's natural gas distribution network to have transported a supply of natural gas to a single terminal location ("Terminal Location") for non-residential purposes.

RATE:

Rates per cubic metre assume an energy content of 38.53 MJ/m³.

	Billing Month January to December
Monthly Customer Charge [1]	**$74.91**
Delivery Charge per cubic metre	
For the first 500 m³ per month	**11.0630 ¢/m³**
For the next 1050 m³ per month	**8.7194 ¢/m³**
For the next 4500 m³ per month	**7.0781 ¢/m³**
For the next 7000 m³ per month	**6.0237 ¢/m³**
For the next 15250 m³ per month	**5.5552 ¢/m³**
For all over 28300 m³ per month	**5.4375 ¢/m³**
Transportation Charge per cubic metre (If applicable)	**3.9258 ¢/m³**
Transportation Dawn Charge per cubic metre (If applicable)	**0.9694 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**18.3970 ¢/m³**

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider “C”, the Revenue Adjustment Rider contained in Rider "E" and the Federal Carbon Charge (if applicable) and the Facility Carbon Charge (in addition to delivery charge) contained in Rider “J”. Also, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer’s location as shown in Rider “F”. The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

[1]: Aggregated within Monthly Customer Charge is the amount of one dollar per month in accordance with Bill 32 and Ontario Regulation 24/19.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after April 1, 2022 under Sales Service and Transportation Service. This rate schedule is effective April 1, 2022 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2022 and that indicates the Board Order, EB-2021-0281, effective January 1, 2022.

RATE NUMBER: 9	CONTAINER SERVICE

APPLICABILITY:

To any Applicant needing to use the Company's natural gas distribution network to have transported a supply of natural gas to a single terminal location ("Terminal Location") at which, such gas is authorized by the Company to be resold by filling pressurized containers.

RATE:

Rates per cubic metre assume an energy content of 38.53 MJ/m³.

	Billing Month January to December
Monthly Customer Charge	**$249.15**
Delivery Charge per cubic metre	
For the first 20,000 m³ per month	**11.9097 ¢/m³**
For all over 20,000 m³ per month	**11.1497 ¢/m³**
Transportation Charge per cubic metre (If applicable)	**3.9258 ¢/m³**
Transportation Dawn Charge per cubic metre (If applicable)	**0.9694 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**18.3377 ¢/m³**

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider “C”, the Revenue Adjustment Rider contained in Rider "E" and the Federal Carbon Charge (if applicable) and the Facility Carbon Charge (in addition to delivery charge) contained in Rider “J”. In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer’s location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after April 1, 2022 under Sales Service and Transportation Service. This rate schedule is effective April 1, 2022 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2022 and that indicates the Board Order, EB-2021-0281, effective January 1, 2022.

RATE NUMBER: 100	FIRM CONTRACT SERVICE

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation, to a single terminal location ("Terminal Location"), to be delivered at a specified maximum daily volume of not less than 10,000 cubic metres and not more than 150,000 cubic metres.

CHARACTER OF SERVICE:

Service shall be continuous (firm) except for events as specified in the Service Contract including force majeure.

RATE:

Rates per cubic metre assume an energy content of 38.53 MJ/m³.

	Billing Month January to December
Monthly Customer Charge [1]	**$129.83**
Delivery Charge	
Per cubic metre of Contract Demand	**38.1135 ¢/m³**
Per cubic metre of gas delivered	**0.1875 ¢/m³**
Gas Supply Load Balancing Charge	**1.1915 ¢/m³**
Transportation Charge per cubic metre (If applicable)	**3.9258 ¢/m³**
Transportation Dawn Charge per cubic metre (If applicable)	**0.9694 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**18.3970 ¢/m³**

Monthly Minimum Bill: The Monthly Customer Charge plus the Monthly Contract Demand Charge.

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider “C”, the Revenue Adjustment Rider contained in Rider "E" and the Federal Carbon Charge (if applicable) and the Facility Carbon Charge (in addition to delivery charge) contained in Rider “J”. In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer’s location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

[1]: Aggregated within Monthly Customer Charge is the amount of one dollar per month in accordance with Bill 32 and Ontario Regulation 24/19.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

RATE NUMBER: **100**

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after April 1, 2022 under Sales Service and Transportation Service. This rate schedule is effective April 1, 2022 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2022 and that indicates the Board Order, EB-2021-0281, effective January 1, 2022.

RATE NUMBER: 110	LARGE VOLUME LOAD FACTOR SERVICE

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation, to a single terminal location ("Terminal Location"), of an annual supply of natural gas of not less than 146 times a specified maximum daily volume of not less than 1,865 cubic metres.

CHARACTER OF SERVICE:

Service shall be continuous (firm) except for events as specified in the Service Contract including force majeure.

RATE:

Rates per cubic metre assume an energy content of 38.53 MJ/m³.

	Billing Month January to December
Monthly Customer Charge [1]	**$621.22**
Delivery Charge	
Per cubic metre of Contract Demand	**24.3206 ¢/m³**
Per cubic metre of gas delivered	
For the first 1,000,000 m³ per month	**0.9851 ¢/m³**
For all over 1,000,000 m³ per month	**0.8238 ¢/m³**
Gas Supply Load Balancing Charge	**0.2490 ¢/m³**
Transportation Charge per cubic metre (If applicable)	**3.9258 ¢/m³**
Transportation Dawn Charge per cubic metre (If applicable)	**0.9694 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**18.3378 ¢/m³**

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider “C”, the Revenue Adjustment Rider contained in Rider "E" and the Federal Carbon Charge (if applicable) and the Facility Carbon Charge (in addition to delivery charge) contained in Rider “J”. In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer’s location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

[1]: Aggregated within Monthly Customer Charge is the amount of one dollar per month in accordance with Bill 32 and Ontario Regulation 24/19.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

RATE NUMBER: **110**

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency
(See Terms and Conditions of Service):

5.1200 ¢/m³

In determining the Annual Volume Deficiency, the minimum bill multiplier shall not be less than 146.

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after April 1, 2022 under Sales Service and Transportation Service. This rate schedule is effective April 1, 2022 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2022 and that indicates the Board Order, EB-2021-0281, effective January 1, 2022.

RATE NUMBER: 115	LARGE VOLUME LOAD FACTOR SERVICE

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation, to a single terminal location ("Terminal Location"), of an annual supply of natural gas of not less than 292 times a specified maximum daily volume of not less than 1,165 cubic metres.

CHARACTER OF SERVICE:

Service shall be continuous (firm) except for events as specified in the Service Contract including force majeure.

RATE:

Rates per cubic metre assume an energy content of 38.53 MJ/m³.

	Billing Month January to December
Monthly Customer Charge [1]	**$658.44**
Delivery Charge	
Per cubic metre of Contract Demand	**25.8942 ¢/m³**
Per cubic metre of gas delivered	
For the first 1,000,000 m³ per month	**0.6581 ¢/m³**
For all over 1,000,000 m³ per month	**0.5563 ¢/m³**
Gas Supply Load Balancing Charge	**0.0937 ¢/m³**
Transportation Charge per cubic metre (If applicable)	**3.9258 ¢/m³**
Transportation Dawn Charge per cubic metre (If applicable)	**0.9694 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**18.3378 ¢/m³**

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider “C”, the Revenue Adjustment Rider contained in Rider "E" and the Federal Carbon Charge (if applicable) and the Facility Carbon Charge (in addition to delivery charge) contained in Rider “J”. In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer’s location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

[1]: Aggregated within Monthly Customer Charge is the amount of one dollar per month in accordance with Bill 32 and Ontario Regulation 24/19.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

RATE NUMBER: **115**

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency
(See Terms and Conditions of Service):

4.6377 ¢/m³

In determining the Annual Volume Deficiency the minimum bill multiplier shall not be less than 292.

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after April 1, 2022 under Sales Service and Transportation Service. This rate schedule is effective April 1, 2022 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2022 and that indicates the Board Order, EB-2021-0281, effective January 1, 2022.

RATE NUMBER: 125	EXTRA LARGE FIRM DISTRIBUTION SERVICE

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation, to a single terminal location ("Terminal Location"), of a specified maximum daily volume of natural gas. The maximum daily volume for billing purposes, Contract Demand or Billing Contract Demand, as applicable, shall not be less than 600,000 cubic metres. The Service under this rate requires Automatic Meter Reading (AMR) capability.

CHARACTER OF SERVICE:

Service shall be firm except for events specified in the Service Contract including force majeure.

For Non-Dedicated Service the monthly demand charges payable shall be based on the Contract Demand which shall be 24 times the Hourly Demand and the Applicant shall not exceed the Hourly Demand.

For Dedicated Service the monthly demand charges payable shall be based on the Billing Contract Demand or the Contract Demand specified in the Service Contract. The Applicant shall not exceed an hourly flow calculated as 1/24th of the Contract Demand specified in the Service Contract.

DISTRIBUTION RATES:

The following rates and charges, as applicable, shall apply for deliveries to the Terminal Location.

Monthly Customer Charge [(1)]	**$528.96**
Demand Charge	
Per cubic metre of the Contract Demand or the Billing Contract Demand, as applicable, per month	**10.7838 ¢/m³**
Direct Purchase Administration Charge	**$79.05**
Forecast Unaccounted For Gas Percentage	**0.9%**

Monthly Minimum Bill: The Monthly Customer Charge plus the Monthly Demand Charge.

The rates quoted above shall be subject to the Federal Carbon Charge (if applicable) and the Facility Carbon Charge (in addition to delivery charge) contained in Rider "J".

[(1)]: Aggregated within Monthly Customer Charge is the amount of one dollar per month in accordance with Bill 32 and Ontario Regulation 24/19.

TERMS AND CONDITIONS OF SERVICE:

1. To the extent that this Rate Schedule does not specifically address matters set out in PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** then the provisions in those Parts shall apply, as contemplated therein, to service under this Rate Schedule.

2. **Unaccounted for Gas (UFG) Adjustment Factor**:

   The Applicant is required to deliver to the Company on a daily basis the sum of: (a) the volume of gas to be delivered to the Applicant's Terminal Location; and (b) a volume of gas equal to the forecast unaccounted for gas percentage as stated above multiplied by (a). In the case of a Dedicated Service, the Unaccounted for Gas volume requirement is not applicable.

3. **Nominations**:

   Customer shall nominate gas delivery daily based on the gross commodity delivery required to serve the customer's daily load plus the UFG. Customers may change daily nominations based on the nomination windows within a day as defined by the customer contract with TransCanada PipeLines (TCPL) or Union Gas Limited.

   Schedule of nominations under Rate 125 has to match upstream nominations. This rate does not allow for any more flexibility than exists upstream of the EGD gas distribution system. Where the customer's nomination does not match the confirmed upstream nomination, the nomination will be confirmed at the upstream value.

   Customer may nominate gas to a contractually specified Primary Delivery Area that may be EGD's Central Delivery Area (CDA) or EGD's Eastern Delivery Area (EDA) or other Delivery Area as specified in the applicable Service Contract. The Company may accept deliveries at a Secondary Delivery Area such as Dawn, at its sole discretion. Quantities of gas nominated to the system cannot exceed the Contract Demand, unless Make-up Gas or Authorized Overrun is permitted.

Customers with multiple Rate 125 contracts within a Primary Delivery Area may combine nominations subject to system operating requirements and subject to the Contract Demand for each Terminal Location. For combined nominations the customer shall specify the quantity of gas to each Terminal Location and the order in which gas is to be delivered to each Terminal Location. The specified order of deliveries shall be used to administer Load Balancing Provisions to each Terminal Location. When system conditions require delivery to a single Terminal Location only, nominations with different Terminal Locations may not be combined.

The Company permits pooling of Rate 125 contracts for legally related customers who meet the Business Corporations Act (Ontario) ("OBCA") definition of "affiliates" to allow for the management of those contracts by a single manager. The single manager is jointly liable with the individual customers for all of their obligations under the contracts, while the individual customers are severally liable for all of their obligations under their own contracts.

4. **Authorized Demand Overrun:**

The Company may, at its sole discretion, authorize consumption of gas in excess of the Contract Demand for limited periods within a month, provided local distribution facilities have sufficient capacity to accommodate higher demand. In such circumstances, customer shall nominate gas delivery based on the gross commodity delivery (the sum of the customer's Contract Demand and the authorized overrun amount) required to serve the customer's daily load, plus the UFG. In the event that gas usage exceeds the gas delivery on a day where demand overrun is authorized, the excess gas consumption shall be deemed Supply Overrun Gas.
Such service shall not exceed 5 days in any contract year. Based on the terms of the Service Contract, requests beyond 5 days will constitute a request for a new Contract Demand level with retroactive charges. The new Contract Demand level may be restricted by the capability of the local distribution facilities to accommodate higher demand.

Automatic authorization of transportation overrun over the Billing Contract Demand will be given in the case of Dedicated Service to the Terminal Location provided that pipeline capacity is available and subject to the Contract Demand as specified in the Service Contract.

Authorized Demand Overrun Rate **0.35 ¢/m³**

The Authorized Demand Overrun Rate may be applied to commissioning volumes at the Company's sole discretion, for a contractual period of not more than one year, as specified in the Service Contract.

5. **Unauthorized Demand Overrun:**

Any gas consumed in excess of the Contract Demand and/or maximum hourly flow requirements, if not authorized, will be deemed to be Unauthorized Demand Overrun gas. Unauthorized Demand Overrun gas may establish a new Contract Demand effective immediately and shall be subject to a charge equal to 120 % of the applicable monthly charge for twelve months of the current contract term, including retroactively based on terms of Service Contract. Based on capability of the local distribution facilities to accommodate higher demand, different conditions may apply as specified in the applicable Service Contract. Unauthorized Demand Overrun gas shall also be subject to Unauthorized Supply Overrun provisions.

6. **Unauthorized Supply Overrun:**

Any volume of gas taken by the Applicant on a day at the Terminal Location which exceeds the sum of:

i. any applicable provisions of Rate 315 and any applicable Load Balancing Provision pursuant to Rate 125, plus

ii. the volume of gas delivered by the Applicant on that day shall constitute Unauthorized Supply Overrun Gas.

The Company may also deem volumes of gas to be Unauthorized Supply Overrun gas in other circumstances, as set out in the Load Balancing Provisions of Rate 125.

Any gas deemed to be Unauthorized Overrun gas shall be purchased by the customer at a price (Pe), which is equal to 150% of the highest price in effect for that day as defined below***.**

RATE NUMBER: **125**

7. **Unauthorized Supply Underrun:**

Any volume of gas delivered by the Applicant on any day in excess of the sum of:

i. any applicable provisions of Rate 315 and any applicable Load Balancing Provision pursuant to Rate 125, plus

ii. the volume of gas taken by the Applicant at the Terminal Location on that day shall be classified as Supply Underrun Gas.

The Company may also deem volumes of gas to be Unauthorized Supply Underrun gas in other circumstances, as set out in the Load Balancing Provisions of Rate 125.

Any gas deemed to be Unauthorized Supply Underrun Gas shall be purchased by the Company at a price (P_u) which is equal to fifty percent (50%) of the lowest price in effect for that day as defined below**.

* where the price P_e expressed in cents / cubic metre is defined as follows:

$$\mathbf{P_e = (P_m * E_r * 100 * 0.03853 / 1.055056) * 1.5}$$

P_m = highest daily price in U.S. $/mmBtu published in the Gas Daily, a Platts Publication, for that day under the column "Absolute", for the Niagara export point if the terminal location is in the CDA delivery area, and the Iroquois export point if the terminal location is in the EDA delivery area.

E_r = **Daily Average exchange rate** expressed in Canadian dollars per U.S. dollar for such day quoted by the Bank of Canada in the following day's Globe & Mail Publication.

1.055056 = Conversion factor from mmBtu to GJ.

0.03853 = Conversion factor from GJ to cubic metres.

** where the price P_u expressed in cents / cubic metre is defined as follows:

$$\mathbf{P_u = (P_l * E_r * 100 * 0.03853 / 1.055056) * 0.5}$$

P_l = lowest daily price in U.S. $/mmBtu published in the Gas Daily, a Platts Publication, for that day under the column "Absolute", for the Niagara export point if the terminal location is in the CDA delivery area, and the Iroquois export point if the terminal location is in the EDA delivery area.

Term of Contract:

A minimum of one year. A longer-term contract may be required if incremental contracts/assets/facilities have been procured/built for the customer. Migration from an unbundled rate to bundled rate may be restricted subject to availability of adequate transportation and storage assets.

Right to Terminate Service:

The Company reserves the right to terminate service to customers served hereunder where the customer's failure to comply with the parameters of this rate schedule, including the load balancing provisions, jeopardizes either the safety or reliability of the gas system. The Company shall provide notice to the customer of such termination; however, no notice is required to alleviate emergency conditions.

RATE NUMBER: **125**

LOAD BALANCING PROVISIONS:

Load Balancing Provisions shall apply at the customer's Terminal Location or at the location of the meter installation for a customer served from a dedicated facility. In the event of an imbalance any excess delivery above the customer's actual consumption or delivery less than the actual consumption shall be subject to the Load Balancing Provisions.

Definitions:

Aggregate Delivery:

The Aggregate Delivery for a customer's account shall equal the sum of the confirmed nominations of the customer for delivery of gas to the applicable delivery area from all pipeline sources including where applicable, the confirmed nominations of the customer for Storage Service under Rate 316 or Rate 315 and any available No-Notice Storage Service under Rate 315 for delivery of gas to the Applicable Delivery Area.

Applicable Delivery Area:

The Applicable Delivery Area for each customer shall be specified by contract as a Primary Delivery Area. Where system-operating conditions permit, the Company, in its sole discretion, may accept a Secondary Delivery Area as the Applicable Delivery Area by confirming the customer's nomination of such area. Confirmation of a Secondary Delivery Area for a period of a gas day shall cause such area to become the Applicable Delivery Area for such day. Where delivery occurs at both a Terminal Location and a Secondary Delivery Area on a given day, the sum of the confirmed deliveries may not exceed the Contract Demand, unless Demand Overrun and/or Make-up Gas is authorized.

Primary Delivery Area:

The Primary Delivery Area shall be delivery area such as EGD's Central Delivery Area (CDA) or EGD's Eastern Delivery Area (EDA), or other Delivery Area as specified in the applicable Service Contract.

Secondary Delivery Area:

A Secondary Delivery Area may be a delivery area such as Dawn where the Company, at its sole discretion, determines that operating conditions permit gas deliveries for a customer.

Actual Consumption:

The Actual Consumption of the customer shall be the metered quantity of gas consumed at the customer's Terminal Location or in the event of combined nominations at the Terminal Locations specified.

Net Available Delivery:

The Net Available Delivery shall equal the Aggregate Delivery times one minus the annually determined percentage of Unaccounted for Gas (UFG) as reported by the Company.

Daily Imbalance:

The Daily Imbalance shall be the absolute value of the difference between Actual Consumption and Net Available Delivery.

Cumulative Imbalance:

The Cumulative Imbalance shall be the sum of the difference between Actual Consumption and Net Available Delivery since the date the customer last balanced or was deemed to have balanced its Cumulative Imbalance account.

RATE NUMBER: **125**

Maximum Contractual Imbalance:

The Maximum Contractual Imbalance shall be equal to 60% of the customer's Contract Demand for non dedicated service and 60% of the Billing Contract Demand for dedicated service.

Winter and Summer Seasons:

The winter season shall commence on the date that the Company provides notice of the start of the winter period and conclude on the date that the Company provides notice of the end of the winter period. The summer season shall constitute all other days. The Company shall provide advance notice to the customer of the start and end of the winter season as soon as reasonably possible, but in no event not less than 2 days prior to the start or end.

Operational Flow Order:

An Operational Flow Order (OFO) shall constitute an issuance of instructions to protect the operational capacity and integrity of the Company's system, including distribution and/or storage assets, and/or connected transmission pipelines.

Enbridge Gas Distribution, acting reasonably, may call for an OFO in the following circumstances:

- Capacity constraint on the system, or portions of the system, or upstream systems, that are fully utilized;
- Conditions where the potential exists that forecasted system demand plus reserves for short notice services provided by the Company and allowances for power generation customers' balancing requirements would exceed facility capabilities and/or provisions of 3rd party contracts;
- Pressures on the system or specific portions of the system are too high or too low for safe operations;
- Storage system constraints on capacity or pressure or caused by equipment problems resulting in limited ability to inject or withdraw from storage;
- Pipeline equipment failures and/or damage that prohibits the flow of gas;
- Any and all other circumstances where the potential for system failure exists.

Daily Balancing Fee:

On any day where the customer has a Daily Imbalance the customer shall pay a Daily Balancing Fee equal to:

(Tier 1 Quantity X Tier 1 Fee) + (Tier 2 Quantity X Tier 2 Fee) + (Applicable Penalty Fee for Imbalance in excess of the Maximum Contractual Imbalance X the amount of Daily Imbalance in excess of the Maximum Contractual Imbalance)

Where Tier 1 and 2 Fees and Quantities are set forth as follows:

Tier 1 = 0.9137 cents/m3 applied to Daily Imbalance of greater than 2% but less than 10% of the Maximum Contractual Imbalance

Tier 2 = 1.0964 cents/m3 applied to Daily Imbalance of greater than 10% but less than the Maximum Contractual Imbalance

In addition for Tier 2, instances where the Daily Imbalance represents an under delivery of gas during the winter season shall constitute Unauthorized Supply Overrun Gas for all gas in excess of 10% of Maximum Contractual Imbalance. Where the Daily Imbalance represents an over delivery of gas during the summer season, the Company reserves the right to deem as Unauthorized Supply Underrun Gas for all gas in excess of 10% of Maximum Contractual Imbalance. The Company will issue a 24-hour advance notice to customers of its intent to impose cash out for over delivery of gas during the summer season.

RATE NUMBER: **125**

For customers delivering to a Primary Delivery Area other than EGD's CDA or EGD's EDA, the Tier 1 Fee is applied to Daily Imbalance of greater than 0% but less than 10% of the Maximum Contractual Imbalance

The customers shall also pay any Limited Balancing Agreement (LBA) charges imposed by the pipeline on days when the customer has a Daily Imbalance provided such imbalance matches the direction of the pipeline imbalance. LBA charges shall first be allocated to customers served under Rates 125 and 300. The system bears a portion of these charges only to the extent that the system incurs such charges based on its operation excluding the operation of customers under Rates 125 and 300. In that event, LBA charges shall be prorated based on the relative imbalances. The Company will provide the customer with a derivation of any such charges.

Customer's Actual Consumption cannot exceed Net Available Delivery when the Company issues an Operational Flow Order in the winter. Net nominations must not be less than consumption at the Terminal Location. Any negative Daily Imbalance on a winter Operational Flow Order day shall be deemed to be Unauthorized Supply Overrun. Customer's Net Available Delivery cannot exceed Actual Consumption when the Company issues an Operational Flow Order in the summer. Actual Consumption must not be less than net nomination at the Terminal Location. Any positive Daily Imbalance on a summer Operational Flow Order day shall be deemed to be Unauthorized Supply Underrun.

The Company will waive Daily Balancing Fee and Cumulative Imbalance Charge on the day of an Operational Flow Order if the customer used less gas that the amount the customer delivered to the system during the winter season or the customer used more gas than the amount the customer delivered to the system during the summer season. The Company will issue a 24-hour advance notice to customers of Operational Flow Orders and suspension of Load Balancing Provisions.

Cumulative Imbalance Charges:

Customers may trade Cumulative Imbalances within a delivery area. Customers may also nominate to transfer gas from their Cumulative Imbalance Account into an unbundled (Rate 315 or Rate 316) storage account of the customer subject to their storage contract parameters.

Customers shall be permitted to nominate Make-up Gas, subject to operating constraints, provided that Make-up Gas plus Aggregate Delivery do not exceed the Contract Demand. The Company may, on days with no operating constraints, authorize Make-up Gas that, in conjunction with Aggregate Delivery, exceeds the Contract Demand.

The customer's Cumulative Imbalance cannot exceed its Maximum Contractual Imbalance. In the event that the customer's imbalance exceeds their Maximum Contractual Imbalance the Company shall deem the excess imbalance to be Unauthorized Supply Overrun or Underrun gas, as appropriate.

The Cumulative Imbalance Fee, applicable daily, is 1.0759 cents/m3 per unit of imbalance.

In addition, on any day that the Company declares an Operational Flow Order, negative Cumulative Imbalances greater than 10 % of Maximum Contractual Imbalance in the winter season shall be deemed to be Unauthorized Overrun Gas. The Company reserves the right to deem positive Cumulative Imbalances greater than 10% of Maximum Contractual Imbalance in the summer season as Unauthorized Supply Underun Gas. The Company will issue a 24-hour advance notice to customers of Operational Flow Orders including cash out instructions for Cumulative Imbalances greater than 10 % of Maximum Contractual Imbalance.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after April 1, 2022. This rate schedule is effective April 1, 2022 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2022 and that indicates the Board Order, EB-2021-0281 effective January 1, 2022.

RATE NUMBER: 135	SEASONAL FIRM SERVICE

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation, to a single terminal location ("Terminal Location"), of an annual supply of natural gas of not less than 340,000 cubic metres.

CHARACTER OF SERVICE:

Service shall be continuous (firm) except for events as specified in the Service Contract including force majeure. A maximum of five percent of the contracted annual volume may be taken by the Applicant in a single month during the months of December to March inclusively.

RATE:

Rates per cubic metre assume an energy content of 38.53 MJ/m³.

	Billing Month	
	December to March	**April to November**
Monthly Customer Charge [1]	**$122.52**	**$122.52**
Delivery Charge		
For the first 14,000 m³ per month	**8.1249 ¢/m³**	**2.8133 ¢/m³**
For the next 28,000 m³ per month	**6.7649 ¢/m³**	**2.0374 ¢/m³**
For all over 42,000 m³ per month	**6.2636 ¢/m³**	**1.8069 ¢/m³**
Gas Supply Load Balancing Charge	**0.0000 ¢/m³**	**0.0000 ¢/m³**
Transportation Charge per cubic metre (If applicable)	**3.9258 ¢/m³**	**3.9258 ¢/m³**
Transportation Dawn Charge per cubic metre (If applicable)	**0.9694 ¢/m³**	**0.9694 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**18.3452 ¢/m³**	**18.3452 ¢/m³**

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider "C", the Revenue Adjustment Rider contained in Rider "E" and the Federal Carbon Charge (if applicable) and the Facility Carbon Charge (in addition to delivery charge) contained in Rider "J". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer's location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

[1]: Aggregated within Monthly Customer Charge is the amount of one dollar per month in accordance with Bill 32 and Ontario Regulation 24/19.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

The applicant has the option of delivering either Option a) a Mean Daily Volume ("MDV") based on 12 months, or Option b) a Modified Mean Daily Volume ("MMDV") based on nine months of deliveries. Authorized Volumes for the months of January, February and March would be zero under option b).

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

Failure to deliver a volume of gas equal to the Mean Daily Volume under Option a) set out in the Service Contract during the months of December to March inclusive may result in the Applicant not being eligible for service under this rate in a subsequent contract period, at the Company's sole discretion.

Failure to deliver a volume of gas equal to the Modified Mean Daily Volume under Option b) set out in the Service Contract during the month of December may result in the Applicant not being eligible for service under this rate in a subsequent contract period, at the Company's sole discretion.

RATE NUMBER: **135**

SEASONAL CREDIT:

Rate per cubic metre of Mean Daily Volume from December to March	**$**	**0.77**	**/m³**
Rate per cubic metre of Modified Mean Daily Volume for December	**$**	**0.77**	***/m³***

SEASONAL OVERRUN CHARGE:

During the months of December through March inclusively, any volume of gas taken in a single month in excess of five percent of the annual contract volume (Seasonal Overrun Monthly Volume) will be subject to Seasonal Overrun Charges in place of both the Delivery and Gas Supply Load Balancing Charges. The Seasonal Overrun Charge applicable for the months of December and March shall be calculated as 2.0 times the sum of the Gas Supply Load Balancing Charge, Transportation Charge and the maximum Delivery Charge. The Seasonal Overrun Charge applicable for the months of January and February shall be calculated as 5.0 times the sum of the Load Balancing Charge, Transportation Charge and the maximum Delivery Charge.

Seasonal Overrun Charges:

December and March	**24.1015 ¢/m³**
January and February	**60.2536 ¢/m³**

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency
(See Terms and Conditions of Service): **8.4697 ¢/m³**

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after April 1, 2022 under Sales Service and Transportation Service. This rate schedule is effective April 1, 2022 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2022 and that indicates the Board Order, EB-2021-0281, effective January 1, 2022.

RATE NUMBER: 145	INTERRUPTIBLE SERVICE

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation of a specified maximum daily volume of natural gas to a single terminal location ("Terminal Location") which can accommodate the total interruption of gas service as ordered by the Company exercising its sole discretion. The Company reserves the right to satisfy itself that the customer can accommodate the interruption of gas through either a shutdown of operations or a demonstrated ability and readiness to switch to an alternative fuel source. Any Applicant for service under this rate schedule must agree to transport a minimum annual volume of 340,000 cubic metres.

CHARACTER OF SERVICE:

In addition to events as specified in the Service Contract including force majeure, service shall be subject to curtailment or discontinuance upon the Company issuing a notice not less than 16 hours prior to the time at which such curtailment or discontinuance is to commence. An Applicant may, by contract, agree to accept a shorter notice period.

RATE:

Rates per cubic metre assume an energy content of 38.53 MJ/m³.

	Billing Month January to December
Monthly Customer Charge [(1)]	**$131.24**
Delivery Charge	
Per cubic metre of Contract Demand	**8.7168 ¢/m³**
For the first 14,000 m³ per month	**6.3919 ¢/m³**
For the next 28,000 m³ per month	**5.0178 ¢/m³**
For all over 42,000 m³ per month	**4.4524 ¢/m³**
Gas Supply Load Balancing Charge	**0.5599 ¢/m³**
Transportation Charge per cubic metre (If applicable)	**3.9258 ¢/m³**
Transportation Dawn Charge per cubic metre (If applicable)	**0.9694 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**18.3416 ¢/m³**

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider "C", the Revenue Adjustment Rider contained in Rider "E" and the Federal Carbon Charge (if applicable) and the Facility Carbon Charge (in addition to delivery charge) contained in Rider "J". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer's location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

[(1)]: Aggregated within Monthly Customer Charge is the amount of one dollar per month in accordance with Bill 32 and Ontario Regulation 24/19.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

CURTAILMENT CREDIT:

Rate for 16 hours of notice per cubic metre of Mean Daily Volume from December to March **$ 0.50 /m³**

RATE NUMBER: **145**

In addition, if the Applicant is supplying its own gas requirements, the gas delivered by the Applicant during the period of curtailment shall be purchased by the Company for the Company's use. The purchase price for such gas will be equal to the price that is reported for the month, in the first issue of the Natural Gas *Market Report* published by Canadian Enerdata Ltd. during the month, as the "current" "Avg." (i.e., average) "Alberta One-Month Firm Spot Price" for "AECO 'C' and Nova Inventory Transfer" in the table entitled "Domestic spot gas prices", adjusted for AECO to Empress transportation tolls and compressor fuel costs.

For the areas specified in Appendix A to this Rate Schedule, the Company's gas distribution network does not have sufficient physical capacity under current operating conditions to accommodate the provision of firm service to existing interruptible locations.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

Any material instance of failure to curtail in any contract year may result in the Applicant forfeiting the right to be served under this rate schedule.

In such case, service hereunder would cease, notwithstanding any Service Contract between the Company and the Applicant. Gas supply and/or transportation service would continue to be available to the Applicant pursuant to the provisions of the Company's Rate 6 until a Service Contract pursuant to another applicable Rate Schedule was executed.

Any Applicant taking a material volume of Unauthorized Supply Overrun Gas, during a period of ordered curtailment, may forfeit its curtailment credits for the respective winter season, December through March inclusive.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency
(See Terms and Conditions of Service): **10.8377 ¢/m³**

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after April 1, 2022 under Sales Service and Transportation Service. This rate schedule is effective April 1, 2022 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2022 and that indicates the Board Order, EB-2021-0281, effective January 1, 2022.

RATE NUMBER: 170	LARGE INTERRUPTIBLE SERVICE

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation of a specified maximum daily volume of natural gas of not less than 30,000 cubic metres and a minimum annual volume of 5,000,000 cubic metres to a single terminal location ("Terminal Location") which can accommodate the total interruption of gas service when required by the Company. The Company reserves the right to satisfy itself that the customer can accommodate the interruption of gas through either a shutdown of operations or a demonstrated ability and readiness to switch to an alternative fuel source. The Company, exercising its sole discretion, may order interruption of gas service upon not less than four (4) hours notice.

CHARACTER OF SERVICE:

In addition to events as specified in the Service Contract including force majeure, service shall be subject to curtailment or discontinuance upon the Company issuing a notice not less than 4 hours prior to the time at which such curtailment or discontinuance is to commence.

RATE:

Rates per cubic metre assume an energy content of 38.53 MJ/m³.

	Billing Month January to December
Monthly Customer Charge [(1)]	**$295.93**
Delivery Charge	
Per cubic metre of Contract Demand	**4.3269 ¢/m³**
Per cubic metre of gas delivered	
For the first 1,000,000 m³ per month	**0.7693 ¢/m³**
For all over 1,000,000 m³ per month	**0.5657 ¢/m³**
Gas Supply Load Balancing Charge	**0.2432 ¢/m³**
Transportation Charge per cubic metre (If applicable)	**3.9258 ¢/m³**
Transportation Dawn Charge per cubic metre (If applicable)	**0.9694 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**18.3378 ¢/m³**

The rates quoted above shall be subject to the Gas Cost Adjustment contained in Rider "C", the Revenue Adjustment Rider contained in Rider "E" and the Federal Carbon Charge (if applicable) and the Facility Carbon Charge (in addition to delivery charge) contained in Rider "J". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer's location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

[(1)]: Aggregated within Monthly Customer Charge is the amount of one dollar per month in accordance with Bill 32 and Ontario Regulation 24/19.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

CURTAILMENT CREDIT:

Rate for 4 hours of notice per cubic metre of Mean Daily Volume from December to March **$ 1.10 /m³**

RATE NUMBER: **170**

In addition, if the Applicant is supplying its own gas requirements, the gas delivered by the Applicant during the period of curtailment shall be purchased by the Company for the Company's use. The purchase price for such gas will be equal to the price that is reported for the month, in the first issue of the Natural Gas *Market Report* published by Canadian Enerdata Ltd. during the month, as the "current" "Avg." (i.e., average) "Alberta One-Month Firm Spot Price" for "AECO 'C' and Nova Inventory Transfer" in the table entitled "Domestic spot gas prices", adjusted for AECO to Empress transportation tolls and compressor fuel costs.

For the areas specified in Appendix A to this Rate Schedule, the Company's gas distribution network does not have sufficient physical capacity under current operating conditions to accommodate the provision of firm service to existing interruptible locations.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

Any material instance of failure to curtail in any contract year may result in the Applicant forfeiting the right to be served under this rate schedule.

In such case, service hereunder would cease, notwithstanding any Service Contract between the Company and the Applicant. Gas supply and/or transportation service would continue to be available to the Applicant pursuant to the provisions of the Company's Rate 6 until a Service Contract pursuant to another applicable Rate Schedule was executed.

Any Applicant taking a material volume of Unauthorized Supply Overrun Gas, during a period of ordered curtailment, may forfeit its curtailment credits for the respective winter season, December through March inclusive.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency
(See Terms and Conditions of Service): **4.8985 ¢/m³**

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after April 1, 2022 under Sales Service and Transportation Service. This rate schedule is effective April 1, 2022 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2022 and that indicates the Board Order, EB-2021-0281, effective January 1, 2022.

RATE NUMBER: 200	WHOLESALE SERVICE

APPLICABILITY:

To any Distributor who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation of an annual supply of natural gas to customers outside of the Company's franchise area.

CHARACTER OF SERVICE:

Service shall be continuous (firm), except for events as specified in the Service Contract including force majeure, up to the contracted firm daily demand and subject to curtailment or discontinuance, of demand in excess of the firm contract demand, upon the Company issuing a notice not less than 4 hours prior to the time at which such curtailment or discontinuance is to commence.

RATE:

Rates per cubic metre assume an energy content of 38.53 MJ/m³.

	Billing Month January to December
Monthly Customer Charge	
The monthly customer charge shall be negotiated with the applicant and shall not exceed:	**$2,000.00**
Delivery Charge	
Per cubic metre of Firm Contract Demand	**15.7004 ¢/m³**
Per cubic metre of gas delivered	**1.3589 ¢/m³**
Gas Supply Load Balancing Charge	**1.1218 ¢/m³**
Transportation Charge per cubic metre (If applicable)	**3.9258 ¢/m³**
Transportation Dawn Charge per cubic metre (If applicable)	**0.9694 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**18.3377 ¢/m³**
Buy/Sell Sales Gas Supply Charge per cubic metre (If applicable)	**18.3164 ¢/m³**

The rates quoted above shall be subject to the Gas Inventory Adjustment contained in Rider "C", the Revenue Adjustment Rider contained in Rider "E" and the Federal Carbon Charge (if applicable) and the Facility Carbon Charge (in addition to delivery charge) contained in Rider "J". Also, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer's location as shown in Rider "F". The Gas Supply Charge is applicable to volumes of natural gas purchased from the Company. The volumes purchased shall be the volumes delivered at the Point of Delivery less any volumes, which the Company does not own and are received at the Point of Acceptance for delivery to the Applicant at the Point of Delivery.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

CURTAILMENT CREDIT:

Rate for 4 hours of notice per cubic metre of Mean Daily Volume from December to March **$ 1.10 /m³**

RATE NUMBER: **200**

In addition, if the Applicant is supplying its own gas requirements, the gas delivered by the Applicant during the period of curtailment shall be purchased by the Company for the Company's use. The purchase price for such gas will be equal to the price that is reported for the month, in the first issue of the Natural Gas *Market Report* published by Canadian Enerdata Ltd. during the month, as the "current" "Avg." (i.e., average) "Alberta One-Month Firm Spot Price" for "AECO 'C' and Nova Inventory Transfer" in the table entitled "Domestic spot gas prices", adjusted for AECO to Empress transportation tolls and compressor fuel costs.

For the areas specified in Appendix A to this Rate Schedule, the Company's gas distribution network does not have sufficient physical capacity under current operating conditions to accommodate the provision of firm service to existing interruptible locations.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

Any material instance of failure to curtail in any contract year may result in the Applicant forfeiting the right to receive interruptible service under this rate schedule.

Any Applicant taking a material volume of Unauthorized Supply Overrun Gas, during a period of ordered curtailment, may forfeit its curtailment credits for the respective winter season, December through March inclusive.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, a new Contract Demand will be established and shall be charged equal to 120% of the applicable monthly charge for twelve months of the current contract term, including retroactively based on the terms of the Service Contract.

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency
(See Terms and Conditions of Service): **6.3666 ¢/m³**

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after April 1, 2022 under Sales Service including Buy/Sell Arrangements and Transportation Service. This rate schedule is effective April 1, 2022 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2022 and that indicates as the Board Order, EB-2021-0281, effective January 1, 2022.

RATE NUMBER: 300	FIRM OR INTERRUPTIBLE DISTRIBUTION SERVICE

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation to a single Terminal Location of a specified maximum daily volume of natural gas. The Company reserves the right to limit service under this schedule to customers whose maximum contract demand does not exceed 600,000 m3. The Service under this rate requires Automatic Meter Reading (AMR) capability. Service under this schedule is firm unless a customer is currently served under interruptible distribution service or the Company, in its sole judgment, determines that existing delivery facilities cannot adequately serve the load on a firm basis.

The unitized Monthly Contract Demand Charge is also applicable to volumes delivered to any Applicant taking service under a Curtailment Delivered Supply contract with the Company. The unitized rate equals the applicable Monthly Contract Demand Charge times 12/365.

CHARACTER OF SERVICE:

The Service shall be continuous (firm) except for events specified in the Service Contract including force majeure. The Applicant is neither allowed to take a daily quantity of gas greater than the Contract Demand nor an hourly amount in excess of the Contract Demand divided by 24, without the Company's prior consent. Interruptible Distribution Service is provided on a best efforts basis subject to the events identified in the service contract including force majeure and, in addition, shall be subject to curtailment or discontinuance of service when the Company notifies the customer under normal circumstances 4 hours prior to the time that service is subject to curtailment or discontinuance. Under emergency conditions, the Company may curtail or discontinue service on one-hour notice. The Interruptible Service Customer is not allowed to exceed maximum hourly flow requirements as specified in Service Contract.

DISTRIBUTION RATES:

Monthly Customer Charge [(1)]	**$528.96**
Monthly Contract Demand Charge Firm	**29.0702 ¢/m³**
Interruptible Service:	
Minimum Delivery Charge	**0.4254 ¢/m³**
Maximum Delivery Charge	**1.1469 ¢/m³**
Direct Purchase Administration Charge	**$79.05**
Forecast Unaccounted For Gas Percentage	**0.9%**

Monthly Minimum Bill: The Monthly Customer Charge plus the Monthly Contract Demand Charge.

The rates quoted above shall be subject to the Federal Carbon Charge (if applicable) and the Facility Carbon Charge (in addition to delivery charge) contained in Rider "J".

[(1)]: Aggregated within Monthly Customer Charge is the amount of one dollar per month in accordance with Bill 32 and Ontario Regulation 24/19.

TERMS AND CONDITIONS OF SERVICE:

1. To the extent that this Rate Schedule does not specifically address matters set out in PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** then the provisions in those Parts shall apply, as contemplated therein, to service under this Rate Schedule.

2. **Unaccounted for Gas (UFG) Adjustment Factor**:

   The Applicant is required to deliver to the Company on a daily basis the sum of: (a) the volume of gas to be delivered to the Applicant's Terminal Location; and (b) a volume of gas equal to the forecast unaccounted for gas percentage as stated above multiplied by (a).

3. **Nominations**:

   Customer shall nominate gas delivery daily based on the gross commodity delivery required to serve the customer's daily load plus the UFG, net of No-Notice Storage Service provisions under Rate 315, if applicable. The amount of gas delivered under No-Notice Storage Service will also be reduced by the UFG adjustment factor for delivery to the customer's meter.

   Customers may change daily nominations based on the nomination windows within a day as defined by the customer contract with TransCanada PipeLines (TCPL) or Union Gas Limited.

   Schedule of nominations under Rate 300 has to match upstream nominations. This rate does not allow for any more flexibility than exists upstream of the EGD gas distribution system. Where the customer's nomination does not match the confirmed upstream nomination, the nomination will be confirmed at the upstream value.

Customer may nominate gas to a contractually specified Primary Delivery Area that may be EGD's Central Delivery Area (CDA) or EGD's Eastern Delivery Area (EDA) *or* other Delivery Area as specified in the applicable Service Contract. The Company may accept deliveries at a Secondary Delivery Area such as Dawn, at its sole discretion. Quantities of gas nominated to the system cannot exceed Contract Demand, unless Make-up Gas or Authorized Overrun is permitted.

Customers with multiple Rate 300 contracts within a Primary Delivery Area may combine nominations subject to system operating requirements and subject to the Contract Demand for each Terminal Location. For combined nominations the customer shall specify the quantity of gas to each Terminal Location and the order in which gas is to be delivered to each Terminal Location. The specified order of deliveries shall be used to administer Load Balancing Provisions to each Terminal Location. When system conditions require delivery to a single Terminal Location only, nominations with different Terminal Locations may not be combined.

4. **Authorized Demand Overrun:**

The Company may, at its sole discretion, authorize consumption of gas in excess of the Contract Demand for limited periods within a month, provided local distribution facilities have sufficient capacity to accommodate higher demand. In such circumstances, customer shall nominate gas delivery based on the gross commodity delivery required to serve the customer's daily load, including quantities of gas in excess of the Contract Demand, plus the UFG. The Load Balancing Provisions and/or No-Notice Storage Service provisions under Rate 315 cannot be used for Authorized Demand Overrun. Failure to nominate gas deliveries to match Authorized Demand Overrun shall constitute Unauthorized Supply Overrun.

The rate applicable to Authorized Demand Overrun shall equal the applicable Monthly Demand Charge times 12/365 provided, however, that such service shall not exceed 5 days in any contract year. Requests beyond 5 days will constitute a request for a new Contract Demand level, with retroactive charges based on terms of Service Contract.

5. **Unauthorized Demand Overrun:**

Any gas consumed in excess of the Contract Demand and/or maximum hourly flow requirements, if not authorized, will be deemed to be Unauthorized Demand Overrun gas. Unauthorized Demand Overrun gas will establish a new Contract Demand and shall be subject to a charge equal to 120 % of the applicable monthly charge for twelve months of the current contract term, including retroactively based on terms of Service Contract. Unauthorized Demand Overrun gas shall also be subject to Unauthorized Supply Overrun provisions. Where a customer receives interruptible service hereunder and consumes gas during a period of interruption, such gas shall be deemed Unauthorized Supply Overrun. In addition to charges for Unauthorized Supply Overrun, interruptible customers consuming gas during a scheduled interruption shall pay a penalty charge of $18.00 per m3.

6. **Unauthorized Supply Overrun:**

Any volume of gas taken by the Applicant on a day at the Terminal Location which exceeds the sum of:

i. any applicable Load Balancing Provision pursuant to Rate 300 and/or provisions of Rate 315, plus

ii. the volume of gas delivered by the Applicant on that day shall constitute Unauthorized Supply Overrun Gas.

The Company may also deem volumes of gas to be Unauthorized Supply Overrun gas in other circumstances, as set out in the Load Balancing Provisions of Rate 300.

Any gas deemed to be Unauthorized Overrun gas shall be purchased by the customer at a price (Pe), which is equal to 150% of the highest price in effect for that day as defined below*.

RATE NUMBER: **300**

7. **Unauthorized Supply Underrun:**

Any volume of gas delivered by the Applicant on any day in excess of the sum of:

i. any applicable Rate 300 Load Balancing Provision pursuant to Rate 300 and/or provisions of Rate 315, plus

ii. the volume of gas taken by the Applicant at the Terminal Location on that day shall be classified as Supply Underrun Gas.

The Company may also deem volumes of gas to be Unauthorized Supply Underrun gas in other circumstances, as set out in the Load Balancing Provisions of Rate 300.

Any gas deemed to be Unauthorized Supply Underrun Gas shall be purchased by the Company at a price (P_u) which is equal to fifty percent (50%) of the lowest price in effect for that day as defined below**.

* where the price P_e expressed in cents / cubic metre is defined as follows:

$$\mathbf{P_e = (P_m * E_r * 100 * 0.03853 / 1.055056) * 1.5}$$

P_m = highest daily price in U.S. $/mmBtu published in the Gas Daily, a Platts Publication, for that day under the column "Absolute", for the Niagara export point if the terminal location is in the CDA delivery area, and the Iroquois export point if the terminal location is in the EDA delivery area.

E_r = **Daily Average exchange rate** expressed in Canadian dollars per U.S. dollar for such day quoted by the Bank of Canada in the following days Globe & Mail Publication.

1.055056 = Conversion factor from mmBtu to GJ.

0.03853 = Conversion factor from GJ to cubic metres.

** where the price P_u expressed in cents / cubic metre is defined as follows:

$$\mathbf{P_u = (P_l * E_r * 100 * 0.03853 / 1.055056) * 0.5}$$

P_l = lowest daily price in U.S. $/mmBtu published in the Gas Daily, a Platts Publication, for that day under the column "Absolute", for the Niagara export point if the terminal location is in the CDA delivery area, and the Iroquois export point if the terminal location is in the EDA delivery area.

Term of Contract:

A minimum of one year. A longer-term contract may be required if incremental assets/facilities have been procured/built for the customer. Migration from an unbundled rate to bundled rate may be restricted subject to availability of adequate transportation and storage assets.

Right to Terminate Service:

The Company reserves the right to terminate service to customers served hereunder where the customer's failure to comply with the parameters of this rate schedule, including interruptible service and load balancing provisions, jeopardizes either the safety or reliability of the gas system. The Company shall provide notice to the customer of such termination; however, no notice is required to alleviate emergency conditions.

Load Balancing:

Any difference between actual daily-metered consumption and the actual daily volume of gas delivered to the system less the UFG shall first be provided under the provisions of Rate 315 - Gas Storage Service, if applicable. Any remaining difference will be subject to the Load Balancing Provisions.

RATE NUMBER: **300**

LOAD BALANCING PROVISIONS:

Load Balancing Provisions shall apply at the customer's Terminal Location.

In the event of an imbalance any excess delivery above the customer's actual consumption or delivery less than the actual consumption shall be subject to the Load Balancing Provisions.

Definitions:

Aggregate Delivery:

The Aggregate Delivery for a customer's account shall equal the sum of the confirmed nominations of the customer for delivery of gas to the applicable delivery area from all pipeline sources plus, where applicable, the confirmed nominations of the customer for Storage Service under Rate 316 or Rate 315 and any available No-Notice Storage Service under Rate 315 for delivery of gas to the Applicable Delivery Area.

Applicable Delivery Area:

The Applicable Delivery Area for each customer shall be specified by contract as a Primary Delivery Area. Where system-operating conditions permit, the Company, in its sole discretion, may accept a Secondary Delivery Area as the Applicable Delivery Area by confirming the customer's nomination of such area. Confirmation of a Secondary Delivery Area for a period of a gas day shall cause such area to become the Applicable Delivery Area for such day. Where delivery occurs at both a Terminal Location and a Secondary Delivery Area on a given day, the sum of the confirmed deliveries may not exceed Contract Demand, unless Demand Overrun and/or Make-up Gas is authorized.

Primary Delivery Area:

The Primary Delivery Area shall be delivery area such as EGD's Central Delivery Area (CDA) or EGD's Eastern Delivery Area (EDA), or other Delivery Area as specified in the applicable Service Contract.

Secondary Delivery Area:

A Secondary Delivery Area may be a delivery area such as Dawn where the Company, at its sole discretion, determines that operating conditions permit gas deliveries for a customer.

Actual Consumption:

The Actual Consumption of the customer shall be the metered quantity of gas consumed at the customer's premise.

Net Available Delivery:

The Net Available Delivery shall equal the Aggregate Delivery times one minus the annually determined percentage of Unaccounted for Gas (UFG) as reported by the Company.

Daily Imbalance:

The Daily Imbalance shall be the absolute value of the difference between Actual Consumption and Net Available Delivery.

Cumulative Imbalance:

The Cumulative Imbalance shall be the sum of the difference between Actual Consumption and Net Available Delivery.

RATE NUMBER: **300**

Maximum Contractual Imbalance:

The Maximum Contractual Imbalance shall be equal to 60% of the customer's Contract Demand.

Winter and Summer Seasons:

The winter season shall commence on the date that the Company provides notice of the start of the winter period and conclude on the date that the Company provides notice of the end of the winter period. The summer season shall constitute all other days. The Company shall provide advance notice to the customer of the start and end of the winter season as soon as reasonably possible, but in no event not less than 2 days prior to the start or end.

Operational Flow Order:

An Operational Flow Order (OFO) shall constitute an issuance of instructions to protect the operational capacity and integrity of the Company's system, including distribution and/or storage assets, and/or connected transmission pipelines.

Enbridge Gas Distribution, acting reasonably, may call for an OFO in the following circumstances:

- Capacity constraint on the system, or portions of the system, or upstream systems, that are fully utilized;
- Conditions where the potential exists that forecasted system demand plus reserves for short notice services provided by the Company and allowances for power generation customers' balancing requirements would exceed facility capabilities and/or provisions of 3rd party contracts;
- Pressures on the system or specific portions of the system are too high or too low for safe operations;
- Storage system constraints on capacity or pressure or caused by equipment problems resulting in limited ability to inject or withdraw from storage;
- Pipeline equipment failures and/or damage that prohibits the flow of gas;
- Any and all other circumstances where the potential for system failure exists.

Daily Balancing Fee:

On any day where the customer has a Daily Imbalance the customer shall pay a Daily Balancing Fee equal to:

(Tier 1 Quantity X Tier 1 Fee) + (Tier 2 Quantity X Tier 2 Fee) + (Applicable Penalty Fee for Imbalance in excess of the Maximum Contractual Imbalance X the amount of Daily Imbalance in excess of the Maximum Contractual Imbalance)

Where Tier 1 and 2 Fees and Quantities are set forth as follows:

Tier 1 = Daily Imbalance of greater than 2% but less than 10% of the Maximum Contractual Imbalance and shall be subject to a charge of 0.9137 cents/M3

Tier 2 = Daily Imbalance of greater than 10% but less than Maximum Contractual Imbalance shall be subject to a charge of 1.0964 cents/m3

The customers shall also pay any Limited Balancing Agreement (LBA) charges imposed by the pipeline on days when the customer has a Daily Imbalance provided such imbalance matches the direction of the pipeline imbalance. LBA charges shall first be allocated to customers served under Rate 125 and 300. The system bears a portion of these charges only to the extent that the system incurs such charges based on its operation excluding the operation of customers under Rates 125 and 300. In that event, LBA charges shall be prorated based on the relative imbalances.

RATE NUMBER: **300**

A Daily Imbalance in excess of the Maximum Contractual Imbalance shall be deemed to be Unauthorized Supply Overrun or Underrun gas, as appropriate.

Customer's Actual Consumption cannot exceed Net Available Delivery when the Company issues an Operational Flow Order in the winter. Net nominations must not be less than consumption at the Terminal Location. Any negative Daily Imbalance on a winter Operational Flow Order day shall be deemed to be Unauthorized Supply Overrun. Customer's Net Available Delivery cannot exceed Actual Consumption when the Company issues an Operational Flow Order in the summer. Actual Consumption must not be less than net nomination at the Terminal Location. Any positive Daily Imbalance on a summer Operational Flow Order day shall be deemed to be Unauthorized Supply Underrun.

The Company will waive Daily Balancing Fee and Cumulative Imbalance Charge on the day of an Operational Flow Order if the customer used less gas that the amount the customer delivered to the system during the winter season or the customer used more gas than the amount the customer delivered to the system during the summer season. The Company will issue a 24-hour advance notice to customers of Operational Flow Orders and suspension of Load Balancing Provisions.

Cumulative Imbalance Charges:

Customers may trade Cumulative Imbalances within a delivery area.

Customers shall be permitted to nominate Make-up Gas, subject to operating constraints, provided that Make-up Gas plus Aggregate Delivery do not exceed Contract Demand. The Company may, on days with no operating constraints, authorize Make-up Gas that, in conjunction with Aggregate Delivery, exceeds Contract Demand.

The customer's Cumulative Imbalance cannot exceed its Maximum Contractual Imbalance. The excess imbalance shall be deemed to be Unauthorized Supply Overrun or Underrun gas, as appropriate.

The Cumulative Imbalance Fee, applicable daily, is 0.7406 cents/m3 per unit of imbalance.

The customer's Cumulative Imbalance shall be equal to zero within five (5) days from the last day of the Service Contract.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after April 1, 2022. This rate schedule is effective April 1, 2022 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2022 and that indicates the Board Order, EB-2021-0281 effective January 1, 2022.

RATE NUMBER: 315	GAS STORAGE SERVICE

APPLICABILITY:

This rate is available to any customer taking service under Distribution Rates 125 and 300. It requires a Service Contract that identifies the required storage space and deliverability. In addition, the customer shall maintain a positive balance of gas in storage at all times or forfeit the use of Storage Services for Load Balancing and No-Notice Storage Service.

A daily nomination for storage injection and withdrawal except for No-Notice Storage Service, hereunder, which is used automatically for daily Load Balancing, shall also be required.

The maximum hourly injections / withdrawals shall equal 1/24th of the daily Storage Demand. No-Notice Storage Service is available up to the maximum daily withdrawal rights less the nominated withdrawal or the maximum daily injection rights less the nominated injections.

Storage space shall be based on either of two storage allocation methodologies: (customer's average winter demand - customer's average annual demand) x 151, or [(17 x customers's maximum hourly demand) / 0.1] x 0.57. Customers have the option to select from these two storage space allocation methods the one that best suits their requirements.

Maximum deliverability shall be 1.2% of contracted storage space. The customer may inject and withdraw gas based on the quantity of gas in storage and the limitations specified in the Service Contract. Both injection and withdrawal shall be subject to applicable storage ratchets as determined by the Company and posted from time to time.

CHARACTER OF SERVICE:

Service shall be firm when used in conjunction with firm distribution service. Service is interruptible when used in conjunction with interruptible distribution service. All service is subject to contract terms and force majeure.

The service is available on two bases:

(1) Service nominated daily based on the available capacity and gas in storage up to the maximum contracted daily deliverability; and

(2) No-Notice Storage Service for daily Load Balancing consistent with the maximum hourly deliverability.

RATE:

The following rates and charges shall apply in respect to all gas received by the Company from and delivered by the Company to storage on behalf of the Applicant.

Monthly Customer Charge:	**$158.39**
Storage Reservation Charge:	
Monthly Storage Space Demand Charge	**0.0537 ¢/m³**
Monthly Storage Deliverability Demand Charge	**23.1914 ¢/m³**
Injection & Withdrawal Unit Charge:	**0.2897 ¢/m³**

Monthly Minimum Bill: The sum of the Monthly Customer Charge plus Monthly Demand Charges.

The rates quoted above shall be subject to the Federal Carbon Charge (if applicable) and the Facility Carbon Charge (in addition to delivery charge) contained in Rider "J".

FUEL RATIO REQUIREMENT:

The Fuel Ratio per unit of gas injected and withdrawn is 0.35%.

All Storage Space and Deliverability/Injection Demand Charges are applicable monthly. Injection and withdrawal charges are applicable to each unit of gas injected or withdrawn based on daily nominations and No-Notice Storage Service quantities.

RATE NUMBER: **315**

All deemed withdrawal quantities under the No-Notice Storage Service provisions of this rate will be adjusted for the UFG provisions applicable to the distribution service rates.

In addition, for each unit of injection or withdrawal there will be an applicable fuel charge adjustment expressed as a percent of gas.

TERMS AND CONDITIONS OF SERVICE:

1. **Nominated Storage Service**:

Nominations under this rate shall only be accepted at the standard North American Energy Standards Board ("NAESB") nomination windows. The customer may elect to nominate all or a portion of the available withdrawal capacity for delivery to the applicable Primary Delivery Area, which may be EGD's Central Delivery Area (CDA) or EGD's Eastern Delivery Area (EDA). All volumes nominated from storage are delivered first for purposes of daily Load Balancing of available supply assets. When system conditions permit, the customer may nominate all or a portion of the available withdrawal capacity for delivery to Dawn or to the customer's Primary Delivery Area for purposes other than consumption at the customer's own meter.

Storage not nominated for delivery will be available for No-Notice Storage Service. The sum of gas nominated for storage injection and for the Terminal Location shall not exceed the customer's Contract Demand (CD).

The customer may also nominate gas for delivery into storage by nominating the storage delivery area as the Primary Delivery Area. Gas nominated for storage delivery will not be available for No-Notice Storage Service. The sum of gas nominated for storage injection and for the Terminal Location shall not exceed the customer's CD.
Any gas in excess of the contract demand will be subject to cash out as injection overrun gas.

The Company reserves the right to limit injection and withdrawal rights to all storage customers in certain situations, such as major maintenance or construction projects, and may reduce nominations for injections and withdrawals over and above applicable storage ratchets. The Company will provide customers with one week's notice of its intent to limit injection and withdrawal rights, and at the same time, shall provide its best estimate of the duration and extent of the limitations.

In situations where the Company limits injection and withdrawal rights, the Company shall proportionately reduce the Storage Deliverability/Injection Demand Charge for affected customers based on the number of days the limitation is in effect and the difference between Deliverability/Injection Demand, subject to applicable storage ratchets, and the quantity of gas actually delivered or injected.

2. **No-Notice Storage Service**:

The Company, at its sole discretion based on operating conditions, may provide a No-Notice Storage Service that allows customers taking gas under distribution service rates to balance daily deliveries using this Storage Service. No-Notice Storage Service requires that the customer grant the Company the exclusive right to use unscheduled service available from storage to reduce the daily imbalance associated with the actual consumption of the customer.

No-Notice Storage Service is limited to the available, unscheduled withdrawal or injection capacity under contract to serve a customer. Where the customer serves multiple delivery locations from a single storage Service Contract, the customer shall specify the order in which gas is to be delivered to each Terminal Location served under a distribution Service Contract. The specified order of deliveries shall be used to administer Load Balancing Provisions to each Terminal Location.

The availability of No-Notice Storage Service is subject to and reduced by any service schedule from or to storage. To the extent that the quantity of gas available in storage is insufficient to meet the requirements of the customer under a No-Notice Storage Service, the customer will be unable to use the service on a no-notice basis for Load Balancing service. To the extent that the scheduled injections into storage plus No-Notice Storage Service exceed the maximum limit for injection, No-Notice Storage Service will be reduced and the remainder of the gas will constitute a daily imbalance. Gas delivered in excess of the maximum injection quantity shall be deemed injection overrun gas and cashed out at 50% of the lowest index price of gas.

RATE NUMBER: **315**

Other provisions:

If the customer elects to use the contracted storage capacity at less than the full volumetric capacity of the storage, the Company may inject its own gas provided that such injection does not reduce the right of the customer to withdraw the full amount of gas injected on any day during the withdrawal season or to schedule its full injection right during the injection season.

Term of Contract:

A minimum of one year.

A longer-term contract may be required if incremental contracts/assets/facilities have been procured/built for the customer.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after April 1, 2022. This rate schedule is effective April 1, 2022 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2022 and that indicates the Board Order, EB-2021-0281 effective January 1, 2022.

RATE NUMBER: 316	GAS STORAGE SERVICE AT DAWN

APPLICABILITY:

This rate is available to any customer taking service under Distribution Rates 125 and 300. It requires a Service Contract that identifies the required storage space and deliverability. The customer shall maintain a positive balance of gas in storage at all times. In addition, the customer must arrange for pipeline delivery service from Dawn to the applicable Primary Delivery Area.

This service is not a delivered service and is only available when the relevant pipeline confirms the delivery.

The maximum hourly injections / withdrawals shall equal 1/24th of the daily Storage Demand.

Storage space shall be based on either of two storage allocation methodologies: (customer's average winter demand - customer's average annual demand) x 151, or [(17 x customers's maximum hourly demand) / 0.1] x 0.57. Customers have the option to select from these two storage space allocation methods the one that best suits their requirements.

Maximum deliverability shall be 1.2% of contracted storage space. The customer may inject and withdraw gas based on the quantity of gas in storage and the limitations specified in the Service Contract. Both injection and withdrawal shall be subject to applicable storage ratchets as determined by the Company and posted from time to time.

CHARACTER OF SERVICE:

Service shall be firm when used in conjunction with firm distribution service. Service is interruptible when used in conjunction with interruptible distribution service. All service is subject to contract terms and force majeure.

The service is nominated based on the available capacity and gas in storage up to the maximum contracted daily deliverability.

RATE:

The following rates and charges shall apply in respect to all gas received by the Company from and delivered by the Company to storage on behalf of the Applicant.

Monthly Customer Charge:	**$158.39**
Storage Reservation Charge:	
Monthly Storage Space Demand Charge	**0.0537 ¢/m³**
Monthly Storage Deliverability Demand Charge	**5.5775 ¢/m³**
Injection & Withdrawal Unit Charge:	**0.1206 ¢/m³**

Monthly Minimum Bill: The sum of the Monthly Customer Charge plus Monthly Demand Charges.

The rates quoted above shall be subject to the Federal Carbon Charge (if applicable) and the Facility Carbon Charge (in addition to delivery charge) contained in Rider “J”.

FUEL RATIO REQUIREMENT:

The Fuel Ratio per unit of gas injected and withdrawn is 0.35%.

All Storage Space and Deliverability/Injection Demand Charges are applicable monthly. Injection and withdrawal charges are applicable to each unit of gas injected or withdrawn based on daily nominations.

In addition, for each unit of injection or withdrawal there will be an applicable fuel charge adjustment expressed as a percent of gas.

RATE NUMBER: **316**

TERMS AND CONDITIONS OF SERVICE:

Nominated Storage Service:

The customer shall nominate storage injections and withdrawals daily. The customer may change daily nominations based on the nomination windows within a day as defined by the customer contract with Union Gas Limited and TransCanada PipeLines (TCPL).

The customer may elect to nominate all or a portion of the available withdrawal capacity for delivery to the applicable Primary Delivery Area.

The Company reserves the right to limit injection and withdrawal rights to all storage customers in certain situations, such as major maintenance or construction projects, and may reduce nominations for injections and withdrawals over and above applicable storage ratchets. The Company will provide customers with one week's notice of its intent to limit injection and withdrawal rights, and at the same time, shall provide its best estimate of the duration and extent of the limitations.

In situations where the Company limits injection and withdrawal rights, the Company shall proportionately reduce the Storage Deliverability/Injection Demand Charge for affected customers based on the number of days the limitation is in effect and the difference between Deliverability/Injection Demand, subject to applicable storage ratchets, and the quantity of gas actually delivered or injected.

The customer may transfer the title of gas in storage.

Other provisions:

If the customer elects to use the contracted storage capacity at less than the full volumetric capacity of the storage, the Company may inject its own gas provided that such injection does not reduce the right of the customer to withdraw the full amount of gas injected on any day during the withdrawal season or to schedule its full injection right during the injection season.

Term of Contract:

A minimum of one year.

A longer-term contract may be required if incremental contracts/assets/facilities have been procured/built for the customer.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after April 1, 2022. This rate schedule is effective April 1, 2022 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2022 and that indicates the Board Order, EB-2021-0281 effective January 1, 2022.

RATE NUMBER: 320	BACKSTOPPING SERVICE

APPLICABILITY:

To any Applicant whose delivery of natural gas to the Company for transportation to a Terminal Location has been interrupted prior to the delivery of such gas to the Company.

CHARACTER OF SERVICE:

The volume of gas available for backstopping in any day shall be determined by the Company exercising its sole discretion. If the aggregate daily demand for service under this Rate Schedule exceeds the supply available for such day, the available supply shall be allocated to firm service customers on a first requested basis and any balance shall be available to interruptible customers on a first requested basis.

RATE:

The rates applicable in the circumstances contemplated by this Rate Schedule, in lieu of the Gas Supply Charges specified in any of the Company's other Rate Schedules pursuant to which the Applicant is taking service, shall be as follows:

	Billing Month January to December
Gas Supply Charge	
Per cubic metre of gas sold	**23.0726 ¢/m³**

provided that if upon the request of an Applicant, the Company quotes a rate to apply to gas which is delivered to the Applicant at a particular Terminal Location on a particular day or days and to which this Rate Schedule is applicable (which rate shall not be less than the Company's avoided cost in the circumstances at the time nor greater than the otherwise applicable rate specified above), then the Gas Supply Charge applicable to such gas shall be the rate quoted by the Company.

The rates quoted above shall be subject to the Federal Carbon Charge (if applicable) and the Facility Carbon Charge (in addition to delivery charge) contained in Rider “J”.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after April 1, 2022 under Sales Service and Transportation Service. This rate schedule is effective April 1, 2022 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2022 and that indicates the Board Order, EB-2021-0281, effective January 1, 2022.

RATE NUMBER: 325	TRANSMISSION, COMPRESSION AND POOL STORAGE SERVICE

APPLICABILITY AND CHARACTER OF SERVICE:

Service under this rate schedule shall apply to the transmission, compression and storage services provided to the Company's Union rate zones ("Customer"). Prior to January 1, 2019, these services were provided pursuant to the Transmission and Compression Services Agreement with Union Gas Limited dated April 1, 1989, and the Transmission, Compression and Pool Storage Service Agreement with Centra Gas Ontario Inc. dated May 30, 1994 ("Prior Agreements"). Service shall be provided in accordance with operating parameters and cost allocation as specified in the Prior Agreements.

RATE:

The Customer shall pay for service rendered in each month in a contract year, the sum of the following applicable charges:

	Transmission & Compression $/10³m³	**Pool Storage $/10³m³**
Demand Charge for:		
Annual Turnover Volume	**0.2186**	**0.2065**
Maximum Daily Withdrawal Volume	**24.0623**	**22.9553**
Commodity Charge	**1.0531**	**0.2105**

The rates quoted above shall be subject to the Federal Carbon Charge (if applicable) and the Facility Carbon Charge (in addition to delivery charge) contained in Rider "J".

FUEL RATIO REQUIREMENT:

Fuel Ratio applicable to per unit of gas injected and withdrawn is 0.35%.

MINIMUM BILL:

The minimum monthly bill shall be the sum of the applicable Demand Charges as stated in Rate Section above.

EXCESS VOLUME AND OVERRUN RATES:

In addition to the charges provided for in the Rate Section above, the Customer shall pay, for services rendered, the sum of the following applicable charges as they are incurred:

TERMS AND CONDITIONS OF SERVICE:

1. Excess Volumes will be billed at the total of the Excess Volume Charges as stated above.

2. Transmission and Compression, and Pool Storage Overrun Service will be billed according to the following:
   (a) At the end of each month, in a contract year, the Company will make a determination, for each day in the month, of

      (i) the difference between the volume of gas actually delivered, exclusive of the fuel volume, for Customer's account into the Company System, at the Point of Delivery and the Customer's Maximum Daily Injection Volume, and

      (ii) the difference between the volume of gas actually delivered, exclusive of the fuel volume, for Customer's account from the Company System, at the Point of Delivery, and the Customer's Maximum Daily Withdrawal Volume.

RATE NUMBER: **325**

	Excess Volume Charge $/10³m³ / Year	Overrun Charge $/10³m³ / Day
Transmission & Compression		
Authorized	**2.8855**	**0.7911**
Unauthorized	**-**	**317.6224**
Pool Storage		
Authorized	**2.7258**	**0.7547**
Unauthorized	**-**	**303.0100**

(b) For each day of the month, where any such differences exceed 2.0 percent of the Customer's relevant Maximum Daily Injection Volume and/or Maximum Daily Withdrawal Volume, the Customer shall pay a charge equal to the relevant Overrun rates, as stated above, for such differences.

BILLING ADJUSTMENT:

1. Injection deficiency - If at the beginning of any Withdrawal Period the Customer's Storage Balance is less than the Customer's Annual Turnover Volume, due solely to the Company's inability to inject gas for any reason other than the fault of the Customer, then the applicable Demand Charge for Annual Turnover Volume for the contract year beginning the prior April 1 as stated in Rate Section as applicable, shall be adjusted by multiplying each by a fraction, the numerator of which shall be the Customer's Storage Gas Balance as of the beginning of such Withdrawal Period and the denominator shall be the Customer's Annual Turnover Volume as it may have been established for the then current year.

2. Withdrawal deficiency - If in any month in a contract year for any reason other than the fault of the Customer, the Company fails or is unable to deliver during any one or more days, the amount of gas which the Customer has nominated, up to the maximum volumes which the Company is obligated by the Agreement to deliver to the Customer, then the Demand Charge for maximum Contract Daily Withdrawal Volume in the contract year otherwise payable for the month in which such failure occurs, as stated in Rate Section above, as applicable, shall be reduced by an amount for each day of deficiency to be calculated as follows: The Demand Charge for maximum Contract Daily Withdrawal Volume for the contract year for the month will be divided by 30.4 and the result obtained will then be multiplied by a fraction, the numerator being the difference between the nominated volume for such day and the delivered volume for such day and the denominator being the Customer's maximum Contract Daily Withdrawal Volume for such contract year.

TERMS AND EXPRESSIONS:

In the application of this Rate Schedule to each of the Agreements, terms and expressions used in this Rate Schedule have the meanings ascribed thereto in such Agreement.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after April 1, 2022. This rate schedule is effective April 1, 2022 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2022 and that indicates the Board Order, EB-2021-0281 effective January 1, 2022.

RATE NUMBER: 330	TRANSMISSION AND COMPRESSION AND POOL STORAGE

APPLICABILITY:

To any Applicant who enters into a Storage Contract with the Company for delivery by the Applicant to the Company and re-delivery by the Company to the Applicant of a volume of natural gas owned by the Applicant.

CHARACTER OF SERVICE:

Service under this rate is for Full Cycle or Short Cycle storage service; with firm or interruptible injection and withdrawal service, all as may be available from time to time.

RATE:

The following rates and charges shall apply in respect of all gas received by the Company from and re-delivered by the Company to the Applicant.

	Full Cycle		Short Cycle
	Firm	Interruptible	
	$/10³m³	$/10³m³	$/10³m³
Monthly Demand Charge per unit of Annual Turnover Volume:			
Minimum	**0.4251**	**0.4251**	**-**
Maximum	**2.1255**	**2.1255**	**-**
Monthly Demand Charge per unit of Contracted Daily Withdrawal:			
Minimum	**47.0176**	**37.6141**	**-**
Maximum	**235.0880**	**188.0704**	**-**
Commodity Charge per unit of gas delivered to / received from storage:			
Minimum	**1.2636**	**1.2636**	**0.4648**
Maximum	**6.3180**	**6.3180**	**42.8469**

The rates quoted above shall be subject to the Federal Carbon Charge (if applicable) and the Facility Carbon Charge (in addition to delivery charge) contained in Rider “J”.

FUEL RATIO REQUIREMENT:

The Fuel Ratio per unit of gas injected and withdrawn is 0.35%.

TRANSACTING IN ENERGY:

The conversion factor is 37.74MJ/m3, which corresponds to Union Gas' System Wide Average Heating Value, as per the Board's RP-1999-0017 Decision with Reasons.

MINIMUM BILL:

The minimum monthly bill shall be the sum of the applicable Demand Charges.

RATE NUMBER: **330**

OVERRUN RATES:

The units rates stated below will apply to overrun volumes. The provision of Authorized Overrun service will be at the Company's sole discretion.

	Full Cycle		Short Cycle
	Firm	Interruptible	
	$/10³m³	$/10³m³	$/10³m³
Authorized Overrun Annual Turnover Volume Negotiable, not to exceed:	**42.8469**	**42.8469**	**42.8469**
Authorized Overrun Daily Injection/Withdrawal Negotiable, not to exceed:	**42.8469**	**42.8469**	**42.8469**
Unauthorized Overrun Annual Turnover Volume Excess Storage Balance			
Excess Storage Balance	**428.4690**	**428.4690**	**428.4690**
December 1 - October 31	**42.8469**	**42.8469**	**42.8469**
Unauthorized Overrun Annual Turnover Volume Negative Storage Balance			

TERMS AND CONDITIONS OF SERVICE:

1. All Services are available at the Company's sole discretion.

2. Delivery and Re-delivery of the volume of natural gas shall be from/to the facilities of Union Gas Limited and / or TransCanada PipeLines Limited in Dawn Township and/or Niagara Gas Transmission Limited in Moore Township.

3. The Customers daily injections or withdrawals will be adjusted to provide for the fuel ratio stated in the Fuel Ratio Section. In the event that a Short Cycle service does not require fuel for injection and/or withdrawal, the fuel ratio commodity charge may be waived.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after April 1, 2022. This rate schedule is effective April 1, 2022 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2022 and that indicates the Board Order, EB-2021-0281 effective January 1, 2022.

RATE NUMBER: 331	TECUMSEH TRANSPORTATION SERVICE

APPLICABILITY:

To any Applicant who enters into an agreement with the Company pursuant to the Rate 331 Tariff ("Tariff") for transportation service on the Company's pipelines extending from Tecumseh to Dawn ("Tecumseh Pipeline"). The Company will receive gas at Tecumseh and deliver the gas at Dawn. Capitalized terms used in this Rate Schedule shall have the meanings ascribed to those terms in the Tariff.

CHARACTER OF SERVICE:

Transportation service under this Rate Schedule may be available on a firm basis ("FT Service") or an interruptible basis ("IT Service"), subject to the terms and conditions of service set out in the Tariff and the applicable rates set out below.

RATE:

The following rates, effective April 1, 2022, shall apply in respect of FT and IT Service under this Rate Schedule:

	Demand Rate $/10³m³	**Commodity Rate $/10³m³**
FT Service	**5.9586**	**-**
IT Service	**-**	**0.2280**

FT Service: The monthly demand charge shall be the products obtained by multiplying the applicable Maximum Daily Volume by the above demand rate.

IT Service: The monthly commodity charge shall be the product obtained by multiplying the applicable Delivery Volume for the Month by the above commodity rate.

The rates quoted above shall be subject to the Federal Carbon Charge (if applicable) and the Facility Carbon Charge (in addition to delivery charge) contained in Rider "J".

TERMS AND CONDITIONS OF SERVICE:

The terms and conditions of FT and IT Service are set out in the Tariff. The provisions of PARTS I to IV of the Company's HANDBOOK OF RATES AND DISTRIBUTION SERVICES do not apply to Rate 331 service.

EFFECTIVE DATE:

The Tariff was approved by the Board in Board Order EB-2010-0177, dated July 12, 2010, and is posted and available on the Company's website. In accordance with Section 1.6.2 of the Board's Storage and Transportation Access Rule, the Tariff does not apply to any Rate 331 service agreements executed prior to June 16, 2010.

RATE NUMBER: 332	PARKWAY TO ALBION KING'S NORTH TRANSPORTATION SERVICE

APPLICABILITY:

To any Applicant who enters into an agreement with the Company pursuant to the Rate 332 Tariff ("Tariff") for transportation service on the Company's Albion Pipeline, as defined in the Tariff. Capitalized terms used in this Rate Schedule shall have the meanings ascribed to those terms in the Tariff.

CHARACTER OF SERVICE:

Transportation service under this Rate Schedule shall be provided on a firm basis, subject to the terms and conditions set out in the Tariff and this Rate Schedule.

RATE:

The following charges, effective April 1, 2022, shall apply for transportation service under this Rate Schedule:

	$/GJ	$/103m3
Monthly Contract Demand Charge	**$1.2750**	**49.1269**

	$/GJ	$/103m3
Authorized Overrun Charge	**$0.0503**	**1.9382**

The Monthly Contract Demand charge is equal to the Daily Contract Demand of $0.0419 per GJ or $1.6151 per 10^3m^3.

Monthly Minimum Bill: The minimum monthly bill shall equal the applicable Monthly Contract Demand Charge times the Maximum Daily Quantity.

Authorized Overrun Service: The Company may, in its sole discretion, authorize transportation of gas in excess of the Maximum Daily Quantity provided excess capacity is available. The excess volumes will be subject to the Authorized Overrun Charge.

The rates quoted above shall be subject to the Federal Carbon Charge (if applicable) and the Facility Carbon Charge (in addition to delivery charge) contained in Rider "J".

In addition to the rates quoted above, Applicants taking Rate 332 transportation service will be required to pay any charges resulting from Board approved dispositions of Deferral and Variance account balances pertaining to Rate 332.

TERMS AND CONDITIONS OF SERVICE:

The terms and conditions of transportation service are set out in the Tariff.
The provisions of Parts I to IV of the Company's HANDBOOK OF RATES AND DISTRIBUTION SERVICES do not apply to Rate 332 transportation service.

EFFECTIVE DATE:

The Tariff was approved by the Board in Board Order EB-2016-0028 available on the Company's website.

RATE NUMBER: 401	RENEWABLE NATURAL GAS INJECTION SERVICE

APPLICABILITY:

To any Renewable Natural Gas producer ("Applicant") who enters into a Service Agreement ("Agreement") with the Company for Renewable Natural Gas injection services located on or adjacent to the property employed by the Applicant for producing Renewable Natural Gas in an area served by the Company's Gas Distribution Network. Renewable Natural Gas Injection Service under this Schedule is conditioned upon arrangements mutually satisfactory to the Applicant and the Company for design, location, construction, and operation of required facilities.

RATE:

The Company will set a rate based on the Applicant's unique circumstances ("Service Fee"). The Service Fee shall be based on a cost-of-service calculation of the Company's fully-allocated direct and indirect costs using the Company's weighted average cost of capital ("WACC") of providing the services under the Agreement for a period of time agreed to between the Company and the Applicant. The Service Fee for Renewable Natural Gas Injection Services will be derived from a Discounted Cash Flow ("DCF") analysis. The DCF analysis will be based on the principles and parameters set out in the Ontario Energy Board's EBO 188 feasibility guideline (the "Guideline"). The Service Fee for Renewable Natural Gas Injection Services is a site specific levelized (constant) service fee applicable to each month of the term of the Agreement. The Service Fee is set so as to recover all costs associated with the provision of service such as, but not limited to; operating and maintenance costs, depreciation, cost of debt the Company's return on investment and related taxes. The Service Fee will be calculated such that the application of the application of the Guideline is forecast to result in a Profitability Index of equal to or greater than 1.02 over the service life of the plant and facilities required to provide this service.

TERMS AND CONDITIONS OF SERVICE:

To be set out in the Service Agreement.

EFFECTIVE DATE:

This rate schedule is in effect as of January 1, 2020.

APPENDIX: A	AREAS OF CAPACITY CONSTRAINT

Applicants located off the piping networks noted below or off piping systems supplied from these networks may be curtailed to maintain distribution system integrity.

The Town of Collingwood
The Town of Midland

RIDER: A	TRANSPORTATION SERVICE RIDER

APPLICABILITY:

This rider is applicable to any Applicant who enters into Gas Transportation Agreement with the Company under any rate other than Rates 125 and 300.

MONTHLY DIRECT PURCHASE ADMINISTRATION CHARGE:

Fixed Charge	$79.05	per month
Account Charge	$0.22	per month per account

NOTICE OF SWITCH LETTER SERVICE CHARGE: $2.11

AVERAGE COST OF TRANSPORTATION:

The average cost of transportation effective April 1, 2022:

Service Type:	**Point of Acceptance**	**Firm Transportation (FT)**
T-Service:	CDA, EDA	3.9258 ¢/m³
Dawn T-Service:	CDA, EDA	0.9694 ¢/m³

<u>TCPL FT CAPACITY TURNBACK:</u>

APPLICABILITY:

To Ontario T-Service and Western T-Service customers who have been or will be assigned TCPL capacity by the Company.

TERMS AND CONDITIONS OF SERVICE:

1. The Company will accommodate TCPL FT capacity turnback requests from customers, but only if it can do so in accordance with the following considerations:
   i. The FT capacity to be turned back must be replaced with alternative, contracted firm transportation (primary capacity or assignment) of equivalent quality to the TCPL FT capacity;
   ii. The amount of turnback capacity that Enbridge otherwise may accommodate may be reduced to address the impact of stranded costs, other transitional costs or incremental gas costs resulting from the loss of STS capacity arising from any turnback request; and
   iii. Enbridge must act in a manner that maintains the integrity and reliability of the gas distribution system and that respects the sanctity of contracts.
2. Requests for TCPL FT turnback must be made in writing to the attention of Enbridge's Direct Purchase group.
3. All TCPL FT capacity turnback requests will be treated on an equitable basis.
4. The percentage turnback of TCPL FT capacity will be applied at the Direct Purchase Agreement level.

RIDER: **A**

5. Written notice to turnback capacity must be received by the Company the earlier of:

   (a) Sixty days prior to the expiry date of the current contract.

   or

   (b) A minimum of one week prior to the deadline specified in TransCanada tariff for FT contract extension.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after April 1, 2022. This rate schedule is effective April 1, 2022 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2022 and that indicates the Board Order, EB-2021-0281 effective January 1, 2022.

RIDER: B	BUY / SELL SERVICE RIDER

APPLICABILITY:

This rider is applicable to any Applicant who entered into a Gas Purchase Agreement with the Company, prior to April 1, 1999, to sell to the Company a supply of natural gas.

MONTHLY DIRECT PURCHASE ADMINISTRATION CHARGE:

Fixed Charge	$79.05	per month
Account Charge	$0.22	per month per account

NOTICE OF SWITCH LETTER SERVICE CHARGE: $2.11

BUY / SELL PRICE:

In Buy/Sell Arrangements between the Company and an Applicant, the Company shall buy the Applicants gas at the Company's actual FT-WACOG price determined on a monthly basis in the manner approved by the Ontario Energy Board. For Western Buy/Sell arrangements the FT-WACOG price shall be reduced by pipeline transmission costs.

FT FUEL PRICE:

The FT fuel price used to establish the Buy price in Western Buy/Sell arrangements without fuel will be determined monthly based upon the actual FT-WACOG.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after April 1, 2022. This rate schedule is effective April 1, 2022 and replaces the identically numbered rate schedule that specifies implementation date, April 1, 2022 and that indicates the Board Order, EB-2021-0281 effective January 1, 2022.

RIDER: C	GAS COST ADJUSTMENT RIDER

The following adjustment is applicable to all gas sold or delivered during the period of April 1, 2022 to March 31, 2023.

Rate Class	Sales Service (¢/m³)	Western Transportation Service (¢/m³)	Ontario Transportation Service (¢/m³)	Dawn Transportation Service (¢/m³)
Rate 1	(0.3623)	0.3029	0.4656	0.4656
Rate 6	(0.3690)	0.2707	0.4334	0.4334
Rate 9	(0.3690)	0.2707	0.4334	0.4334
Rate 100	(0.3690)	0.2707	0.4334	0.4334
Rate 110	1.3826	(0.0577)	0.1050	0.1050
Rate 115	1.5892	(0.1330)	0.0297	0.0297
Rate 135	1.5595	(0.1627)	0.0000	0.0000
Rate 145	(0.1018)	0.0612	0.2239	0.2239
Rate 170	0.0100	(0.0623)	0.1004	0.1004
Rate 200	(0.6970)	0.2706	0.4333	0.4333

RIDER: **C**

Rate Class		Sales Service (¢/m³)	Western Transportation Service (¢/m³)	Ontario Transportation Service (¢/m³)	Dawn Transportation Service (¢/m³)
Rate 1	Commodity	(0.6652)			
	Transportation	(0.1627)	(0.1627)		
	Load Balancing	0.4656	0.4656	0.4656	0.4656
	Total	(0.3623)	0.3029	0.4656	0.4656
Rate 6	Commodity	(0.6397)			
	Transportation	(0.1627)	(0.1627)		
	Load Balancing	0.4334	0.4334	0.4334	0.4334
	Total	(0.3690)	0.2707	0.4334	0.4334
Rate 9	Commodity	(0.6397)			
	Transportation	(0.1627)	(0.1627)		
	Load Balancing	0.4334	0.4334	0.4334	0.4334
	Total	(0.3690)	0.2707	0.4334	0.4334
Rate 100	Commodity	(0.6397)			
	Transportation	(0.1627)	(0.1627)		
	Load Balancing	0.4334	0.4334	0.4334	0.4334
	Total	(0.3690)	0.2707	0.4334	0.4334
Rate 110	Commodity	1.4403			
	Transportation	(0.1627)	(0.1627)		
	Load Balancing	0.1050	0.1050	0.1050	0.1050
	Total	1.3826	(0.0577)	0.1050	0.1050
Rate 115	Commodity	1.7222			
	Transportation	(0.1627)	(0.1627)		
	Load Balancing	0.0297	0.0297	0.0297	0.0297
	Total	1.5892	(0.1330)	0.0297	0.0297
Rate 135	Commodity	1.7222			
	Transportation	(0.1627)	(0.1627)		
	Load Balancing	0.0000	0.0000	0.0000	0.0000
	Total	1.5595	(0.1627)	0.0000	0.0000

RIDER: **C**

Rate Class		Sales Service (¢/m³)	Western Transportation Service (¢/m³)	Ontario Transportation Service (¢/m³)	Dawn Transportation Service (¢/m³)
Rate 145	Commodity	(0.1630)			
	Transportation	(0.1627)	(0.1627)		
	Load Balancing	0.2239	0.2239	0.2239	0.2239
	Total	(0.1018)	0.0612	0.2239	0.2239
Rate 170	Commodity	0.0723			
	Transportation	(0.1627)	(0.1627)		
	Load Balancing	0.1004	0.1004	0.1004	0.1004
	Total	0.0100	(0.0623)	0.1004	0.1004
Rate 200	Commodity	(0.9676)			
	Transportation	(0.1627)	(0.1627)		
	Load Balancing	0.4333	0.4333	0.4333	0.4333
	Total	(0.6970)	0.2706	0.4333	0.4333

RIDER: D	SITE RESTORATION COST CLEARANCE

Bundled Services

Rate Class	(¢/m³)
Rate 1	0.0000
Rate 6	0.0000
Rate 9	0.0000
Rate 100	0.0000
Rate 110	0.0000
Rate 115	0.0000
Rate 135	0.0000
Rate 145	0.0000
Rate 170	0.0000
Rate 200	0.0000

Unbundled Services

Rate Class	(¢/m³)
Rate 125 - per m³ of contract demand	0.0000
Rate 300 - per m³ of contract demand	0.0000
Rate 300 (Interruptible)	0.0000

RIDER: E	REVENUE ADJUSTMENT RIDER

EFFECTIVE DATE:	IMPLEMENTATION DATE:	BOARD ORDER:	REPLACING RATE EFFECTIVE:		Page 1 of 1
April 1, 2022	April 1, 2022	EB-2022-0089	January 1, 2022	Handbook	61

RIDER: F	ATMOSPHERIC PRESSURE FACTORS

The following elevation factors shall be applicable to metered volumes measured by a meter that does not correct for atmospheric pressure.

Zone	Elevation Factor
1	0.9644
2	0.9652
3	0.9669
4	0.9678
5	0.9686
6	0.9703
7	0.9728
8	0.9745
9	0.9762
10	0.9771
11	0.9839
12	0.9847
13	0.9856
14	0.9864
15	0.9873
16	0.9881
17	0.9890
18	0.9898
19	0.9907
20	0.9915
21	0.9932
22	0.9941
23	0.9949
24	0.9958
25	0.9960
26	0.9966
27	0.9975
28	0.9981
29	0.9983
30	0.9992
31	0.9997
32	1.0000
33	1.0017
34	1.0025
35	1.0034
36	1.0051
37	1.0059
38	1.0170

RIDER: G	SERVICE CHARGES

	Rate (excluding HST)
New Account Or Activation	
New Account Charge Turning on of gas, activating appliances, obtaining billing data and establishing an opening meter reading for new customers in premises where gas has been previously supplied	$25.00
Appliance Activation Charge - Commercial Customers Only Commercial customers are charged an appliance activation charge on unlock and red unlock orders, except on the very first unlock and service unlock at a premise.	$70.00 minimum 1/2 hour work. Total Amount depends on time required
Meter Unlock Charge - Seasonal or Pool Heater Seasonal for all other revenue classes, or Pool Heater for residential only	$70.00
Statement of Account	
Lawyer Letter Handling Charge Provide the customer's lawyer with gas bill information.	$15.00
Statement of Account Charge (for one year history)	$10.00
Cheques Returned Non-Negotiable Charge	$20.00
Gas Termination	
Red Lock Charge Locking meter or shutting off service by closing the street shut-off valve (when work can be performed by Field Collector)	$70.00
Removal of Meter Removing meter by Construction & Maintenance crew	$280.00
Cut Off At Main Charge Cutting service off at main by Construction & Maintenance Crew	$1,300.00
Valve Lock Charge Shutting off service by closing the street shut-off valve - work performed by Field Investigator	$135.00
- work performed by Construction & Maintenance	$280.00
Safety Inspection	
Inspection Charge For inspection of gas appliances; the Company provides only one inspection free of charge, upon first time introduction of gas to a premise.	$70.00
Inspection Reject Charge (safety inspection) Energy Board Inspection rejects are billed to the meter installer or homeowner.	$70.00

RIDER: **G**

Meter Test	
Meter Test Charge When a customer disputes the reading on his/her meter, he/she may request to have the meter tested. This charge will apply if the test result confirms the meter is recording consumption correctly.	
Residential meters	$105.00
Non-Residential meters	Time & Material per Contractor
Street Service Alteration	
Street Service Alteration Charge For installation of service line beyond allowable guidelines (for new residential services only)	$32.00
NGV Rental	
NGV Rental Cylinder (weighted average)	$12.00
Other Customer Services (ad-hoc request) and Third Party Services (damages investigation and repair)	
Labour Hourly Charge-Out Rate Other Services (including ad-hoc customer requests and charges to customers and third parties for responding, investigating and repairing damages to Company facilities)	$140.00
Cut Off At Main Charge - Commercial & Special Requests Cut Off At Main charges for commercial services and other residential services that involve significantly more work than the average will be custom quoted.	custom quoted
Cut Off At Main Charge - Other Customer Requests Other residential Cut Off At Main requests due to demolitions, fires, inactive services, etc. will be charged at the standard COAM rate.	$1,300.00
Meter In-Out (Residential Only)) Relocate the meter from inside to outside per customer request	$280.00
Request For Service Call Information Provide written information of the result of a service call as requested by home owners.	$30.00
Temporary Meter Removal As requested by customers.	$280.00
Damage Meter Charge	$380.00

RIDER: H	BALANCING SERVICE RIDER

APPLICABILITY:

This rider is applicable to any Applicant who enters into Gas Delivery Agreement with the Company under any rate.

IN FRANCHISE TITLE TRANSFER SERVICE:

In any Gas Delivery Agreement between the Company and the Applicant, an Applicant may elect to initiate a transfer of natural gas from one of its pools to the pool of another Applicant for the purposes of reducing an imbalance between the Applicant's deliveries and consumption as recorded in its Banked Gas Account or Cumulative Imbalance Account. Elections must be made in accordance with the Company's policies and procedures related to transaction requests under the Gas Delivery Agreement.

The Company will not apply an Administration charge for transfers between pools that have similar Points of Acceptance (i.e. both Ontario, both Western, or both Dawn Points of Acceptance). For transfers between pools that have dissimilar Points of Acceptance (i.e. one Ontario and one Western Point of Acceptance or, one Western and one Dawn point of Acceptance), the Company will apply the following Administration Charge per transaction to the pool transferring the natural gas (i.e. the seller or transferor).

Administration Charge: $169.00 per transaction

Also, the applicable average cost of transportation as per Rider A for the transferred volume is charged to the pool with a Western or Dawn Point of Acceptance for transfers to a pool with an Ontario Point of Acceptance. The average cost of transportation as per Rider A for the transferred volume is remitted to the pool with a Western or Dawn Point of Acceptance for transfers from a pool with an Ontario Point of Acceptance. The applicable average cost of transportation as per Rider A is adjusted for transfers between Western and Dawn Points of Acceptance, so that the seller pool (transferor) is charged the applicable cost per volume transferred and the buyer pool or (recipient) is remitted at the applicable cost per volume transferred.

ENHANCED TITLE TRANSFER SERVICE:

In any Gas Delivery Agreement between the Company and the Applicant, the Applicant may elect to initiate a transfer of natural gas between the Company and another utility, regulated by the Ontario Energy Board, at Dawn for the purposes of reducing an imbalance between the customer's deliveries and consumption within the Enbridge Gas Distribution franchise areas. The ability of the Company to accept such an election may be constrained at various points in time for customers obtaining services under any rate other than Rate 125 or 300 due to operational considerations of the Company.

The cost for this service is separated between an Adminstration Charge that is applicable to all Applicants and a Bundled Service Charge that is only applicable to Applicants obtaining services under any rate other than Rate 125 or 300.

Administration Charge:

Base Charge	$50.00	per transaction
Commodity Charge	$0.6318	per 10^3m^3

Bundled Service Charge:
The Bundled Service Charge shall be equal to the absolute difference between the Eastern Zone and Southwest Zone Firm Transportation tolls approved by the National Energy Board for TCPL at a 100% Load Factor.

Also, the average cost of transportation as per Rider A for the transferred volume is charged to the Applicant with a Western Point of Acceptance for transfers to another party. The average cost of transportation as per Rider A for the transferred volume is remitted to the Applicant with a Western Point of Acceptance for transfers from another party.

RIDER: H

GAS IN STORAGE TITLE TRANSFER:

An Applicant that holds a contract for storage services under Rate 315 or 316 may elect to initiate a transfer of title to the natural gas currently held in storage between the storage service and another storage service held by the Applicant, or any other Applicant that has contracted with the Company for storage services under Rate 315 or 316. The service will be provided on a firm basis up to the volume of gas that is equivalent to the more restrictive firm withdrawal and injection parameters of the two parties involved in the transfer. Transfer of title at rates above this level may be done on at the Company's discretion.

For Applicants requesting service between two storage service contracts that have like services, each party to the request shall pay an Administration Charge applicable to the request. Services shall be considered to be alike if the injection and deliverability rate at the ratchet levels in effect at the time of the request are the same and both services are firm or both services are interruptible. In addition to like services, the Company, at its sole discretion based on operational conditions, will also allow for the transfer of gas from a storage service contract that has a level of deliverability that is higher than the level of deliverability of the storage service contract the gas is being transfered to with only the Administration Charge being applicable to each party.

In addition to the Administration Charge, Applicants requesting service between two storage service contracts not addressed in the preceding paragraph would be subject to the injection and withdrawal charges specified in their contracts.

Administration Charge: $25.00 per transaction

RIDER: I	SYSTEM EXPANSION SURCHARGE AND TEMPORARY CONNECTION SURCHARGE

APPLICABILITY:

This Rider is applicable to the Terminal Location of any Applicant who, pursuant to any Rate Schedules 1 and 6, receives gas distribution services from the Company as part of a Community Expansion Project, Small Main Extension or Customer Attachment Project, as defined below. The System Expansion Surcharge and Temporary Connection Surcharge are in addition to the rates charged pursuant to the applicable Rate Schedules.

SYSTEM EXPANSION SURCHARGE (SES): $ 0.23 /m^3

TEMPORARY CONNECTION SURCHARGE (TCS): $ 0.23 /m^3

SES and TCS additional terms and conditions:

a) The Company may apply the SES for a term of up to 40 years, to be determined in accordance with the Company's feasibility policy;

b) The Company may require payment of a CIAC or apply the TCS for a term of up to 40 years, to be determined in accordance with the Company's feasibility policy;

c) The Community Expansion Projects to which the SES apply are set out below. The Company will publish the geographic location, effective date and term of TCS project areas on the Company's website. Subject to d) below, the SES and TCS will apply to all Terminal Locations within the geographic location for the term, notwithstanding any change of ownership or occupancy; and

d) The Company's estimated annual supply of gas at the Terminal Location must be no more than 50,000 m^3. For any Terminal Location with an estimated annual supply of gas greater than 50,000 m^3, the customer may elect to pay the SES or TCS, as applicable, or pay a CIAC.

GLOSSARY OF TERMS:

Community Expansion Project – A natural gas system expansion project undertaken by the Company for which the PI is less than 1.0 and which will provide first-time natural gas system access to a minimum of 50 potential customers.

Contribution in Aid of Construction (CIAC) - The Company's calculation in accordance with its feasibility policy of the amount of customer financial contributions required to reduce the capital cost of a project to serve one or more customers so that the project becomes feasible.

Small Main Extension and Customer Attachment Projects – A natural gas system extension or expansion projects undertaken by the Company for which the PI is less than 1.0 and which will provide natural gas system access to less than 50 potential customers.

Profitability Index (PI) – The Company's calculation in accordance with its feasibility policy of the ratio of the net present value (NPV) of the net cash inflows to the NPV of the net cash outflows for a natural gas system expansion or extension project undertaken by the Company.

COMMUNITY EXPANSION PROJECTS AND EFFECTIVE DATES:

Community Expansion Project Description	In-service Date	SES initial Term	Board Order Number
Town of Fenelon Falls	TBD	40 years	EB-2017-0147
Scugog Island	TBD	40 years	EB-2017-0261

RIDER: J	CARBON CHARGES

Rate Class	Federal Carbon Charge[1] (If Applicable) (¢/m³)	Facility Carbon Charge (¢/m³)
Rate 1	9.7900	0.0070
Rate 6	9.7900	0.0070
Rate 9	9.7900	0.0070
Rate 100	9.7900	0.0070
Rate 110	9.7900	0.0070
Rate 115	9.7900	0.0070
Rate 125	9.7900	0.0070
Rate 135	9.7900	0.0070
Rate 145	9.7900	0.0070
Rate 170	9.7900	0.0070
Rate 200	0.0000	0.0070
Rate 300	9.7900	0.0070
Rate 300 (Interruptible)	9.7900	0.0070
Rate 315	0.0000	0.0070
Rate 316	0.0000	0.0070
Rate 320	0.0000	0.0000
Rate 325	0.0000	0.0070
Rate 330	0.0000	0.0070
Rate 331	0.0000	0.0070
Rate 332	0.0000	0.0070

RIDER: K	Bill 32 and Ontario Regulation 24/19

The following charge of one dollar per month is applicable to customers taking service within rate classes listed below.

Rate Class	Monthly Charge per Customer
Rate 1	$1.00
Rate 6	$1.00
Rate 100	$1.00
Rate 110	$1.00
Rate 115	$1.00
Rate 125	$1.00
Rate 135	$1.00
Rate 145	$1.00
Rate 170	$1.00
Rate 300	$1.00

RIDER: L	Voluntary RNG Program Charge

APPLICABILITY:

This rider is applicable to System Sales Service customers in the below rate classes who elect to participate in the Company's Voluntary RNG Program to fund the incremental cost of the Company's purchase of renewable natural gas ("RNG") as part of System Supply. The charge is a fixed monthly amount that applies (i) to the customer and not to the terminal location or address; and (ii) whether or not the customer consumes gas within the month.

RATE:

Rate Class	Monthly Charge per Customer
Rate 1	$2.00
Rate 6	$2.00

MINIMUM TERM:

The minimum term available is one complete billing month renewing automatically monthly until terminated by the customer or until the Company terminates the Voluntary RNG Program, whichever occurs earlier. Any termination will be effective as of the next billing cycle for the customer.

RIDER: **M**	**HYDROGEN GAS RIDER**

APPLICABILITY:

This Rider is applicable to the Terminal Location of any Applicant who, pursuant to any Rate Schedule, receives gas distribution services from the Company as part of a Hydrogen Blending Pilot Project listed below. The Hydrogen Gas Rider will compensate customers in the applicable Blended Gas Area for costs associated with increased gas consumption resulting from a lower heating value of the gas and is in addition to the rate charged pursuant to the applicable Rate Schedule.

HYDROGEN GAS RIDER FOR CUSTOMERS IN THE BLENDED GAS AREA:

Rate 1: A credit of $10.00 per year per Terminal Location

Rate 6: A credit of $86.00 per year per Terminal Location

HYDROGEN BLENDING PILOT PROJECT AND EFFECTIVE DATE:

Description	In-service Date	Term	Board Order Number
Hydrogen Blending Pilot Project Markham (see map below)	August 1, 2021	To be reviewed annually and updated if there is a material change in the price of natural gas.	EB-2019-0294

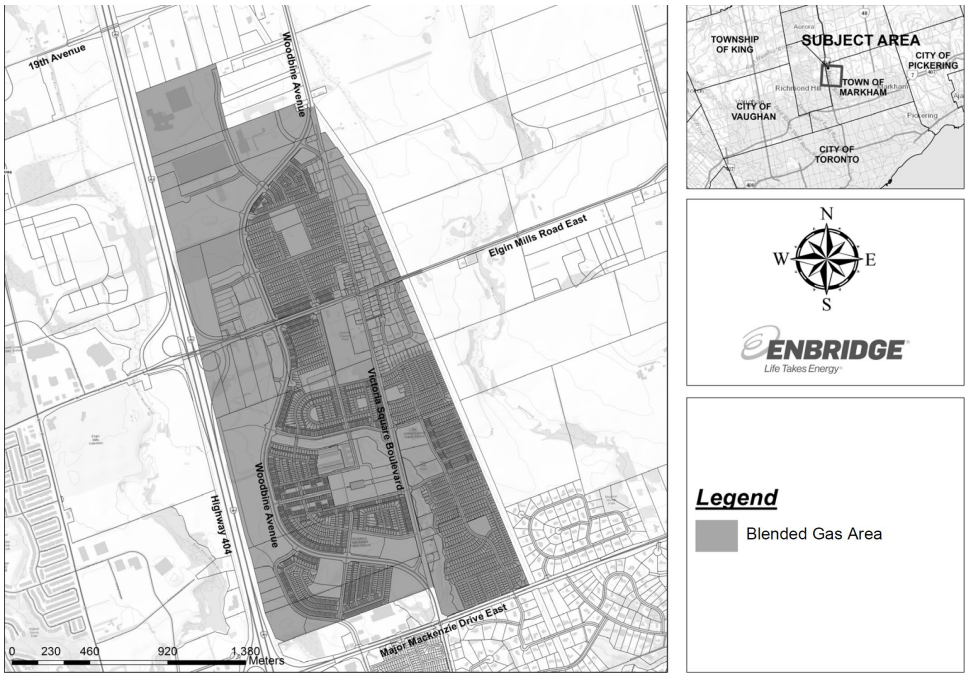
GLOSSARY OF TERMS:

Hydrogen Blending Pilot Project:

- A project for which the Company blends its standard gas supply with up to 2% of hydrogen gas (blended gas) for distribution within an isolated portion the Gas Distribution Network called the Blended Gas Area.

Markham Blended Gas Area Map:

Blended Gas Area



ENBRIDGE GAS INC.
UNION NORTH
RATE 01 - 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 m^3 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, Carbon (if applicable) 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, Delivery and Carbon (if applicable) 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, Delivery and Carbon (if applicable) Charges, as well as the Storage and Transportation Charges of the Gas Supply Charge, shall apply.

MONTHLY RATES AND CHARGES

APPLICABLE TO ALL SERVICES	Union North West	Union North East
MONTHLY CHARGE	$23.18	$23.18
DELIVERY CHARGE	¢ per m^3	¢ per m^3
First 100 m^3 per month @	10.2933	10.2933
Next 200 m^3 per month @	10.0361	10.0361
Next 200 m^3 per month @	9.6286	9.6286
Next 500 m^3 per month @	9.2547	9.2547
Over 1,000 m^3 per month @	8.9456	8.9456
Delivery-Price Adjustment (All Volumes)	-	-
CARBON CHARGES		
Federal Carbon Charge (if applicable)	9.7900	9.7900
Facility Carbon Charge (in addition to Delivery Charge)	0.0141	0.0141
Federal Carbon Charge - Price Adjustment (if applicable)	-	-

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".

SYSTEM EXPANSION SURCHARGE ("SES") AND TEMPORARY CONNECTION SURCHARGE ("TCS") (if applicable) (1)

The SES is applicable to a customer who receives gas distribution services from the Company as part of a Community Expansion Project listed below. The SES is applied to all volumes consumed by customers in the approved Community Expansion Project areas. The Company may apply the SES for a term of up to 40 years, to be determined in accordance with the Company's feasibility policy.

The TCS is applicable to a customer who receives gas distribution services from the Company as part of a Small Main Extension or Customer Attachment Project in lieu of paying a Contribution in Aid of Construction (CIAC). The TCS is applied to all volumes consumed, if applicable. The Company may require payment of a CIAC or apply the TCS for a term of up to 40 years, to be determined in accordance with the Company's feasibility policy.

System Expansion Surcharge (SES):	23.0000 ¢ per m^3
Temporary Connection Surcharge (TCS):	23.0000 ¢ per m^3

Community Expansion Project Areas:	In-service Date	SES Term
Prince Township	2018	22 years
North Bay - Northshore and Peninsula Roads	2020	40 years

Notes:
(1) Additional conditions and defined terms applicable to the SES and TCS are set out in the Company's Distribution New Business Guidelines as approved by the OEB in its EB-2020-0094 decision.

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, Delivery and Carbon (if applicable) Charges, plus 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 April 1, 2022
Implemented April 1, 2022
O.E.B. Order # EB-2022-0089

Supersedes January 1, 2022 Rate Schedule effective EB-2021-0281.

ENBRIDGE GAS INC.
UNION NORTH
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 m^3 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, Carbon (if applicable) 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, Delivery and Carbon (if applicable) 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 and Carbon (if applicable) Charges, as well as the Storage and Transportation Charges of the Gas Supply Charge, shall apply.

MONTHLY RATES AND CHARGES

APPLICABLE TO ALL SERVICES	Union North West	Union North East
MONTHLY CHARGE	$74.92	$74.92
DELIVERY CHARGE	¢ per m^3	¢ per m^3
First 1,000 m^3 per month @	9.1971	9.1971
Next 9,000 m^3 per month @	7.5040	7.5040
Next 20,000 m^3 per month @	6.5390	6.5390
Next 70,000 m^3 per month @	5.9215	5.9215
Over 100,000 m^3 per month @	3.5817	3.5817
Delivery-Price Adjustment (All Volumes)	-	-
CARBON CHARGES		
Federal Carbon Charge (if applicable)	9.7900	9.7900
Facility Carbon Charge (in addition to Delivery Charge)	0.0141	0.0141
Federal Carbon Charge - Price Adjustment (if applicable)	-	-

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".

ADDITIONAL CHARGES FOR SALES SERVICE

SYSTEM EXPANSION SURCHARGE ("SES") AND TEMPORARY CONNECTION SURCHARGE ("TCS") (if applicable) (1)

The SES is applicable to a customer who receives gas distribution services from the Company as part of a Community Expansion Project listed below in lieu of or in addition to paying a Contribution in Aid of Construction (CIAC), at the customer's option. The Company may apply the SES for a term of up to 40 years, to be determined in accordance with the Company's feasibility policy.

The TCS is applicable to a customer who receives gas distribution services from the Company as part of a Small Main Extension or Customer Attachment Project in lieu of paying a CIAC, at the customer's option. The Company may require payment of a CIAC and/or apply the TCS for a term of up to 40 years, to be determined in accordance with the Company's feasibility policy.

If applicable, the SES and TCS are applied to all volumes consumed for the SES or TCS term.

System Expansion Surcharge (SES):	23.0000 ¢ per m^3
Temporary Connection Surcharge (TCS):	23.0000 ¢ per m^3

Community Expansion Project Areas:	In-service Date	SES Term
Prince Township	2018	22 years
North Bay - Northshore and Peninsula Roads	2020	40 years

Notes:
(1) Additional conditions and defined terms applicable to the SES and TCS are set out in the Company's Distribution New Business Guidelines as approved by the OEB in its EB-2020-0094 decision.

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 m^3 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, Delivery and Carbon (if applicable) Charges, plus 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 April 1, 2022
Implemented April 1, 2022
O.E.B. Order # EB-2022-0089

Supersedes January 1, 2022 Rate Schedule effective EB-2021-0281.

ENBRIDGE GAS INC.
UNION NORTH
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 m^3 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, Carbon (if applicable) 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, Carbon (if applicable), 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, Carbon (if applicable), 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.

MONTHLY RATES AND CHARGES

APPLICABLE TO ALL SERVICES – ALL ZONES (1)

MONTHLY CHARGE	$1,043.67
DELIVERY CHARGES (cents per month per m^3)	
Monthly Demand Charge for first 70,000 m^3 of Contracted Daily Demand	33.8043
Monthly Demand Charge for all units over 70,000 m^3 of Contracted Daily Demand	19.8786
Commodity Charge for first 852,000 m^3 of gas volumes delivered	0.7570
Commodity Charge for all units over 852,000 m^3 of gas volumes delivered	0.5500
CARBON CHARGES	
Federal Carbon Charge (if applicable)	9.7900
Facility Carbon Charge (in addition to Delivery Charges)	0.0141

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 (m^3) determined in accordance with Union's Terms and Conditions in any month falls above or below 37.89 MJ per m^3, 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.

	Union North West	Union North East
MONTHLY CHARGE	$1,043.67	$1,043.67
DELIVERY CHARGES	cents per m^3	cents per m^3
Commodity Charge for each unit of gas volumes delivered	2.9797	2.9797
CARBON CHARGES		
Federal Carbon Charge (if applicable)	9.7900	9.7900
Facility Carbon Charge (in addition to Delivery Charges)	0.0141	0.0141

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	$239.45
BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES	
Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement ($/GJ/Month)	$18.587
Monthly Storage Demand- Price Adjustment for each unit of Contracted Daily Storage Withdrawal Entitlement: ($/GJ/Month)	-
Commodity Charge for each unit of gas withdrawn from storage ($/GJ)	$0.233
Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage ($/GJ)	$0.844

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

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, Delivery, Carbon (if applicable) and Transportation Account Charges, plus 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.

ENBRIDGE GAS INC.
UNION NORTH
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 m^3 or more or the interruptible portion of a maximum daily requirement for combined firm and interruptible service is 14,000 m^3 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 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, Carbon (if applicable) 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, Carbon (if applicable), 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, if they qualify for use of the service.

MONTHLY RATES AND CHARGES

APPLICABLE TO ALL SERVICES – ALL ZONES (1)

MONTHLY CHARGE	$350.19
DELIVERY CHARGES	cents per m^3
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:	6.0421
CARBON CHARGES	
Federal Carbon Charge (if applicable)	9.7900
Facility Carbon Charge (in addition to Delivery Charges)	0.0141
UNAUTHORIZED OVERRUN NON - COMPLIANCE RATE	cents per m^3
Unauthorized overrun gas taken any month during a period when a notice of interruption is in effect.	234.7200

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
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 (m^3) determined in accordance with Union's Terms and Conditions in any month falls above or below 37.89 MJ per m^3, 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. $239.45

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.

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, Delivery, Carbon (if applicable) and Transportation Account Charges, plus 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.

ENBRIDGE GAS INC.
UNION NORTH
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 10^3m^3 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.

TERMS AND CONDITIONS OF SERVICE

1. Failure of the customer to interrupt or curtail use of gas on this rate as requested by Union shall be subject to the Unauthorized Overrun Gas Penalty as provided in Union's Terms and Conditions. Anytime the customer has such failure, Union reserves the right to cancel service under this rate.

2. The Terms and Conditions of the applicable rate schedule for delivery of the gas sold hereunder shall also apply.

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

Effective April 1, 2022
Implemented April 1, 2022
O.E.B. Order # EB-2022-0089

Supersedes January 1, 2022 Rate Schedule effective EB-2021-0281.

ENBRIDGE GAS INC.
UNION NORTH
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 m^3 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, Carbon (if applicable) 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, Carbon (if applicable), 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, Carbon (if applicable), 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)

MONTHLY CHARGE	$1,554.83
DELIVERY CHARGES (cents per Month per m^3 of Daily Contract Demand)	
Monthly Demand Charge for each unit of Contracted Daily Demand	19.1421
Commodity Charge for each unit of gas volumes delivered (cents/m^3)	0.2765
CARBON CHARGES	
Federal Carbon Charge (if applicable)	9.7900
Facility Carbon Charge (in addition to Delivery Charges)	0.0141

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 (m^3) determined in accordance with Union's Terms and Conditions in any month falls above or below 37.89 MJ per m^3, 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.

	Union North West	Union North East
MONTHLY CHARGE	$1,554.83	$1,554.83
DELIVERY CHARGES (cents per m^3)		
Commodity Charge for each unit of gas volumes delivered	1.1755	1.1755
CARBON CHARGES		
Federal Carbon Charge (if applicable)	9.7900	9.7900
Facility Carbon Charge (in addition to Delivery Charges)	0.0141	0.0141

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 $239.45

BUNDLED (T-SERVICE) STORAGE SERVICE CHARGES

Monthly Demand Charge for each unit of Contracted Daily Storage Withdrawal Entitlement ($/GJ/Month)	$18.587
Monthly Storage Demand- Price Adjustment for each unit of Contracted Daily Storage Withdrawal Entitlement: ($/GJ/Month)	-
Commodity Charge for each unit of gas withdrawn from storage ($/GJ)	$0.233
Authorized Overrun Commodity Charge on each additional unit of gas Union authorizes for withdrawal from storage ($/GJ)	$0.844

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

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, Delivery, Carbon (if applicable) and Transportation Account Charges, plus 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.

ENBRIDGE GAS INC.
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

Utility Sales	Union North West	Union North East
Rate 01A (cents / m^3)		
Storage	2.1252	5.8983
Storage - Price Adjustment	-	-
Commodity and Fuel (1)	18.2668	20.8135
Commodity and Fuel - Price Adjustment (2)	(2.9320)	(1.2445)
Transportation	4.4899	2.2890
Transportation - Price Adjustment (2)	0.5280	(0.1604)
Total Gas Supply Charge	22.4779	27.5959
Rate 10 (cents / m^3)		
Storage	1.6481	4.3063
Storage - Price Adjustment	-	-
Commodity and Fuel (1)	18.2668	20.8135
Commodity and Fuel - Price Adjustment (2)	(2.9320)	(1.2445)
Transportation	3.9398	2.1023
Transportation - Price Adjustment (2)	0.5280	(0.1604)
Total Gas Supply Charge	21.4507	25.8172
Voluntary RNG Program (if applicable) (3)		
Monthly Charge - Rate 01 and Rate 10	$ 2.00	$ 2.00

Notes:
(1) The Commodity and Fuel rate includes a gas supply administration charge of 0.2012 cents/m³.
(2) Prospective recovery of gas supply deferral accounts.
(3) The Voluntary RNG Program Charge is a fixed monthly charge applicable to customers who elect to participate in the Company's Voluntary RNG Program to fund the incremental cost of purchasing renewable natural gas as part of system supply. The charge will be applicable for a minimum term of one billing month, renewing automatically monthly until terminated by the customer or until the Company terminates the Voluntary RNG Program, whichever occurs earlier. The fixed monthly charge will apply to applicable customers whether or not they consume natural gas within the billing period.

ENBRIDGE GAS INC.
UNION NORTH
GAS SUPPLY CHARGES

Utility Sales

Rate 20 (cents / m^3)	Union North West	Union North East
Commodity and Fuel (1)	17.6988	20.1654
Commodity and Fuel - Price Adjustment (2)	(2.9320)	(1.2445)
Commodity Transportation - Charge 1	2.5017	1.7670
Transportation 1 - Price Adjustment (2)	0.5280	(0.1604)
Commodity Transportation - Charge 2	-	-
Monthly Gas Supply Demand	41.6281	43.1158
Gas Supply Demand - Price Adjustment	-	-
Commissioning and Decommissioning Rate	5.1610	4.1203

Rate 100 (cents / m^3)		
Commodity and Fuel (1)	17.6988	20.1654
Commodity and Fuel - Price Adjustment (2)	(2.9320)	(1.2445)
Commodity Transportation - Charge 1	4.2236	6.5235
Commodity Transportation - Charge 2	-	-
Monthly Gas Supply Demand	75.2938	114.0713
Commissioning and Decommissioning Rate	5.3464	8.1533

Rate 25 (cents / m^3)		
Gas Supply Charge:		
Interruptible Service		
Minimum	1.4848	1.4848
Maximum	675.9484	675.9484

Natural Gas Liquefaction Service ($ / GJ) (3)

Gas Supply Charge:		
Interruptible Service		
Minimum		0.392
Maximum		178.398

Notes:
(1) The Commodity and Fuel rate includes a gas supply administration charge of 0.2012 cents/m³.
(2) Prospective recovery of gas supply deferral accounts.
(3) Billing in energy ($/GJ) will only apply to the Natural Gas Liquefaction Service.

Effective April 1, 2022
Implemented April 1, 2022
O.E.B. Order # EB-2022-0089

Supersedes January 1, 2022 Rate Schedule effective EB-2021-0281.

ENBRIDGE GAS INC.
UNION SOUTH
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 m^3 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. (1)

a) Monthly Charge — $23.18

b) Delivery Charge

First	100 m³	6.1255	¢ per m³
Next	150 m³	5.8309	¢ per m³
All Over	250 m³	5.0702	¢ per m³
Delivery - Price Adjustment (All Volumes)		-	¢ per m³

c) Carbon Charges

Federal Carbon Charge (if applicable)	9.7900	¢ per m³
Facility Carbon Charge (in addition to Delivery Charge)	0.0141	¢ per m³
Federal Carbon Charge - Price Adjustment (if applicable)	-	¢ per m³

d) Storage Charge (if applicable) — 0.8339 ¢ per m³

Storage - Price Adjustment (All Volumes) — - ¢ per m³

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

e) 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".

f) System Expansion Surcharge ("SES") and Temporary Connection Surcharge ("TCS") (if applicable) (2)

The SES is applicable to a customer who receives gas distribution services from the Company as part of a Community Expansion Project listed below. The SES is applied to all volumes consumed by customers in the approved Community Expansion Project areas. The Company may apply the SES for a term of up to 40 years, to be determined in accordance with the Company's feasibility policy.

The TCS is applicable to a customer who receives gas distribution services from the Company as part of a Small Main Extension or Customer Attachment Project in lieu of paying a Contribution in Aid of Construction (CIAC). The TCS is applied to all volumes consumed, if applicable. The Company may require payment of a CIAC or apply the TCS for a term of up to 40 years, to be determined in accordance with the Company's feasibility policy.

System Expansion Surcharge (SES):	23.0000	¢ per m³
Temporary Connection Surcharge (TCS):	23.0000	¢ per m³

Community Expansion Project	In-service Date	SES Term
Kettle and Stony Point First Nation and Lambton Shores	2017	12 years
Milverton, Rostock and Wartburg	2017	15 years
Delaware Nation of Moraviantown First Nation	2018	40 years
Chippewas of the Thames First Nation	2019	40 years
Saugeen First Nation	2020	40 years

Notes:
(1) During any month in which a customer terminates service or begins service, the fixed charge for the month will be prorated to such
(2) Additional conditions and defined terms applicable to the SES and TCS are set out in the Company's Distribution New Business Guidelines as approved by the OEB in its EB-2020-0094 decision.

(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 plus facility carbon charge and if applicable, the identified federal carbon charge and the total gas supply charge for utility sales provided in Schedule "A" per m³, plus 7¢ per m³.

Overrun Delivery Charge	6.9594	¢ per m³
Federal Carbon Charge (if applicable)	9.7900	¢ per m³
Facility Carbon Charge (in addition to Overrun Delivery Charge)	0.0141	¢ per m³

(H) Bundled Direct Purchase Delivery

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

(I) Company Policy Relating to Terms of Service

a. Customers who temporarily discontinue service during any twelve consecutive months without payment of the monthly fixed charge for the months in which the gas is temporarily disconnected shall pay for disconnection and reconnection.

b. When gas is delivered at an absolute pressure in excess of 101.325 kilopascals, then for purposes of measurement, hereunder, such volume of gas shall be corrected to an absolute pressure of 101.325 kilopascals. Atmospheric pressure is assumed to be the levels shown below in kilopascals (absolute) regardless of the actual atmospheric pressure at which the gas is measured and delivered.

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

Effective April 1, 2022
Implemented April 1, 2022
O.E.B. Order # EB-2022-0089

Supersedes January 1, 2022 Rate Schedule effective EB-2021-0281.

ENBRIDGE GAS INC.
UNION SOUTH
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 m^3 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. (1)

a) Monthly Charge $74.92

b) Delivery Charge

First	1 000 m³	5.6680	¢ per m³
Next	6 000 m³	5.5686	¢ per m³
Next	13 000 m³	5.2432	¢ per m³
All Over	20 000 m³	4.8884	¢ per m³
Delivery – Price Adjustment (All Volumes)		-	¢ per m³

c) Carbon Charges

Federal Carbon Charge (if applicable)	9.7900	¢ per m³
Facility Carbon Charge (in addition to Delivery Charge)	0.0141	¢ per m³
Federal Carbon Charge - Price Adjustment (if applicable)	-	¢ per m³

d) Storage Charge (if applicable) 0.7589 ¢ per m³

Storage - Price Adjustment (All Volumes) - ¢ per m³

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

e) 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".

f) System Expansion Surcharge ("SES") and Temporary Connection Surcharge ("TCS") (if applicable) (2)

The SES is applicable to a customer who receives gas distribution services from the Company as part of a Community Expansion Project listed below in lieu of or in addition to paying a Contribution in Aid of Construction (CIAC), at the customer's option. The Company may apply the SES for a term of up to 40 years, to be determined in accordance with the Company's feasibility policy.

The TCS is applicable to a customer who receives gas distribution services from the Company as part of a Small Main Extension or Customer Attachment Project in lieu of paying a CIAC, at the customer's option. The Company may require payment of a CIAC and/or apply the TCS for a term of up to 40 years, to be determined in accordance with the Company's feasibility policy.

If applicable, the SES and TCS are applied to all volumes consumed for the SES or TCS term.

System Expansion Surcharge (SES):	23.0000	¢ per m³
Temporary Connection Surcharge (TCS):	23.0000	¢ per m³

Community Expansion Project Areas:	In-service Date	SES Term
Kettle and Stony Point First Nation and Lambton Shores	2017	12 years
Milverton, Rostock and Wartburg	2017	15 years
Delaware Nation of Moraviantown First Nation	2018	40 years
Chippewas of the Thames First Nation	2019	40 years
Saugeen First Nation	2020	40 years

Notes:
(1) During any month in which a customer terminates service or begins service, the fixed charge for the month will be prorated to such customer.
(2) Additional conditions and defined terms applicable to the SES and TCS are set out in the Company's Distribution New Business Guidelines as approved by the OEB in its EB-2020-0094 decision.

(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 plus facility carbon charge and if applicable, the identified federal carbon charge and the total gas supply charge for utility sales provided in Schedule "A" per m³, plus 7¢ per m³.

Overrun Delivery Charge	6.4269	¢ per m³
Federal Carbon Charge (if applicable)	9.7900	¢ per m³
Facility Carbon Charge (in addition to Overrun Delivery Charge)	0.0141	¢ per m³

(H) Bundled Direct Purchase Delivery

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

(I) Company Policy Relating to Terms of Service

a. Customers who temporarily discontinue service during any twelve consecutive months without payment of the monthly fixed charge for the months in which the gas is temporarily disconnected shall pay for disconnection and reconnection.

b. When gas is delivered at an absolute pressure in excess of 101.325 kilopascals, then for purposes of measurement, hereunder, such volume of gas shall be corrected to an absolute pressure of 101.325 kilopascals. Atmospheric pressure is assumed to be the levels shown below in kilopascals (absolute) regardless of the actual atmospheric pressure at which the gas is measured and delivered.

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

Effective April 1, 2022
Implemented April 1, 2022
O.E.B. Order # EB-2022-0089

Supersedes January 1, 2022 Rate Schedule effective EB-2021-0281.

ENBRIDGE GAS INC.
UNION SOUTH
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.

1. Bills will be rendered monthly and shall be the total of: (1)

(i) A Monthly Demand Charge

First	8 450 m³ of daily contracted demand	67.0195	¢ per m³
Next	19 700 m³ of daily contracted demand	31.9927	¢ per m³
All Over	28 150 m³ of daily contracted demand	27.4413	¢ per m³

(ii) A Monthly Delivery Commodity Charge

First 422 250 m³ delivered per month	1.8943	¢ per m³
Next volume equal to 15 days use of daily contracted demand	1.8943	¢ per m³
For remainder of volumes delivered in the month	0.8027	¢ per m³
Delivery - Price Adjustment (All Volumes)	-	¢ per m³

(iii) Carbon Charges

Federal Carbon Charge (if applicable)	9.7900	¢ per m³
Facility Carbon Charge (in addition to Delivery Charge)	0.0141	¢ per m³

(iv) 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".

Note:
(1) Effective July 1, 2019, Rate M4 customers with firm only service will be charged a one-time adjustment annually set at the equivalent of one dollar per month to comply with Ontario Regulation 24/19 for the expansion of natural gas distribution systems within Ontario.

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 plus the facility carbon charge and, if applicable, the identified federal carbon charge and the total gas supply charge for utility sales provided in Schedule "A" per m³ for all volumes purchased.

Unauthorized overrun gas taken in any month shall be paid for at the identified unauthorized overrun charge plus the facility carbon charge and if applicable, the identified federal carbon charge and the total gas supply charge for utility sales provided in Schedule "A" per m³ for all gas supply volumes purchased.

Authorized Overrun Delivery Charge	4.0977	¢ per m³
Unauthorized Overrun Delivery Charge	6.9594	¢ per m³
Federal Carbon Charge (if applicable)	9.7900	¢ per m³
Facility Carbon Charge (in addition to Overrun Delivery Charge)	0.0141	¢ per m³

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	2.0955	¢ per m³

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 m^3 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:

a) (i) Monthly Delivery Commodity Charge

Daily Contracted Demand Level (CD)		
2 400 m³ ≤ CD < 17 000 m³	3.4115	¢ per m³
17 000 m³ ≤ CD < 30 000 m³	3.2816	¢ per m³
30 000 m³ ≤ CD < 50 000 m³	3.2133	¢ per m³
50 000 m³ ≤ CD ≤ 60 000 m³	3.1654	¢ per m³
Delivery - Price Adjustment (All Volumes)	-	¢ per m³

(ii) Carbon Charges

Federal Carbon Charge (if applicable)	9.7900	¢ per m³
Facility Carbon Charge (in addition to Delivery Charge)	0.0141	¢ per m³

(iii) 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 m³
For each additional days use of contracted demand up to a maximum of 275 days, an additional discount of	0.00212	¢ per m³

(iv) 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".

(v) Monthly Charge $726.48 per month

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	3.6127	¢ per m³

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 plus the facility carbon charge and if applicable, the identified federal carbon charge and the total gas supply charge for utility sales provided in Schedule "A" per m³ for all gas supply volumes purchased.

Unauthorized Overrun Delivery Charge	6.9594	¢ per m³
Federal Carbon Charge (if applicable)	9.7900	¢ per m³
Facility Carbon Charge (in addition to Overrun Delivery Charge)	0.0141	¢ per m³

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 234.7200 ¢ 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.

ENBRIDGE GAS INC.
UNION SOUTH
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:

a) (i) Monthly Delivery Commodity Charge

Daily Contracted Demand Level (CD)		
2 400 m³ ≤ CD < 17 000 m³	3.4115	¢ per m³
17 000 m³ ≤ CD < 30 000 m³	3.2816	¢ per m³
30 000 m³ ≤ CD < 50 000 m³	3.2133	¢ per m³
50 000 m³ ≤ CD ≤ 60 000 m³	3.1654	¢ per m³
Delivery - Price Adjustment (All Volumes)	-	¢ per m³

(ii) Carbon Charges

Federal Carbon Charge (if applicable)	9.7900	¢ per m³
Facility Carbon Charge (in addition to Delivery Charge)	0.0141	¢ per m³

(iii) 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 m³
For each additional days use of contracted demand up to a maximum of 275 days, an additional discount of	0.00212	¢ per m³

(iv) 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".

(v) Monthly Charge $726.48 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 3.6127 ¢ per m³

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 plus the facility carbon charge and if applicable, the identified federal carbon charge and the total gas supply charge for utility sales provided in Schedule "A" per m³ for all gas supply volumes purchased.

Unauthorized Overrun Delivery Charge	6.9594	¢ per m³
Federal Carbon Charge (if applicable)	9.7900	¢ per m³
Facility Carbon Charge (in addition to Overrun Delivery Charge)	0.0141	¢ per m³

   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 234.7200 ¢ 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 40.1849 ¢ 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 40.1849 ¢ per m³ of daily contracted demand. The commodity charge includes the facility carbon charge related to the firm service.

   c) The interruptible commodity charge will be established under Clause 1 of this schedule.

   d) The federal carbon charge of 9.7900 ¢ per m³, if applicable.

(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.

ENBRIDGE GAS INC.
UNION SOUTH
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.

1. Bills will be rendered monthly and shall be the total of:

(i) A Monthly Demand Charge

A negotiated Monthly Demand Charge for each m³ of daily contracted firm demand up to	33.5024	¢ per m³

(ii) A Monthly Delivery Commodity Charge

(1) A Monthly Firm Delivery Commodity Charge for all firm volumes of	0.3998	¢ per m³
and a Delivery - Price Adjustment of	-	¢ per m³
(2) A Monthly Interruptible Delivery Commodity Charge for all interruptible volumes to be negotiated between Union and the customer not to exceed an annual average of	6.3901	¢ per m³
and a Delivery - Price Adjustment of	-	¢ per m³
(3) A Monthly Seasonal Delivery Commodity Charge for all seasonal volumes to be negotiated between Union and the customer not to exceed an annual average of	6.1460	¢ per m³
and a Delivery - Price Adjustment of	-	¢ per m³

(ii) Carbon Charges

Federal Carbon Charge (if applicable)	9.7900	¢ per m³
Facility Carbon Charge (in addition to Delivery Charge)	0.0141	¢ per m³

(iii) Gas Supply Charge (if applicable) (1)

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, including the identified facility carbon charge, and if applicable, the identified federal carbon charge and the total gas supply charge for utility sales provided in Schedule "A" per m³ for all the gas supply volumes purchased.

Federal Carbon Charge (if applicable)	9.7900	¢ per m³
Facility Carbon Charge (in addition to Overrun Delivery Charge)	0.0141	¢ per m³

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 234.7200 ¢ per m³ ($60 per GJ) for the delivery.

Note:
(1) Effective July 1, 2019, Rate M7 customers will be charged a one-time adjustment annually set at the equivalent of one dollar per month to comply with Ontario Regulation 24/19 for the expansion of natural gas distribution systems within Ontario.

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 plus the facility carbon charge and if applicable, the identified federal carbon charge and the total gas supply charge for utility sales provided in Schedule "A" per m³.

Commissioning and Decommissioning Rate	4.5930	¢ per m³
Federal Carbon Charge (if applicable)	9.7900	¢ per m³
Facility Carbon Charge (in addition to Commissioning and Decommissioning Rate)	0.0141	¢ 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.

ENBRIDGE GAS INC.
UNION SOUTH
LARGE WHOLESALE SERVICE RATE

(A) Availability

Available to customers in Union's Southern Delivery Zone.

(B) Applicability

To a Distributor:

a) who enters into a contract to purchase and/or receive delivery of a firm supply of gas for distribution to its customers; and

b) who agrees to take or pay for an annual quantity of at least two million cubic metres; and

c) who commenced and continued service under Rate M9 prior to January 1, 2019.

(C) Rates

The identified rates (excluding gas supply, 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.

(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.	26.2240 ¢ per m³
(ii) A Delivery Commodity Charge for gas delivered of	0.2856 ¢ per m³
and a Delivery - Price Adjustment of	- ¢ per m³
(iii) Carbon Charges	
Federal Carbon Charge (if applicable)	9.7900 ¢ per m³
Facility Carbon Charge (in addition to Delivery Commodity Charge)	0.0141 ¢ per m³

(iv) 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 plus the facility carbon 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 plus the facility carbon charge.

Authorized Overrun Delivery Charge	1.1478 ¢ per m³
Unauthorized Overrun Delivery Charge	36.0000 ¢ per m³
Federal Carbon Charge (if applicable)	9.7900 ¢ per m³
Facility Carbon Charge (in addition to Overrun Delivery Charge)	0.0141 ¢ per m³

(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.

ENBRIDGE GAS INC.
UNION SOUTH
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, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated which may be higher than the identified rates.

1. A Delivery Commodity Charge of	8.2767 ¢ per m³
2. Carbon Charges	
Federal Carbon Charge (if applicable)	9.7900 ¢ per m³
Facility Carbon Charge (in addition to Delivery Commodity Charge) of	0.0141 ¢ per m³
3. 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 plus the facility carbon 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.

Unauthorized Overrun Delivery Charge	6.9594 ¢ per m³
Federal Carbon Charge (if applicable)	9.7900 ¢ per m³
Facility Carbon Charge (in addition to Overrun Delivery Charge)	0.0141 ¢ per m³

(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 April 1, 2022
Implemented April 1, 2022
O.E.B. Order # EB-2022-0089

Supersedes January 1, 2022 Rate Schedule effective EB-2021-0281.

ENBRIDGE GAS INC.
UNION SOUTH
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

	Demand Charge Rate/GJ/month	Commodity Charges/Credits Rate/GJ
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		
b) Firm Backstop Gas Applied to the contracted Firm Backstop Gas Supply Service	$2.088	
Backstop Gas Commodity Charge On all quantities supplied by Union to the Ontario Point(s) of Receipt		$5.791
c) Reasonable Efforts Backstop Gas Paid on all quantities of gas supplied by Union to the customer's Point(s) of Consumption		$7.031
d) Banked Gas Purchase		
T-service		Note (1)
e) Failure to Deliver Applied to all quantities not delivered to Union in the event the customer's supply fails		$3.104
f) Short Term Storage / Balancing Service (2)		
Maximum		$6.000
g) Discretionary Gas Supply Service ("DGSS")		Note (3)
h) Parkway Delivery Commitment Incentive ("PDCI")		$(0.160)

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.

ENBRIDGE GAS INC.
UNION SOUTH
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 m^3 or greater and has a daily firm contracted demand up to 140,870 m^3; 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:

			For Customers Providing Their Own Compressor Fuel	
	Demand Charge Rate/GJ/mo	Commodity Charge Rate/GJ	Fuel Ratio	Commodity Charge Rate/GJ
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	$0.012			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right				
Union provides deliverability Inventory	$1.820			
Customer provides deliverability Inventory (4)	$1.415			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	$1.415			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	$1.415			

	Demand Charge Rate/GJ/mo	Commodity Charge Rate/GJ	For Customers Providing Their Own Compressor Fuel: Fuel Ratio	Commodity Charge Rate/GJ
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum				
Daily Storage Withdrawal Quantity		$0.035	0.430%	$0.012
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		$0.035	0.430%	$0.012
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: Commodity Charge	For Customers Providing Their Own Compressor Fuel: Fuel Ratio (4)	For Customers Providing Their Own Compressor Fuel: Commodity Charge
	Rate/m^3/mo	Rate/m^3		Rate/m^3
a) Annual Firm Transportation				
Applied to the Firm Daily Contract Demand				
First 28,150 m^3 per month	43.5565 ¢			
Next 112,720 m^3 per month	30.9585 ¢			
b) Firm Transportation Commodity				
Paid on all firm quantities redelivered to the customer's Point(s) of Consumption				
Commodity Charge (All volumes)		0.2036 ¢	0.351%	0.1313 ¢
c) Interruptible Transportation Commodity				
Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption				
Maximum		6.3901 ¢	0.351%	6.3178 ¢
d) Carbon Charges				
Federal Carbon Charge (if applicable)		9.7900 ¢		9.7900 ¢
Facility Carbon Charge (in addition to Transportation Commodity Charge(s))		0.0141 ¢		0.0141 ¢

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. 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.

3. 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.

4. 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.

5. 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 is 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	For Customers Providing Their Own Compressor Fuel	
	Commodity Charge	Fuel Ratio	Commodity Charge
Storage Injections	$0.121/GJ	0.931%	$0.072/GJ
Storage Withdrawals	$0.121/GJ	0.931%	$0.072/GJ
Transportation	1.6356 ¢/m³	0.351%	1.5633 ¢/m³
Carbon Charges			
Federal Carbon Charge (if applicable)	9.7900 ¢/m³		9.7900 ¢/m³
Facility Carbon Charge (in addition to Transportation Commodity Charge)	0.0141 ¢/m³		0.0141 ¢/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.

Unauthorized Overrun Storage Injections and Withdrawals Charge	$1.779	per GJ
Unauthorized Overrun Transportation Charge	6.9594	¢ per m³
Carbon Charges		
Federal Carbon Charge (if applicable)	9.7900	¢ per m³
Facility Carbon Charge (in addition to Overrun Transportation Charge)	0.0141	¢ per m³

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 234.7200 ¢ per m³ ($60 per GJ) for the delivery.

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	$2,075.16

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:

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.

5. Parkway Delivery Commitment Incentive ("PDCI")

For all Parkway Delivery Obligation ("PDO") volumes delivered to Union.	Rate/GJ
PDCI	$(0.160)

(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.

ENBRIDGE GAS INC.
UNION SOUTH
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 m^3. Firm and/or interruptible daily contracted demand of less than 140,870 m^3 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:

			For Customers Providing Their Own Compressor Fuel	
	Demand Charge Rate/GJ/mo	Commodity Charge Rate/GJ	Fuel Ratio	Commodity Charge Rate/GJ
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	$0.012			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right				
Union provides deliverability Inventory	$1.820			
Customer provides deliverability Inventory (4)	$1.415			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	$1.415			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	$1.415			

	Demand Charge Rate/GJ/mo	Commodity Charge Rate/GJ	For Customers Providing Their Own Compressor Fuel: Fuel Ratio	Commodity Charge Rate/GJ
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		$0.035	0.430%	$0.012
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		$0.035	0.430%	$0.012
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		$0.121	0.931%	$0.072

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 m^3/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 mulitple 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 m^3/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 herein.

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:

		Union Providing Compressor Fuel	For Customers Providing Their Own Compressor Fuel	
	Demand Charge	Commodity Charge	Fuel Ratio (5)	Commodity Charge
	Rate/m^3/mo	Rate/m^3		Rate/m^3
a) Annual Firm Transportation Demand Applied to the Firm Daily Contract Demand				
First 140,870 m^3 per month	32.7085 ¢			
All over 140,870 m^3 per month	18.2383 ¢			
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the customer's Point(s) of Consumption Commodity Charge (All volumes)		0.0872 ¢	0.300%	0.0254 ¢
c) Interruptible Transportation Commodity Paid on all interruptible quantities redelivered to the customer's Point(s) of Consumption Maximum		6.3901 ¢	0.300%	6.3283 ¢
d) Carbon Charges				
Federal Carbon Charge (if applicable)		9.7900 ¢		9.7900 ¢
Facility Carbon Charge (in addition to Transportation Commodity Charge(s))		0.0141 ¢		0.0141 ¢

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 m^3/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 m^3/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 m^3/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

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 is 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.

	Union Providing Compressor Fuel	For Customers Providing Their Own Compressor Fuel	
	Commodity Charge	Fuel Ratio	Commodity Charge
Storage Injections	$0.121/GJ	0.931%	$0.072/GJ
Storage Withdrawals	$0.121/GJ	0.931%	$0.072/GJ
Transportation	1.1625 ¢/m³	0.300%	1.1007 ¢/m³
Carbon Charges			
Federal Carbon Charge (if applicable)	9.7900 ¢/m³		9.7900 ¢/m³
Facility Carbon Charge (in addition to Transportation Commodity Charge)	0.0141 ¢/m³		0.0141 ¢/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.

Unauthorized Overrun Storage Injections and Withdrawals Charge	$1.779	per GJ
Unauthorized Overrun Transportation Charge	6.9594	¢ per m³
Carbon Charges		
Federal Carbon Charge (if applicable)	9.7900	¢ per m³
Facility Carbon Charge (in addition to Overrun Transportation Charge)	0.0141	¢ per m³

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 234.7200 ¢ per m³ ($60 per GJ) for the delivery.

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	$6,501.02

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 $0.074/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	$(0.160)

(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.

ENBRIDGE GAS INC.
UNION SOUTH
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 m^3 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.

e) who commenced and continued service under Rate T3 prior to January 1, 2019.

(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:

			For Customers Providing Their Own Compressor Fuel	
	Demand Charge Rate/GJ/mo	Commodity Charge Rate/GJ	Fuel Ratio	Commodity Charge Rate/GJ
a) Annual Firm Storage Space Applied to contracted Maximum Annual Storage Space	$0.012			
b) Annual Firm Injection/Withdrawal Right: Applied to the contracted Maximum Annual Firm Injection/Withdrawal Right				
Union provides deliverability Inventory	$1.820			
Customer provides deliverability Inventory (4)	$1.415			
c) Incremental Firm Injection Right: Applied to the contracted Maximum Incremental Firm Injection Right	$1.415			
d) Annual Interruptible Withdrawal Right: Applied to the contracted Maximum Annual Interruptible Withdrawal Right	$1.415			
e) Withdrawal Commodity Paid on all quantities withdrawn from storage up to the Maximum Daily Storage Withdrawal Quantity		$0.035	0.430%	$0.012
f) Injection Commodity Paid on all quantities injected into storage up to the Maximum Daily Storage Injection Quantity		$0.035	0.430%	$0.012
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: Commodity Charge	For Customers Providing Their Own Compressor Fuel: Fuel Ratio	For Customers Providing Their Own Compressor Fuel: Commodity Charge
	Rate/m^3/mo	Rate/m^3		Rate/m^3
a) Annual Firm Transportation Demand Applied to the Firm Daily Contract Demand	19.8760 ¢			
b) Firm Transportation Commodity Paid on all firm quantities redelivered to the Customer's Point(s) of Redelivery		0.1585 ¢	0.411%	0.0738 ¢
c) Carbon Charges				
Federal Carbon Charge (if applicable)		9.7900 ¢		9.7900 ¢
Facility Carbon Charge (in addition to Transportation Commodity Charge)		0.0141 ¢		0.0141 ¢

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 is 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
Storage Injections	$0.121/GJ	0.931%	$0.072/GJ
Storage Withdrawals	$0.121/GJ	0.931%	$0.072/GJ
Transportation	0.8120 ¢/m³	0.411%	0.7273 ¢/m³
Carbon Charges			
Federal Carbon Charge (if applicable)	9.7900 ¢/m³		9.7900 ¢/m³
Facility Carbon Charge (in addition to Transportation Commodity Charge)	0.0141 ¢/m³		0.0141 ¢/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.

Unauthorized Overrun Storage Injections and Withdrawals Charge	$9.202	per GJ
Unauthorized Overrun Transportation Charge	36.0000	¢ per m³
Carbon Charges		
Federal Carbon Charge (if applicable)	9.7900	¢ per m³
Facility Carbon Charge (in addition to Overrun Transportation Charge)	0.0141	¢ per m³

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 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 redelivery a Monthly Charge shall be applied to each specific customer as follows:

	Monthly Charge
City of Kitchener	$ 21,833.55
EPCOR Natural Gas (Aylmer)	$ 3,351.67
Six Nations	$ 1,117.22

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.	Rate/GJ
PDCI	$(0.160)

(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
2022-04-01
Schedule "A"

ENBRIDGE GAS INC.
UNION SOUTH
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 / m^3
Utility Sales	
Commodity and Fuel	20.5311 (1)
Commodity and Fuel - Price Adjustment	(0.3793) (2)
Transportation	-
Total Gas Supply Commodity Charge	20.1518
Voluntary RNG Program (if applicable) (3)	
Monthly Charge - Rate M1 and Rate M2	$ 2.00
Minimum Annual Gas Supply Commodity Charge	
Rate M4 Firm and Rate M5A Interruptible Contract	0.2012
Storage and Transportation Supplemental Services - Rate T1, Rate T2 & Rate T3	$/GJ
Monthly demand charges:	
Firm gas supply service	40.305
Firm backstop gas	2.088
Commodity charges:	
Gas supply	5.269
Backstop gas	5.791
Reasonable Efforts Backstop Gas	7.031
Supplemental Inventory	Note (4)
Supplemental Gas Sales Service (cents / m^3)	24.3277
Failure to Deliver: Applied to quantities not delivered to Union in the event the customer's supply fails	3.104
Discretionary Gas Supply Service (DGSS)	Note (5)

Notes:
(1) The Commodity and Fuel rate includes a gas supply administration charge of 0.2012 cents/m^3.
(2) Prospective recovery of gas supply deferral accounts.
(3) The Voluntary RNG Program Charge is a fixed monthly charge applicable to customers who elect to participate in the Company's Voluntary RNG Program to fund the incremental cost of purchasing renewable natural gas as part of system supply. The charge will be applicable for a minimum term of one billing month, renewing automatically monthly until terminated by the customer or until the Company terminates the Voluntary RNG Program, whichever occurs earlier. The fixed monthly charge will apply to applicable customers whether or not they consume natural gas within the billing period.
(4) 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.
(5) Reflects the "back to back" price plus a gas supply administration charge.

Effective April 1, 2022
Implemented April 1, 2022
O.E.B. Order # EB-2022-0089

Supersedes January 1, 2022 Rate Schedule effective EB-2021-0281.

ENBRIDGE GAS INC.
UNION SOUTH
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 Rate/GJ/mo	Fuel Ratio	Commodity Charge Rate/GJ
i) Standard Storage Service (SSS)			
a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space	$0.027		
b) Injection Commodity		0.430%	$0.030
c) Withdrawal Commodity		0.430%	$0.030
ii) Standard Peaking Service (SPS)			
a) Combined Storage Space & Deliverability Applied to contracted Maximum Storage Space	$0.138		
b) Injection Commodity		0.430%	$0.030
c) Withdrawal Commodity		0.931%	$0.030
iii) Supplemental Service			
a) Incremental Firm Injection Right: (5) Applied to the contracted Maximum Incremental Firm Injection Right	$1.259		

	Demand Charge Rate/GJ/mo	Fuel Ratio	Commodity Charge Rate/GJ
b) Incremental Firm Withdrawal Right: (5) Applied to the contracted Maximum Incremental Firm Withdrawal Right	$1.259		
c) Short Term Storage / Balancing Service - Maximum			$6.000

Notes:

1. Demand charges for Annual Services are paid monthly during the term of the Contract, which shall not be less than one year, unless Union, in its sole discretion, accepts a term of less than one year.

2. Daily Firm Injection and Withdrawal Rights shall be pursuant to the Storage Contract.

3. Storage Space, Withdrawal Rights, and Injection Rights are not assignable to any other party without the prior written consent of Union and where necessary, approval from the Ontario Energy Board.

4. Short Term Storage / Balancing service (less than 2 years) is:
   i) a combined space and interruptible deliverability service for short-term or off-peak storage in Union's storage facilities, OR
   ii) short-term incremental firm deliverability, OR
   iii) a component of an operational balancing service offered.

   In negotiating the rate to be charged for service, the matters that are to be considered include:
   i) The minimum amount of storage service to which a customer is willing to commit,
   ii) Whether the customer is contracting for firm or interruptible service during Union's peak or non-peak periods,
   iii) Utilization of facilities,
   iv) Competition, and
   v) Term.

5. Union's ability to offer incremental injection and withdrawal rights is subject to annual asset availability.

OVERRUN SERVICE

1. Injection and Withdrawal

Authorized	Fuel Ratio	Commodity Charge Rate/GJ
Injection	0.931%	$0.071
Withdrawal	0.931%	$0.071

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.	Rate/GJ
PDCI	$(0.160)

(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.

ENBRIDGE GAS INC.
UNION SOUTH
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	Fuel and Commodity Charges: Shipper Supplied Fuel — Fuel Ratio %	AND	Shipper Supplied Fuel — Commodity Charge Rate/GJ
Firm Transportation (1), (5)					
Dawn to Parkway	$3.689	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".		
Dawn to Kirkwall	$3.130				
Kirkwall to Parkway	$0.559				
M12-X Firm Transportation					
Between Dawn, Kirkwall and Parkway	$4.560	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".		
Limited Firm/Interruptible Transportation (1)					
Dawn to Parkway – Maximum	$8.854	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".		
Dawn to Kirkwall – Maximum	$8.854				
Parkway (TCPL / EGT) to Parkway (Cons) / Lisgar (2)	n/a	n/a	0.167%		
Carbon Charge (applied to all quantities transported)					
Facility Carbon Charge		$0.004			$0.004

(C) Rates (Cont'd)

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.

	Fuel and Commodity Charges			
	Union Supplied Fuel	Shipper Supplied Fuel		
	Fuel and Commodity Charge Rate/GJ	Fuel Ratio %	AND	Commodity Charge Rate/GJ
Transportation Overrun				
Dawn to Parkway	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".		$0.121
Dawn to Kirkwall				$0.103
Kirkwall to Parkway				$0.018
Parkway (TCPL) Overrun (4)	n/a	0.758%		n/a
M12-X Firm Transportation				
Between Dawn, Kirkwall and Parkway	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".		$0.150
Carbon Charge (applied to all quantities transported)				
Facility Carbon Charge	$0.004			$0.004

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 $0.074/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.

$$YCR = \sum_{1}^{4} [(0.001670 \times (QT1 + QT3)) + (DSF \times (QT1 + QT3)) + F_{ST}] \text{ For June 1 to Sept. 30}$$

plus

$$\sum_{5}^{12} [(0.001670 \times (QT1 + QT3)) + (DWF \times QT1) + F_{WT}] \text{ For Oct. 1 to May 31}$$

$$YCRR = \sum_{1}^{4} [(0.001670 \times (QT1 + QT3)) + (DSF \times (QT1 + QT3)) + F_{ST}] \times R \text{ For June 1 to Sept. 30}$$

plus

$$\sum_{5}^{12} [(0.001670 \times (QT1 + QT3)) + (DWF \times QT1) + F_{WT}] \times R \text{ For Oct. 1 to May 31}$$

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

in which:

YC 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.

SCHEDULE "A"

UNION SOUTH - 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/m^3) 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. "m^3" shall mean cubic metre of gas and "10^3m^3" 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. "cricondentherm 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;

23. "Union" shall mean Enbridge Gas Inc. operating as Union Gas.

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 (m^3) or one thousand cubic metres (10^3m^3) 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

SCHEDULE "A"

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.

SCHEDULE "A"

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 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.

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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SCHEDULE "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.

SCHEDULE "A 2010"

UNION SOUTH - 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;

"**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;

"**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;

"**m^3**" shall mean cubic metre of gas and "10^3m^3" 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;

"**Union"** shall mean Enbridge Gas Inc. operating as Union Gas;

"**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 (m^3) or one thousand cubic metres (10^3m^3) 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.

SCHEDULE "A 2010"

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.

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.

SCHEDULE "A 2010"

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.

SCHEDULE "A 2010"

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.

SCHEDULE "A 2010"

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.

SCHEDULE "B"

UNION SOUTH - 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.

SCHEDULE "B 2010"

UNION SOUTH - 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 lessor 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

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.

SCHEDULE "C"

ENBRIDGE GAS INC.
Union South
M12 Monthly Transportation Fuel Ratios and Fuel Rates
Firm or Interruptible Transportation Commodity
Effective April 1, 2022

	VT1 Easterly Dawn to Parkway (TCPL), Parkway (EGT) With Dawn Compression		VT1 Easterly Dawn to Kirkwall, Lisgar, Parkway (Consumers) With Dawn Compression		M12-X Westerly Kirkwall to Dawn	
Month	Fuel Ratio (%)	Fuel Rate ($/GJ)	Fuel Ratio (%)	Fuel Rate ($/GJ)	Fuel Ratio (%)	Fuel Rate ($/GJ)
April	0.926	0.048	0.577	0.031	0.167	0.008
May	0.658	0.035	0.394	0.021	0.167	0.008
June	0.550	0.029	0.290	0.015	0.167	0.008
July	0.534	0.028	0.277	0.015	0.167	0.008
August	0.426	0.022	0.168	0.008	0.167	0.008
September	0.421	0.022	0.168	0.008	0.167	0.008
October	0.791	0.042	0.487	0.025	0.167	0.008
November	0.942	0.050	0.659	0.035	0.167	0.008
December	1.067	0.056	0.783	0.041	0.167	0.008
January	1.229	0.065	0.930	0.049	0.167	0.008
February	1.167	0.061	0.876	0.046	0.167	0.008
March	1.089	0.058	0.784	0.041	0.167	0.008

	M12-X Easterly Kirkwall to Parkway (TCPL), Parkway (EGT)		M12-X Easterly Kirkwall to Lisgar, Parkway (Consumers)		M12-X Westerly Parkway to Kirkwall, Dawn	
Month	Fuel Ratio (%)	Fuel Rate ($/GJ)	Fuel Ratio (%)	Fuel Rate ($/GJ)	Fuel Ratio (%)	Fuel Rate ($/GJ)
April	0.515	0.027	0.167	0.008	0.316	0.017
May	0.432	0.023	0.167	0.008	0.316	0.017
June	0.426	0.022	0.167	0.008	0.316	0.017
July	0.425	0.022	0.167	0.008	0.316	0.017
August	0.425	0.022	0.167	0.008	0.316	0.017
September	0.420	0.022	0.167	0.008	0.316	0.017
October	0.470	0.024	0.167	0.008	0.316	0.017
November	0.450	0.023	0.167	0.008	0.167	0.008
December	0.451	0.023	0.167	0.008	0.167	0.008
January	0.466	0.024	0.167	0.008	0.167	0.008
February	0.457	0.024	0.167	0.008	0.167	0.008
March	0.472	0.024	0.167	0.008	0.167	0.008

SCHEDULE "C"

ENBRIDGE GAS INC.
Union South
M12 Monthly Transportation Authorized Overrun Fuel Ratios and Fuel Rates
Firm or Interruptible Transportation Commodity
Effective April 1, 2022

	VT1 Easterly Dawn to Parkway (TCPL), Parkway (EGT) With Dawn Compression		VT1 Easterly Dawn to Kirkwall, Lisgar, Parkway (Consumers) With Dawn Compression		M12-X Westerly Kirkwall to Dawn	
Month	Fuel Ratio (%)	Fuel Rate ($/GJ)	Fuel Ratio (%)	Fuel Rate ($/GJ)	Fuel Ratio (%)	Fuel Rate ($/GJ)
April	1.580	0.204	1.232	0.186	0.822	0.193
May	1.313	0.190	1.048	0.176	0.822	0.193
June	1.205	0.184	0.945	0.172	0.822	0.193
July	1.189	0.183	0.931	0.170	0.822	0.193
August	1.081	0.179	0.823	0.165	0.822	0.193
September	1.076	0.179	0.822	0.165	0.822	0.193
October	1.445	0.197	1.142	0.181	0.822	0.193
November	1.597	0.205	1.314	0.190	0.822	0.193
December	1.722	0.212	1.438	0.197	0.822	0.193
January	1.883	0.220	1.585	0.204	0.822	0.193
February	1.821	0.218	1.531	0.202	0.822	0.193
March	1.744	0.213	1.438	0.197	0.822	0.193

	M12-X Easterly Kirkwall to Parkway (TCPL), Parkway (EGT)		M12-X Easterly Kirkwall to Lisgar, Parkway (Consumers)		M12-X Westerly Parkway to Kirkwall, Dawn	
Month	Fuel Ratio (%)	Fuel Rate ($/GJ)	Fuel Ratio (%)	Fuel Rate ($/GJ)	Fuel Ratio (%)	Fuel Rate ($/GJ)
April	1.170	0.211	0.822	0.193	0.971	0.202
May	1.087	0.208	0.822	0.193	0.971	0.202
June	1.081	0.207	0.822	0.193	0.971	0.202
July	1.079	0.207	0.822	0.193	0.971	0.202
August	1.079	0.207	0.822	0.193	0.971	0.202
September	1.075	0.207	0.822	0.193	0.971	0.202
October	1.125	0.209	0.822	0.193	0.971	0.202
November	1.105	0.208	0.822	0.193	0.822	0.193
December	1.105	0.208	0.822	0.193	0.822	0.193
January	1.120	0.209	0.822	0.193	0.822	0.193
February	1.112	0.209	0.822	0.193	0.822	0.193
March	1.127	0.209	0.822	0.193	0.822	0.193

SCHEDULE "D 2010"

UNION SOUTH - 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	**DAWN (FACILITIES):**	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	**DAWN (TCPL):**	At the junction of Union's and TCPL's facilities, at or adjacent to Dawn (Facilities).
R	**DAWN (TECUMSEH):**	At the junction of Union's and Enbridge Gas Inc.'s (Enbridge) Tecumseh Gas Storage's facilities, at or adjacent to Dawn (Facilities).
R	**DAWN (TSLE):**	At the junction of Union's and Enbridge's NPS 16 Tecumseh Sombra Line Extension facilities; at or adjacent to Dawn (Facilities).
R	**DAWN (VECTOR):**	At the junction of Union's and Vector Pipeline Limited Partnership ("**Vector**") facilities, at or adjacent to Dawn (Facilities).
R,D	**PARKWAY (TCPL):**	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	**KIRKWALL:**	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	**PARKWAY (CONSUMERS):**	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	**PARKWAY (EGT):**	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	**LISGAR:**	At the junction of the facilities of Union and Enbridge situated at 6620 Winston Churchill Boulevard, City of Mississauga.

SCHEDULE "D 2010"

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.

ENBRIDGE GAS INC.
UNION SOUTH
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 Rate/Month	Commodity Charge Rate/GJ	Union Supplied Fuel: Fuel and Commodity Charge Rate/GJ	Shipper Supplied Fuel: Fuel Ratio %	AND	Shipper Supplied Fuel: Commodity Charge Rate/GJ
1.	Monthly fixed charge per Customer Station	$1,011.13					
2.	Transmission Commodity Charge		$0.037				
3.	Delivery Commodity Charge			$0.009	0.167%		
4.	Facility Carbon Charge (in addition to the Delivery Commodity Charge)			$0.004			$0.004

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.

5. 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 plus the facility carbon charge. Overrun will be authorized at Union's sole discretion.

	Union Supplied Fuel: Fuel and Commodity Charge Rate/GJ	Shipper Supplied Fuel: Fuel Ratio %	AND	Shipper Supplied Fuel: Commodity Charge Rate/GJ
Authorized Overrun Charge	$0.125	0.167%		$0.116
Facility Carbon Charge (in addition to the Authorized Overrun Charge)	$0.004			$0.004

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

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 April 1, 2022
Implemented April 1, 2022
O.E.B. Order # EB-2022-0089

Supersedes EB-2021-0281 Rate Schedule effective January 1, 2022.

SCHEDULE "A 2013"

UNION SOUTH - 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;

"**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;

"**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;

"**Union**" shall mean Enbridge Gas Inc. operating as Union Gas;

"**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 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,

k. shall not exceed forty-three degrees Celsius (43ºC), 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 10^3m^3. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m^3) or one thousand cubic metres (10^3m^3) 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

SCHEDULE "A 2013"

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.

ENBRIDGE GAS INC.
UNION SOUTH
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)	$1,608.60
Transmission Commodity Charge to Dawn ($ per GJ)	$0.037

Transportation Fuel:	Customers located East of Dawn	Customers located West of Dawn
Fuel Charges to Dawn		
Commodity Rate - Union supplied fuel ($ per GJ)	$0.009	$0.009
Fuel Ratio - Shipper supplied fuel (%)	0.167%	0.167%
Fuel Charges to the Pool		
Commodity Rate - Union supplied fuel ($ per GJ)	$0.010	$0.025
Fuel Ratio - Shipper supplied fuel (%)	0.194%	0.474%

b) Firm Transportation Demand Charges: (2)

Monthly Demand Charge applied to contract demand ($ per GJ)	$0.812	$2.418

c) Facility Carbon Charge (in addition to Transportation Fuel Charges) $0.004 $0.004

(B) Rates (Cont'd)

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)	$0.072	$0.125
Commodity Rate - Shipper supplied fuel ($ per GJ)	$0.064	$0.116
Fuel Ratio - Shipper supplied fuel (%)	0.167%	0.167%
Charges to the Pool		
Commodity Rate - Union supplied fuel ($ per GJ)	$0.037	$0.104
Commodity Rate - Shipper supplied fuel ($ per GJ)	$0.027	$0.079
Fuel Ratio - Shipper supplied fuel (%)	0.194%	0.474%
Facility Carbon Charge (in addition to Transportation Fuel Charges)	$0.004	$0.004

Overrun will be authorized at Union's sole discretion.

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 service.

(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.

SCHEDULE "A"

GENERAL TERMS & CONDITIONS
UNION SOUTH - 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. "m^3" shall mean cubic metre of gas and "10^3m^3" 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/m^3) 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

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. "cricondentherm 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;

30. "Wobbe Number" shall mean gross heating value of the gas divided by the square root of its specific gravity; and,

31. "Union" shall mean Enbridge Gas Inc. operating as Union Gas.

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 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,

k. shall not exceed forty-three degrees Celsius (43ºC), 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

SCHEDULE "A"

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 (m^3) or one thousand cubic metres (10^3m^3) 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

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

SCHEDULE "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.

SCHEDULE "A 2013"

UNION SOUTH - 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**" shall mean Enbridge Gas Inc. operating as Union Gas;

"**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 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,

k. shall not exceed forty-three degrees Celsius (43ºC), 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 (m^3) or one thousand cubic metres (10^3m^3) 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

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.

SCHEDULE "A 2013"

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.

ENBRIDGE GAS INC.
UNION SOUTH
TRANSPORTATION RATES

(A) Applicability

The charges under this rate schedule shall be applicable to a distributor in Union South who is located east of Dawn and who enters into a contract with Enbridge for the transportation of gas for distribution to its customers. Transportation Services under this rate schedule is transportation on Enbridge's pipeline facilities from any Applicable Receipt Point to the distributor's delivery area.

Applicable Receipt Points
Dawn*
Kirkwall
Parkway (TCPL)

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

(B) 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.

1. Monthly Charge

A Monthly Charge shall be applied to each distributor and is applicable to such distributor's delivery area. Should a new delivery area be served under this rate schedule, a distributor specific charge would be established at that time.

	Monthly Charge
South Bruce	$ 2,061.15

2. Firm Transportation

	Monthly Demand Charge(s) (applied to daily contract demand) Rate/GJ	Fuel and Commodity Charges: Utility Supplied Fuel, Fuel and Commodity Charge Apr.1-Oct.31 Rate/GJ	Utility Supplied Fuel, Fuel and Commodity Charge Nov.1-Mar.31 Rate/GJ	Shipper Supplied Fuel, Fuel Ratio Apr.1-Oct.31 %	Shipper Supplied Fuel, Fuel Ratio Nov.1-Mar.31 %	AND	Shipper Supplied Fuel, Commodity Charge Rate/GJ
Dawn to Delivery Area	$4.569	$0.018	$0.042	0.337%	0.806%		
Kirkwall to Delivery Area or Dawn	$2.803	$0.009	$0.009	0.167%	0.167%		
Parkway (TCPL) to Delivery Area or Dawn	$2.803	$0.017	$0.009	0.316%	0.167%		
Facility Carbon Charge (applied to all quanities transported)		$0.004	$0.004				$0.004

3. Authorized Overrun

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

	Fuel and Commodity Charges: Utility Supplied Fuel, Fuel and Commodity Charge Apr.1-Oct.31 Rate/GJ	Utility Supplied Fuel, Fuel and Commodity Charge Nov.1-Mar.31 Rate/GJ	Shipper Supplied Fuel, Fuel Ratio Apr.1-Oct.31 %	Shipper Supplied Fuel, Fuel Ratio Nov.1-Mar.31 %	AND	Shipper Supplied Fuel, Commodity Charge Rate/GJ
Dawn to Delivery Area	$0.202	$0.227	0.992%	1.461%		$0.150
Kirkwall to Delivery Area or Dawn	$0.135	$0.135	0.822%	0.822%		$0.092
Parkway (TCPL) to Delivery Area or Dawn	$0.143	$0.135	0.971%	0.822%		$0.092
Facility Carbon Charge (applied to all quanities transported)	$0.004	$0.004				$0.004

4. Nomination Variances

Nomination variances shall be handled in accordance with the applicable Limited Balancing Agreement.

(C) Terms of Service

The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A".

(D) Nominations

Nominations under this rate schedule shall be in accordance with the attached Schedule "B".

(E) Receipt and Delivery Points and Pressures

Receipt and Delivery Points and Pressures under this rate schedule shall be in accordance with the attached Schedule "C".

SCHEDULE "A"

RATE M17
GENERAL TERMS & CONDITIONS

I. DEFINITIONS

Capitalized terms not defined herein shall have the meaning given to them in the associated M17 Transportation Agreement or M17 Rate Schedule, as applicable, and 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 exceeds its Contract Demand; provided such exceedance is not incurred during a period of interruption;

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

"**Average Heat Value**" means the average forecasted heating value of all gas to be received by Enbridge for the applicable Delivery Area for the applicable period.

"**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;

"**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;

"**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 Enbridge into Shipper's possession, or to the possession of Shipper's agent;

"**Delivery Area**" shall mean the area in which the applicable Shipper Delivery Point(s) is/are located;

"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 Enbridge in order to provide Transportation Services;

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

"**Firm Hourly Quantity**" means the maximum quantity of gas that may flow during any hourly period;

"**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;

SCHEDULE "A"

"**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;

"**Interconnect Operating Agreement**" shall mean the interconnect operating agreement between Shipper and Enbridge required to facilitate the Transportation Services;

"**Interconnecting Pipeline**" shall mean a transportation pipeline that directly connects to the Enbridge pipeline system; provided however, that an interconnection to Enbridge's pipeline system for the purposes of receiving Transportation Services shall not classify Shipper as having an Interconnecting Pipeline.

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

"**interruptible service**" or "**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;

"**Limited Balancing Agreement**" shall mean the limited balancing agreement between Shipper and Enbridge required to facilitate the Transportation Services;

"**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;

"**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 Enbridge's possession, or the possession of Enbridge'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;

"**Unauthorized Overrun**" shall mean any amount in excess of the Contract Demand consumed during a period of interruption;

"**Wobbe Number**" shall mean gross heating value of the gas divided by the square root of its specific gravity.

SCHEDULE "A"

II. GAS QUALITY

1. Natural Gas: The minimum gross heating value of the gas delivered to/by Enbridge hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Enbridge hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Enbridge may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Enbridge may be a commingled supply from Enbridge'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, Enbridge 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 Enbridge 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) mole percent of carbon dioxide in the gas,

   e. shall not contain more than zero point four (0.4) mole percent of oxygen in the gas,

   f. shall not contain more than zero point five (0.5) mole percent of carbon monoxide in the gas,

   g. shall not contain more than four point zero (4.0) mole percent 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 five (47.5) megajoules per cubic metre of gas to fifty one point fourty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent 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 Enbridge hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Enbridge in this Article II, but, Enbridge 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 herein.

III. MEASUREMENTS

1. Transportation, and/or Unit: The unit of the gas delivered to Enbridge shall be a gigajoule. The unit of gas transported by Enbridge shall be a gigajoule. The unit of gas delivered by Enbridge shall be a gigajoule or a cubic metre (m^3) or one thousand cubic metres (10^3m^3), at Enbridge's discretion.

SCHEDULE "A"

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 Enbridge's discretion, all as amended from time to time.

   c. The volume and/or energy of the gas delivered to/by Enbridge hereunder shall be determined by the measurement equipment designated in Article VII herein.

   d. Upon request by Enbridge, Shipper shall obtain measurement of the total quantity of gas received by Enbridge hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Enbridge and the Interconnecting Pipeline.

   e. Where there is no site specific energy measurement, Enbridge's Average heat Value will be used to convert volumes to energy.

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 as per Schedule "C".

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

1. Possession of Gas: Enbridge accepts no responsibility for any gas prior to such gas being delivered to Enbridge at the Receipt Point or after its delivery by Enbridge at the Delivery Point. As between the parties hereto, Enbridge shall be deemed to be in control and possession of and responsible for all such gas from the time that such gas enters Enbridge's system until such gas is delivered to Shipper.

2. Liability: Shipper agrees that Enbridge is not a common carrier and is not an insurer of Shipper's gas, and that Enbridge shall not be liable to Shipper or any third party for loss of gas in Enbridge's possession, except to the extent such loss is caused entirely by Enbridge's negligence or wilful misconduct.

VI. FACILITIES ON SHIPPER'S PROPERTY

1. Construction and Maintenance: Enbridge 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 delivered under the Contract. Shipper will grant to Enbridge a lease and/or rights-of-way over property of Shipper as required by Enbridge to install such facilities and to connect same to Enbridge's pipeline.

2. Entry: Enbridge, 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 Enbridge notwithstanding it is constructed on and attached to the realty of Shipper, and Enbridge may remove it upon termination of the Contract and will do so if so requested by Shipper.

VII. MEASURING EQUIPMENT

1. Metering by Enbridge: Enbridge 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 Enbridge hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline, then Enbridge and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Enbridge on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Enbridge 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 Delivery Point such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Enbridge'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 Enbridge'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, Enbridge 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 by Enbridge 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 its 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 Enbridge's measuring equipment shall be verified by Enbridge at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Enbridge 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: Enbridge 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 at Delivery Point

In the event Enbridge's meter is out of service, or registered inaccurately, the volume or quantity of gas shall be determined by Enbridge as follows:

a. by using the registration of any check meter or meter, if installed and accurately registering; or, in the absence of a. then;

b. by correcting the error if the percentage of error is ascertainable by calibration, tests or mathematical calculation; or in the absence of both a. and b., then;

c. by estimating the quantity of gas delivered during periods under similar conditions when the meter was registering accurately.

VIII. BILLING

1. Monthly Billing Date: Enbridge 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. Enbridge 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 Enbridge 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 its 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 Enbridge'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 Enbridge'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 Enbridge interest on the unpaid portion of the bill accruing at a rate per annum equal to the minimum commercial lending rate of Enbridge'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, Enbridge, 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 Enbridge such amounts as it concedes to be correct. At any time thereafter, within twenty (20) days of a demand made by Enbridge, Shipper shall furnish financial assurances satisfactory to Enbridge, guaranteeing payment to Enbridge 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. Enbridge 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 Enbridge hereunder.

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

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, Enbridge 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 Enbridge's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Enbridge 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 Enbridge, such error shall be adjusted by Enbridge. Such overcharge, undercharge or error shall be adjusted by Enbridge 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 Enbridge.

5. Set Off: If Shipper shall, at any time, be in arrears under any of its payment obligations to Enbridge under the Contract, then Enbridge shall be entitled to reduce the amount payable by it to Shipper under the Contract, or any other contract, by an amount equal to the amount of such arrears or other indebtedness to Enbridge. In addition to the foregoing remedy, Enbridge may, upon forty-eight (48) hours verbal notice, to be followed by written notice, take possession of any or all of Shipper's gas in Enbridge's possession, which shall be deemed to have been assigned to Enbridge, to reduce such arrears or other indebtedness to Enbridge. Such gas shall be valued at the Day price for gas at Dawn as listed in Canadian Gas Price Reporter (or equivalent) for the Day of set off.

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 Enbridge 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 Enbridge's system will excuse the failure to deliver gas by Enbridge or the failure to accept gas by Enbridge 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 Enbridge's system shall not relieve Shipper of any payment obligations.

7. Delay of Firm Transportation Services: Despite Article XI herein, if Enbridge is prevented, by reason of an event of force majeure on Enbridge's system from delivering gas on the Day or Days upon which Enbridge has accepted gas from Shipper, Enbridge 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 Enbridge. If Enbridge 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 Enbridge fails to accept gas from Shipper by reason of an event of force majeure on Enbridge'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 Enbridge 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 M17 Rate Schedule divided by the number of days in the month for which such rate is being calculated.

9. Proration of Firm Transportation Services: If, due to the occurrence of an event of force majeure as outlined above, the capacity for gas deliveries by Enbridge is impaired, it will be necessary for Enbridge to curtail Shipper's gas receipts to Enbridge 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 Enbridge 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 Enbridge 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

SCHEDULE "A"

Subject to Article XV herein and the ability of Enbridge 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 Enbridge.

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 Enbridge 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. *intentionally blank*

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: Enbridge 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 Enbridge 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. Enbridge shall provide Shipper such notice of such curtailment as is reasonable under the circumstances. If due to any cause whatsoever Enbridge is unable to receive or deliver the quantities of Gas which Shipper has requested, then Enbridge shall order curtailment by all Shippers affected and to the extent necessary to remove the effect of the disability. Enbridge has a priority of service policy to determine the order of service curtailment. In order to place services on the priority of service list, Enbridge 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 Enbridge's 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/M17 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/M17 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: Enbridge 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: Enbridge's facilities from time to time may require maintenance or construction. If such maintenance or construction is required, and in Enbridge's sole opinion, acting reasonably, such maintenance or construction may impact Enbridge's ability to meet Shipper's requirements, Enbridge shall provide at least ten (10) days' notice to Shipper, except in the case of an emergency. In the event the maintenance impacts Enbridge's ability to meet Shipper's requirements, Enbridge shall not be liable for any damages and shall not be deemed in breach of the Contract. To the extent that Enbridge'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.

   Enbridge 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. Enbridge will endeavour to schedule and complete the maintenance and construction, which would normally be expected to impact on Enbridge'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 Agreement, Interconnect Operating Agreement and Limited Balancing Agreement.

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 Enbridge agree otherwise. Shipper shall notify Enbridge in the event of any change to the financial assurances throughout the term hereof. Should Enbridge 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 Enbridge 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 Enbridge from time to time,

   then Shipper shall within fourteen (14) days of receipt of written notice by Enbridge, obtain and provide to Enbridge a letter of credit or other security in the form and amount reasonably required by Enbridge (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 Enbridge such Security within such fourteen (14) day period, Enbridge 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 Enbridge and to the extent that the Material Event has been mitigated or eliminated, Enbridge 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 Enbridge and release of obligations by Enbridge 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 Enbridge, 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 a Facilitating Agreement. Notwithstanding such assignment, Shipper shall remain obligated to Enbridge 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 Enbridge that Shipper shall have good and marketable title to, or legal authority to deliver to Enbridge, all gas delivered to Enbridge hereunder. Furthermore, Shipper hereby agrees to indemnify and save Enbridge 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.

4. Limited Balancing Agreement and Interconnect Operating Agreement: Shipper shall be required to have a Limited Balancing Agreement and Interconnect Operating Agreement with Enbridge to enable the provision of Transportation Services, such agreement to expire no earlier than the day the Contract expires.

XXI. PRECONDITIONS TO TRANSPORTATION SERVICES

This Article XXI is only applicable if Enbridge and Shipper have not entered into a precedent agreement related to the Transportation Services.

1. Enbridge Conditions: The obligations of Enbridge to provide Transportation Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Enbridge and which may be waived or extended in whole or in part in the manner provided in the Contract:

   a. Enbridge shall have obtained, in form and substance satisfactory to Enbridge, 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;

   b. Enbridge shall have obtained all internal approvals that are necessary or appropriate to provide the transportation Services;

   c. Enbridge 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 Enbridge; and,

d. Shipper and Enbridge shall have entered into the Interruptible Service HUB Contract or equivalent (the "**Facilitating Agreement**"), a Limited Balancing Agreement and an Interconnect Operating Agreement.

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 Enbridge 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, Interconnect Operating Agreement and Limited Balancing Agreement; and shall, as required, have entered into the necessary contracts to purchase the gas quantities handled under the Contract;

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: Enbridge 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.

SCHEDULE "B"

RATE M17
NOMINATIONS

1. For Transportation Services required on any Day under the Contract, Shipper shall provide Enbridge 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 Enbridge determines to be necessary (a "**Nomination**").

2. All Nominations shall be submitted by electronic means via *Unionline*. Enbridge, 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 Enbridge in accordance with timelines established by Enbridge, which reflect the NAESB standard nomination cycles. Enbridge 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 Enbridge. The nomination cycle timelines are posted on Enbridge's website and the nomination deadlines are provided in *Unionline*.

3. Enbridge 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 Enbridge determines that it will not schedule such Nomination, Enbridge 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 Enbridge, 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 Enbridge 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 Transportation Services requiring Shipper to provide compressor fuel in kind, the nominated fuel requirements will be calculated by rounding to the nearest whole GJ.

5. 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 within the term of the Transportation Agreement.

6. Nominations received after the nomination deadline shall, if accepted by Enbridge, be scheduled after Nominations received before the nomination deadline.

7. All Transportation Services are required to be nominated in whole Gigajoules (GJ).

8. To the extent Enbridge is unable to complete a Nomination confirmation due to inaccurate, untimely or incomplete data involving an Interconnecting Pipeline entity, Enbridge 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 Enbridge determines that the Nomination is invalid at which time the Enbridge shall reject the Nomination.

9. 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, Enbridge shall use reasonable efforts to take receipt of gas on any Day at an hourly rate of flow up to one twentieth ($1/20^{th}$) of the quantity received for that Day. Enbridge shall have the right to limit Transportation Services when on any Day the cumulative hourly imbalance between receipts and deliveries exceeds one twentieth ($1/20^{th}$) of the quantity handled for that Day, for each applicable Transportation Service.

10. The parties hereto recognize that with respect to Transportation Services, on any day, receipts of gas by Enbridge and deliveries of gas by Enbridge 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 Limited Balancing Agreement and shall be subject to the respective terms and charges contained therein, and shall be resolved in a timely manner.

11. 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 Enbridge shall only accept nominations from the agent. Any such designation, if acceptable to Enbridge, shall be effective following the receipt and processing of the written notice and will remain in effect until revoked in writing by Shipper.

SCHEDULE "C"

RATE M17
RECEIPT AND DELIVERY POINTS AND PRESSURES

1. Receipt Points

The following defines each Receipt Point:

DAWN (FACILITIES):	Enbridge'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.
DAWN (TCPL):	At the junction of Enbridge's and TCPL's facilities, at or adjacent to Dawn (Facilities).
DAWN (VECTOR):	At the junction of Enbridge's and Vector Pipeline Limited Partnership's ("**Vector**") facilities, at or adjacent to Dawn (Facilities)
PARKWAY (TCPL):	At the junction of Enbridge's and TCPL's facilities, at or adjacent to Enbridge'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)
KIRKWALL:	At the junction of Enbridge's and TCPL's facilities at or adjacent to Enbridge's facilities situated in Part Lot Twenty-Five (25), Concession 7, Town of Flamborough.

2. Delivery Points:

Delivery Points will be as set out in Schedule 1 of the Contract.

3. Receipt and Delivery Pressures:

(a) All gas tendered by or on behalf of Shipper to Enbridge shall be tendered at the Receipt Point at Enbridge's prevailing pressure at that Receipt Point, or at such pressure as per operating agreements between Enbridge and the applicable Interconnecting Pipeline, as amended or restated from time to time.

(b) All gas tendered by or on behalf of Enbridge to Shipper shall be tendered at the Delivery Point at such pressure as per the Interconnect Agreement between Enbridge and Shipper, as amended or restated from time to time.

(c) Under no circumstances shall Enbridge be obligated to receive gas hereunder at pressures exceeding the maximum allowable operating pressures prescribed under any applicable governmental regulations; nor shall Enbridge be required to make any physical deliveries or to accept any physical receipts which its existing facilities cannot accommodate.

ENBRIDGE GAS INC.
UNION SOUTH
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.

Applicable Points	(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 (1):

	Monthly Demand Charges (applied to daily contract demand) Rate/GJ	Fuel and Commodity Charges: Union Supplied Fuel, Fuel and Commodity Charge Apr.1-Oct.31 Rate/GJ	Union Supplied Fuel, Fuel and Commodity Charge Nov.1-Mar.31 Rate/GJ	Shipper Supplied Fuel, Fuel Ratio Apr.1-Oct.31 %	Shipper Supplied Fuel, Fuel Ratio Nov.1-Mar.31 %	AND	Commodity Charge Rate/GJ
a) Firm Transportation							
Between:							
St.Clair & Dawn	$2.418	$0.012	$0.015	0.219%	0.282%		
Ojibway & Dawn	$2.418	$0.025	$0.017	0.474%	0.322%		
Bluewater & Dawn	$2.418	$0.012	$0.015	0.219%	0.282%		
From:							
Parkway to Kirkwall	$0.871	$0.017	$0.009	0.316%	0.167%		
Parkway to Dawn	$0.871	$0.017	$0.009	0.316%	0.167%		
Kirkwall to Dawn	$1.536	$0.009	$0.009	0.167%	0.167%		
Dawn to Kirkwall	$3.130	$0.018	$0.042	0.337%	0.806%		
Dawn to Parkway	$3.689	$0.032	$0.058	0.615%	1.099%		
Kirkwall to Parkway	$0.559	$0.023	$0.024	0.445%	0.459%		
b) Firm Transportation between two points within Dawn							
Dawn to Dawn-Vector	$0.031	n/a	n/a	0.360%	0.167%		
Dawn to Dawn-TCPL	$0.146	n/a	n/a	0.167%	0.373%		
c) Interruptible Transportation between two points within Dawn*							
*includes Dawn (TCPL), Dawn Facilities, Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE)				0.167%	0.167%		
d) Carbon Charge (applied to all quantities transported)							
Facility Carbon Charge		$0.004	$0.004				$0.004
e) Interruptible and Short Term (1 year or less) Firm Transportation:		$75.00					

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. Authorized overrun for short-term firm transportation is available at negotiated rates.

	Union Supplied Fuel		Shipper Supplied Fuel			
	Fuel and Commodity Charge		Fuel Ratio			Commodity
	Apr.1-Oct.31	Nov.1-Mar.31	Apr.1-Oct.31	Nov.1-Mar.31		Charge
	Rate/GJ	Rate/GJ	%	%	AND	Rate/GJ
a) Firm Transportation						
Between:						
St.Clair & Dawn	$0.091	$0.094	0.219%	0.282%		$0.079
Ojibway & Dawn	$0.104	$0.096	0.474%	0.322%		$0.079
Bluewater & Dawn	$0.091	$0.094	0.219%	0.282%		$0.079
From:						
Parkway to Kirkwall	$0.172	$0.165	0.971%	0.822%		$0.121
Parkway to Dawn	$0.172	$0.165	0.971%	0.822%		$0.121
Kirkwall to Dawn	$0.094	$0.094	0.822%	0.822%		$0.050
Dawn to Kirkwall	$0.155	$0.180	0.992%	1.461%		$0.103
Dawn to Parkway	$0.188	$0.214	1.270%	1.753%		$0.121
Kirkwall to Parkway	$0.076	$0.077	1.099%	1.114%		$0.018
b) Firm Transportation between two points within Dawn						
Dawn to Dawn-Vector	n/a	n/a	0.360%	0.167%		$0.001
Dawn to Dawn-TCPL	n/a	n/a	0.167%	0.373%		$0.005
c) Carbon Charge (applied to all quantities transported)						
Facility Carbon Charge	$0.004	$0.004				$0.004

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 $0.074/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 April 1, 2022
Implemented April 1, 2022
O.E.B. Order # EB-2022-0089

Supersedes EB-2021-0281 Rate Schedule effective January 1, 2022.

SCHEDULE "A"

UNION SOUTH - 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/m^3) 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. "m^3" shall mean cubic metre of gas and "10^3m^3" 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. "cricondentherm 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;

23. "Union" shall mean Enbridge Gas Inc. operating as Union Gas.

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.

SCHEDULE "A"

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 (m^3) or one thousand cubic metres (10^3m^3) 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

SCHEDULE "A"

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.

SCHEDULE "A"

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 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.

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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SCHEDULE "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.

SCHEDULE "A 2010"

UNION SOUTH - 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;

"**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;

"**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;

"**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 "**10^3m^3**" 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;

"**Union**" shall mean Enbridge Gas Inc. operating as Union Gas;

"**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 (m^3) or one thousand cubic metres (10^3m^3) 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 "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.

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.

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.

SCHEDULE "A 2010"

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.

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 < = 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.

SCHEDULE "B"

UNION SOUTH - 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.

SCHEDULE "B 2010"

UNION SOUTH - 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 Points(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 lessor 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

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.

SCHEDULE "C 2010"

UNION SOUTH - 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	**DAWN (FACILITIES):**	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	**DAWN (TCPL):**	At the junction of Union's and TCPL's facilities, at or adjacent to Dawn (Facilities).
R, D	**DAWN (TECUMSEH):**	At the junction of Union's and Enbridge Gas Inc.'s (Enbridge) Tecumseh Gas Storage's facilities, at or adjacent to Dawn (Facilities).
R, D	**DAWN (TSLE):**	At the junction of Union's and Enbridge's NPS 16 Tecumseh Sombra Line Extension facilities; at or adjacent to Dawn (Facilities)
R, D	**DAWN (VECTOR):**	At the junction of Union's and Vector Pipeline Limited Partnership ("**Vector**") facilities, at or adjacent to Dawn (Facilities).
R, D	**PARKWAY (TCPL):**	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	**KIRKWALL:**	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	**PARKWAY (CONSUMERS):**	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	**LISGAR:**	At the junction of the facilities of Union and Enbridge situated at 6620 Winston Churchill Boulevard, City of Mississauga.
R, D	**OJIBWAY:**	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	**ST.CLAIR (MICHCON):**	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.

DESCRIPTION OF RATE RIDERS

1. This attachment provides a description of each of the proposed rate riders in the combined and harmonized rate handbooks effective January 1, 2024.

Rider A – Direct Purchase

2. Rider A contains administrative, balancing and compliance charges for direct purchase services. Rider A is applicable to customers taking a direct purchase arrangement with Enbridge Gas, except where otherwise noted in the schedule applicability. The derivation of and/or description of components of Rider A can be found throughout evidence in this Application, as follows:
    a) The derivation of the common 2024 direct purchase administration charge and distributor consolidated billing charges is provided at Exhibit 8, Tab 3, Schedule 2;
    b) The derivation of the PDCI credit is provided at Exhibit 8, Tab 2, Schedule 8 and 9, Attachment 6; and
    c) A description of the balancing and compliance charges and the proposed changes effective upon implementation of the rate harmonization plan are provided at Exhibit 8, Tab 4, Schedules 3 to 5.

Rider B – Not Used

3. The combined and harmonized rate handbook do not contain Rider B. Rider B was previously a buy/sell service rider for the EGD rate zone and this service option is proposed for elimination on January 1, 2024, as part of this Application. Please see Exhibit 8, Tab 4, Schedule 3, Section 9 for more detail on the proposed elimination of the buy/sell service for the EGD rate zone.

Rider C – Gas Cost Adjustment

4. Rider C contains the adjustments to gas cost unit rates, which are derived as part of the Quarterly Rate Adjustment Mechanism (QRAM) proceeding. Rider C is applicable to customers who take sales service or a transportation service. Rider C rates are intentionally left blank in the combined and harmonized rate handbook and will be updated through the QRAM proceeding following approval of the Application. Rider C unit rates for the Union rate zones were previously included in Union North and Union South gas supply Schedule “A” as price adjustments.

Rider D – Deferral and Variance Account Clearance

5. Rider D contains rate riders applicable to all customers to clear the forecast account balances of deferral and variance accounts on a prospective basis. As part of this Application, Enbridge Gas is proposing to clear the forecast account balances of certain deferral and variance accounts from January 1, 2024, to December 31, 2024, through Rider D, which is included in the combined rate handbook. Please see Exhibit 9, Tab 2, Schedule 2 for more detail on the proposed clearance of the account balances including the derivation of the rate rider unit rates.

Rider E – Revenue Adjustment

6. Rider E contains rate riders to true up the recovery of the approved revenue requirement for cases where the effective date of rate changes is different than the implementation date, when applicable. Rider E rates are intentionally left blank in the combined and harmonized rate handbook as there are no approved revenue adjustments at the time of Application. Should there be a delay in the implementation of approved rates as part of this Application, this rate rider would be updated through the draft rate order process, if necessary.

Rider F – Not Used

7. The combined and harmonized rate handbook do not contain Rider F. Rider F previously provided atmospheric pressure factor detail for the EGD rate zone. Rider F has been removed as the rate handbook Part II, Section D now provides a reference to the atmospheric pressure adjustment which occurs on customer's monthly bills.

Rider G – Service Charges

8. Rider G contains service charges for other miscellaneous services provided by Enbridge Gas. Rider G incorporates the proposed changes to the service charges effective January 1, 2024. Please see Exhibit 8, Tab 3, Schedule 1 for more detail on the proposed harmonized service charges.

Rider H – Not Used

9. The combined and harmonized rate handbook do not contain Rider H. Rider H previously provided direct purchase balancing service charges for the EGD rate zone. Rider H has been removed from the combined and harmonized rate handbook and all charges previously included have been moved to Rider A.

Rider I – System Expansion Surcharge and Temporary Connection Surcharge

10. Rider I contains the surcharges applicable to customers in general service rate classes who receive delivery service in the community expansion areas defined in the rate rider schedule.

Rider J – Federal Carbon

11. Rider J contains the federal and facility carbon charges for recovery of costs associated with the Greenhouse Gas Pollution Pricing Act (GGPPA).

Rider K – Bill 32 and Ontario Regulation 24/19

12. Rider K contains the monthly charge required under Bill 32 and Ontario Regulation 24/19 which supports the expansion of natural gas distribution systems.

Rider L – Voluntary RNG Program

13. Rider L in the combined rate handbook is applicable for customers who participate in the Voluntary Renewable Natural Gas Program (VRNG). Enbridge Gas will replace the current Rider L for the VRNG in the harmonized rate handbook with a new rate rider for the proposed Low-Carbon Voluntary Program (LCVP) effective January 1, 2025, subject to OEB approval as part of this Application. The proposed LCVP is applicable to large volume sales service customers who choose to participate in the Company's LCVP. The current rate classes eligible for the LCVP include Rate 6, Rate 100, Rate 110, Rate 115, Rate 135, Rate 145, and Rate 170 in the EGD rate zone, and Rate M2, Rate M4, Rate M5, Rate M7, Rate 10, Rate 20 and Rate 100 in the Union rate zones. The harmonized rate classes eligible for the LCVP include Rate E02, Rate E10, Rate E30 and Rate E34. Please see Exhibit 4, Tab 2, Schedule 7 for a description of the LCVP.

Rider M – Hydrogen Gas

14. Rider M is applicable to customers who receive gas distribution service as part of a Hydrogen Blending Pilot Project. Rider M provides a credit to customers in the geographical area served with hydrogen gas for the increase in volume consumption resulting from a lower heating value from hydrogen gas. The annual

credit amount will be updated (if necessary) in the draft rate order to reflect the 2024 distribution rates and gas costs unit rates from the most recent QRAM preceding the draft rate order.

Rider N – Energy Transition Technology Fund

15. Rider N contains a new proposed rate rider applicable to defined rate classes to fund the cost of the proposed energy transition technology fund (ETTF). Please see Exhibit 1, Tab 10, Schedule 7 for the rationale for the proposed fund and Exhibit 8, Tab 1, Schedule 1 for the derivation of the monthly fixed charge by current rate class.

Rider O – Average Interruptible Rate and Price Adjustment

16. Rider O contains a new proposed rate rider applicable to interruptible rate classes for the Union rate zones rate classes. Rider O replaces Appendix C that was previously included in Union's rate order. Rider O is part of the combined rate handbook only and is not required for the harmonized rate handbook with the harmonization proposal for interruptible rate design.

RATE DESIGN WORKING PAPERS – CURRENT RATE CLASSES

AMY MIKHAILA, MANAGER RATE DESIGN
JACKIE COLLIER, SPECIALIST RATE DESIGN
KENT KERRIGAN, SPECIALIST RATE DESIGN

1. The purpose of this evidence is to provide the 2024 rate design working papers based on the current rate classes. The working papers were prepared based on the rate design methodology provided at Exhibit 8, Tab 2, Schedules 2 to 5.

2. The 2024 rate design working papers for the current rate classes are organized as follows:

Attachment 1	Summary of Proposed Revenue Change by Rate Class This schedule provides a summary of the total revenue change by rate class as well as a summary of revenue changes in the delivery revenue and gas supply revenue components by rate class. Also provided in this schedule is the revenue deficiency/sufficiency, allocation of revenue requirement, and revenue-to-cost ratios by rate class.
Attachment 2	Derivation of Proposed Rates and Revenue by Rate Class This schedule provides detailed support for the derivation of 2024 rates, including the allocation of revenue requirement and forecast billing units by rate class and charge type. Also provided in this schedule is the revenue deficiency/sufficiency, allocation of revenue requirement, and revenue-to-cost ratios by rate class and charge type.
Attachment 3	Derivation of Gas Supply Transportation and Commodity Charges by Rate Class This schedule provides the derivation of 2024 unit rates for gas supply transportation and gas supply commodity charges for in-franchise general service and bundled contract rate classes.
Attachment 4	Summary of Proposed Rate Changes and Unit Rate Component by Rate Class This schedule provides the rate change by rate class and charge type compared to 2023 rates[1] at April 2022 QRAM[2]. This schedule also provides the delivery and gas cost component of the 2024 rates.

[1] EB-2022-0133.
[2] EB-2022-0089.

Attachment 5 Storage Rate Detail
This schedule provides the derivation of storage rates for in-franchise rate classes.

Attachment 6 Calculation of Supplemental Service Charges
This schedule provides the calculation of supplemental service charges.

Attachment 7 Storage and Transportation Margin Allocation
This schedule provides the allocation of storage and transportation margin to in-franchise rate classes. The storage and transportation margin is calculated in Attachment 11.

Attachment 8 Panhandle/St. Clair Transmission Cost Re-Allocation
This schedule provides the re-allocation of Panhandle and St. Clair transmission costs to adjust for the sales service use of the Panhandle and St. Clair transmission systems. Rate classes are allocated a credit in proportion to the allocation of Panhandle/St. Clair costs from the Cost Allocation Study and allocated the sale service charge in proportion to sales service volumes. Please see Exhibit 8, Tab 2, Schedule 2, Section 1.2 for a description of the rate design.

Attachment 9 DSM Budget Allocation by Rate Class
This schedule provides the 2024 DSM budget allocation by rate class and the derivation of DSM unit rates.

Attachment 10 Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers
This schedule provides customer bill impacts for all Enbridge Gas in-franchise rate classes based on typical small and large customers within each rate class.

Attachment 11 Storage and Transportation Margin Summary
This schedule provides the detail of the total revenue and allocated costs for ex-franchise charges that contribute to the storage and transportation margin.

Attachment 12 Derivation of Rate M12/Rate C1 Firm Transportation Demand Charges
This schedule provides the derivation of Rate M12/Rate C1 transportation demand charges for the Dawn Parkway System using the proposed and approved rate design methodology.

Attachment 13 Derivation of Rate C1 Long-term Firm Transportation Demand Charges
This schedule provides the derivation of Rate C1 long-term firm transportation demand charges.

Attachment 14 Derivation of Rate M13 Charges

This schedule provides the derivation of the Rate M13 monthly fixed charge per customer station, the RNG sampling charge and the Rate M13/Rate M16 transmission commodity charge using the proposed rate design methodology.

Attachment 15 Derivation of Rate M16 Charges
This schedule provides the derivation of the Rate M16 monthly fixed charge per customer station and the East of Dawn demand charge.

Attachment 16 Derivation of Rate M17 Charges
This schedule provides the derivation of the Rate M17 monthly fixed charge and demand charges.

Attachment 17 Calculation of Non-Utility Cross Charge Revenue
This schedule provides the derivation of the current and proposed non-utility cross charge revenue.

Summary of Proposed Revenue Change by Rate Class
Total Revenue

		Revenue Before Recovery		Proposed Revenue Requirement			Revenue After Recovery				
Line No.	Particulars	Current Approved Revenue (1) ($000s)	Revenue (Deficiency) / Sufficiency (2) ($000s)	Allocated Cost (3) ($000s)	Panhandle/ St. Clair Reallocation (4) ($000s)	Proposed Revenue Requirement ($000s)	S&T Margin (5) ($000s)	Delivery Revenue Adjustments ($000s)	Proposed Revenue (6) ($000s)	Revenue-to-Cost Ratio	Revenue Change (%)
		(a)	(b) = (a - e)	(c)	(d)	(e) = (c + d)	(f)	(g)	(h) = (e + f + g)	(i) = (h / e)	(j) = (h - a) / (a)
	EGD Rate Zone										
1	Rate 1	2,205,308	(117,849)	2,322,283	874	2,323,157	(5,368)	-	2,317,789	0.998	5% /u
2	Rate 6	1,189,873	(21,449)	1,211,058	264	1,211,322	(4,791)	-	1,206,531	0.996	1% /u
3	Rate 100	5,587	376	5,209	2	5,212	(17)	400	5,595	1.074	0% /u
4	Rate 110	68,051	(9,140)	77,248	(57)	77,191	(550)	-	76,642	0.993	13% /u
5	Rate 115	9,494	(1,079)	10,592	(19)	10,573	(116)	-	10,457	0.989	10% /u
6	Rate 125	13,074	788	12,286	-	12,286	-	-	12,286	1.000	(6%) /u
7	Rate 135	2,311	(1,694)	4,004	1	4,005	(2)	(900)	3,103	0.775	34% /u
8	Rate 145	1,802	772	1,030	0	1,031	-	-	1,031	1.000	(43%) /u
9	Rate 170	2,265	(3,820)	6,083	2	6,085	-	-	6,085	1.000	169% /u
10	Rate 200	38,608	1,223	37,355	29	37,385	(127)	-	37,257	0.997	(3%) /u
11	Rate 300	-	-	-	-	-	-	-	-		
12	Total EGD Rate Zone	3,536,374	(151,873)	3,687,149	1,097	3,688,246	(10,970)	(500)	3,676,776	0.997	4% /u
	Union North Rate Zone										
13	Rate 01	484,014	61,626	422,217	171	422,388	(988)	-	421,400	0.998	(13%) /u
14	Rate 10	82,382	13,729	68,643	10	68,653	(292)	-	68,362	0.996	(17%) /u
15	Rate 20	40,661	16,407	24,260	(6)	24,255	(102)	14,500	38,653	1.594	(5%) /u
16	Rate 25	6,194	1,978	4,214	2	4,216	-	-	4,216	1.000	(32%) /u
17	Rate 100	11,827	4,862	6,965	-	6,965	-	-	6,965	1.000	(41%) /u
18	Total Union North Rate Zone	625,079	98,602	526,299	177	526,477	(1,382)	14,500	539,595	1.025	(14%) /u
	Union South Rate Zone										
19	Rate M1	1,241,583	(167,045)	1,408,048	580	1,408,628	(3,162)	-	1,405,466	0.998	13% /u
20	Rate M2	248,034	(33,925)	281,908	51	281,959	(1,172)	-	280,787	0.996	13% /u
21	Rate M4 (7)	49,620	(8,408)	58,077	(50)	58,028	(417)	(7,000)	50,611	0.872	2% /u
22	Rate M5 (7)	3,252	399	2,853	0	2,853	(4)	-	2,849	0.999	(12%) /u
23	Rate M7	37,789	(22,456)	60,338	(92)	60,245	(617)	(7,000)	52,629	0.874	39% /u
24	Rate M9	5,439	(1,184)	6,626	(3)	6,623	(50)	-	6,573	0.992	21% /u
25	Rate T1	14,793	1,225	13,686	(118)	13,568	(135)	-	13,433	0.990	(9%) /u
26	Rate T2	83,779	(17,225)	102,498	(1,494)	101,005	(1,708)	-	99,296	0.983	19% /u
27	Rate T3	8,183	(2,317)	10,648	(148)	10,500	(169)	-	10,331	0.984	26% /u
28	Total Union South Rate Zone	1,692,472	(250,936)	1,944,683	(1,275)	1,943,408	(7,434)	(14,000)	1,921,974	0.989	14% /u
29	Total In-franchise	5,853,925	(304,207)	6,158,131	-	6,158,131	(19,786)	-	6,138,345	0.997	5% /u
	Ex-franchise										
30	Rate 331	169	163	6		6	163		169	30.187	0% /u
31	Rate 332	19,179	(2,578)	21,757		21,757	-		21,757	1.000	13% /u
32	Rate 401	3,561	3,561	-		-	3,561		3,561	-	0%
33	Rate M12/C1 Dawn-Parkway	123,642	(3,649)	127,291		127,291	11		127,302	1.000	3% /u
34	Rate C1	17,411	12,829	4,582		4,582	13,119		17,701	3.863	2% /u
35	Rate M13/GPA	424	299	125		125	767		892	7.121	110% /u
36	Rate M16	638	183	455		455	422		877	1.928	37% /u
37	Rate M17	570	12	558		558	25		584	1.045	2% /u
38	Total Ex-franchise	165,595	10,821	154,774	-	154,774	18,068	-	172,842	1.117	4% /u
39	Non-Utility Cross Charge	1,197	1,197	-		-	1,719		1,719		/u
40	Total	6,020,717	(292,189)	6,312,905	-	6,312,905	-	-	6,312,905	1.000	5% /u

Notes:
(1) Attachment 2, column (b).
(2) Exhibit 7, Tab 1, Schedule 1, Attachment 1.
(3) Exhibit 7, Tab 2, Schedule 1, Attachment 8, line 35.
(4) Attachment 8, column (e).
(5) Attachment 7, column (b) and Attachment 11, column (c).
(6) Attachment 2, column (g).
(7) Rate M4 and Rate M5 allocated costs include an adjustment to recognize pooled rates.

Summary of Proposed Revenue Change by Rate Class
Delivery Revenue

		Revenue Before Recovery		Proposed Revenue Requirement			Revenue After Recovery				
Line No.	Particulars	Current Approved Revenue (1) ($000s)	Revenue (Deficiency) / Sufficiency (2) ($000s)	Allocated Cost (3) ($000s)	Panhandle/ St. Clair Reallocation (4) ($000s)	Proposed Revenue Requirement ($000s)	S&T Margin (5) ($000s)	Delivery Revenue Adjustments ($000s)	Proposed Revenue (6) ($000s)	Revenue-to-Cost Ratio	Revenue Change (%)
		(a)	(b) = (a - e)	(c)	(d)	(e) = (c + d)	(f)	(g)	(h) = (e + f + g)	(i) = (h / e)	(j) = (h - a) / (a)
	EGD Rate Zone										
1	Rate 1	1,033,105	(141,377)	1,173,607	874	1,174,481	(5,368)	-	1,169,113	0.995	13% /u
2	Rate 6	447,767	(26,885)	474,389	264	474,653	(4,791)	-	469,862	0.990	5% /u
3	Rate 100	2,060	400	1,658	2	1,660	(17)	400	2,043	1.231	(1%) /u
4	Rate 110	36,742	(1,864)	38,663	(57)	38,607	(550)	-	38,057	0.986	4% /u
5	Rate 115	6,950	1,471	5,498	(19)	5,479	(116)	-	5,363	0.979	(23%) /u
6	Rate 125	12,486	987	11,500	-	11,500	-	-	11,500	1.000	(8%) /u
7	Rate 135	1,461	(1,008)	2,467	1	2,469	(2)	(900)	1,567	0.635	7% /u
8	Rate 145	1,608	884	723	0	724	-	-	724	1.000	(55%) /u
9	Rate 170	3,220	2,089	1,129	2	1,131	-	-	1,131	1.000	(65%)
10	Rate 200	5,187	480	4,678	29	4,707	(127)	-	4,580	0.973	(12%) /u
11	Rate 300	-	-	-	-	-	-	-	-		
12	Total EGD Rate Zone	1,550,586	(164,824)	1,714,313	1,097	1,715,410	(10,970)	(500)	1,703,940	0.993	10% /u
	Union North Rate Zone										
13	Rate 01	226,285	21,507	204,608	171	204,778	(988)	-	203,790	0.995	(10%) /u
14	Rate 10	30,601	4,117	26,474	10	26,484	(292)	-	26,192	0.989	(14%) /u
15	Rate 20	30,831	15,860	14,977	(6)	14,971	(102)	14,500	29,369	1.962	(5%) /u
16	Rate 25	4,865	2,029	2,833	2	2,836	-	-	2,836	1.000	(42%) /u
17	Rate 100	11,804	6,155	5,649	-	5,649	-	-	5,649	1.000	(52%) /u
18	Total Union North Rate Zone	304,386	49,668	254,541	177	254,718	(1,382)	14,500	267,837	1.052	(12%) /u
	Union South Rate Zone										
19	Rate M1	548,066	(144,946)	692,433	580	693,012	(3,162)	-	689,850	0.995	26% /u
20	Rate M2	92,168	(17,299)	109,416	51	109,467	(1,172)	-	108,295	0.989	17% /u
21	Rate M4 (7)	34,924	655	34,318	(50)	34,269	(417)	(7,000)	26,852	0.784	(23%) /u
22	Rate M5 (7)	2,674	1,012	1,662	0	1,662	(4)	-	1,658	0.998	(38%) /u
23	Rate M7	28,031	(8,208)	36,331	(92)	36,239	(617)	(7,000)	28,622	0.790	2% /u
24	Rate M9	1,774	(56)	1,833	(3)	1,831	(50)	-	1,780	0.972	0% /u
25	Rate T1	14,311	2,025	12,404	(118)	12,286	(135)	-	12,151	0.989	(15%) /u
26	Rate T2	79,193	(8,267)	88,953	(1,494)	87,459	(1,708)	-	85,751	0.980	8% /u
27	Rate T3	7,804	(1,395)	9,347	(148)	9,199	(169)	-	9,029	0.982	16% /u
28	Total Union South Rate Zone	808,945	(176,478)	986,697	(1,275)	985,423	(7,434)	(14,000)	963,988	0.978	19% /u
29	Total In-Franchise	2,663,917	(291,634)	2,955,551	-	2,955,551	(19,786)	-	2,935,765	0.993	10% /u
	Ex-franchise										
30	Rate 331	169	163	6		6	163	-	169	30.187	0% /u
31	Rate 332	19,179	(2,578)	21,757		21,757	-	-	21,757	1.000	13% /u
32	Rate 401	3,561	3,561	-		-	3,561	-	3,561	-	0%
33	Rate M12/C1 Dawn-Parkway	104,651	3,919	100,731		100,731	-	-	100,731	1.000	(4%) /u
34	Rate C1	14,191	14,102	89		89	13,129	-	13,218	149.032	(7%) /u
35	Rate M13 & GPA	381	379	2		2	767	-	769	348.624	102% /u
36	Rate M16	428	423	5		5	422	-	427	85.211	(0%) /u
37	Rate M17	529	41	488		488	25	-	514	1.052	(3%) /u
38	Total Ex-franchise	143,089	20,011	123,078	-	123,078	18,068	-	141,146	1.147	(1%) /u
39	Non-Utility Cross Charge Revenue	1,197	1,197	-		-	1,719		1,719	-	44% /u
40	Total	2,808,203	(270,426)	3,078,629	-	3,078,629	-	-	3,078,629	1.000	10% /u

Notes:
(1) Attachment 2, column (b).
(2) Exhibit 7, Tab 1, Schedule 1, Attachment 1.
(3) Exhibit 7, Tab 2, Schedule 1, Attachment 9, line 35.
(4) Attachment 8, column (e).
(5) Attachment 7, column (b) and Attachment 11, column (c).
(6) Attachment 2, column (g).
(7) Rate M4 and Rate M5 allocated costs include an adjustment to recognize pooled rates.

Summary of Proposed Revenue Change by Rate Class
Gas Supply Revenue

		Revenue Before Recovery		Proposed Revenue Requirement			Revenue After Recovery				
Line No.	Particulars	Current Approved Revenue (1) ($000s)	Revenue (Deficiency) / Sufficiency (2) ($000s)	Allocated Cost (3) ($000s)	Panhandle/ St. Clair Reallocation (4) ($000s)	Proposed Revenue Requirement ($000s)	S&T Margin (5) ($000s)	Delivery Revenue Adjustments ($000s)	Proposed Revenue (6) ($000s)	Revenue-to-Cost Ratio	Revenue Change (%)
		(a)	(b) = (a - e)	(c)	(d)	(e) = (c + d)	(f)	(g)	(h) = (e + f + g)	(i) = (h / e)	(j) = (h - a) / (a)
	EGD Rate Zone										
1	Rate 1	1,172,203	23,527	1,148,676	-	1,148,676	-	-	1,148,676	1.000	(2%)
2	Rate 6	742,106	5,436	736,669	-	736,669	-	-	736,669	1.000	(1%)
3	Rate 100	3,527	(24)	3,551	-	3,551	-	-	3,551	1.000	1%
4	Rate 110	31,309	(7,276)	38,585	-	38,585	-	-	38,585	1.000	23%
5	Rate 115	2,544	(2,549)	5,094	-	5,094	-	-	5,094	1.000	100%
6	Rate 125	588	(199)	787	-	787	-	-	787	1.000	34%
7	Rate 135	850	(686)	1,537	-	1,537	-	-	1,537	1.000	81%
8	Rate 145	194	(113)	307	-	307	-	-	307	1.000	58%
9	Rate 170	(955)	(5,909)	4,953	-	4,953	-	-	4,953	1.000	618%
10	Rate 200	33,421	743	32,678	-	32,678	-	-	32,678	1.000	(2%)
11	Rate 300	-	-	-	-	-	-	-	-		
12	Total EGD Rate Zone	1,985,787	12,951	1,972,836	-	1,972,836	-	-	1,972,836	1.000	(1%) /u
	Union North Rate Zone										
13	Rate 01	257,729	40,119	217,610	-	217,610	-	-	217,610	1.000	(16%)
14	Rate 10	51,781	9,612	42,169	-	42,169	-	-	42,169	1.000	(19%)
15	Rate 20	9,831	547	9,283	-	9,283	-	-	9,283	1.000	(6%)
16	Rate 25	1,329	(52)	1,380	-	1,380	-	-	1,380	1.000	4%
17	Rate 100	23	(1,293)	1,316	-	1,316	-	-	1,316	1.000	5573%
18	Total Union North Rate Zone	320,693	48,934	271,758	-	271,758	-	-	271,758	1.000	(15%)
	Union South Rate Zone										
19	Rate M1	693,517	(22,098)	715,615	-	715,615	-	-	715,615	1.000	3%
20	Rate M2	155,866	(16,626)	172,492	-	172,492	-	-	172,492	1.000	11%
21	Rate M4 (7)	14,696	(9,063)	23,759	-	23,759	-	-	23,759	1.000	62%
22	Rate M5 (7)	578	(613)	1,191	-	1,191	-	-	1,191	1.000	106%
23	Rate M7	9,758	(14,248)	24,007	-	24,007	-	-	24,007	1.000	146%
24	Rate M9	3,665	(1,128)	4,793	-	4,793	-	-	4,793	1.000	31%
25	Rate T1	482	(800)	1,282	-	1,282	-	-	1,282	1.000	166%
26	Rate T2	4,586	(8,959)	13,545	-	13,545	-	-	13,545	1.000	195%
27	Rate T3	379	(923)	1,301	-	1,301	-	-	1,301	1.000	244%
28	Total Union South Rate Zone	883,527	(74,459)	957,986	-	957,986	-	-	957,986	1.000	8% /u
29	Total In-Franchise	3,190,007	(12,573)	3,202,580	-	3,202,580	-	-	3,202,580	1.000	0% /u
	Ex-franchise										
30	Rate 331	-	-	-		-	-	-	-	-	-
31	Rate 332	-	-	-		-	-	-	-	-	-
32	Rate 401	-	-	-		-	-	-	-	-	-
33	Rate M12/C1 Dawn-Parkway (8)	18,991	(7,579)	26,571		26,571	-	-	26,571	1.000	40%
34	Rate C1 (8)	3,220	(1,263)	4,483		4,483	-	-	4,483	1.000	39%
35	Rate M13, GPA	43	(80)	123		123	-	-	123	1.000	185%
36	Rate M16	210	(240)	450		450	-	-	450	1.000	114%
37	Rate M17	41	(29)	70		70	-	-	70	1.000	70%
38	Total Ex-franchise	22,506	(9,191)	31,696	-	31,696	-	-	31,696	1.000	41% /u
39	Non-Utility Cross Charge Revenue	-	-	-		-	-	-	-	-	0%
40	Total	3,212,513	(21,763)	3,234,276	-	3,234,276	-	-	3,234,276	1.000	1%

Notes:
(1) Attachment 2, column (b).
(2) Exhibit 7, Tab 1, Schedule 1, Attachment 1.
(3) Exhibit 7, Tab 2, Schedule 1, Attachment 10, line 35.
(4) Attachment 8, column (e).
(5) Attachment 7, column (b) and Attachment 11, column (c).
(6) Attachment 2, column (g).
(7) Rate M4 and Rate M5 allocated costs include an adjustment to recognize pooled rates.
(8) Rate M12 and Rate C1 allocated costs include an adjustment to recognize S&T margin related to fuel nets to zero.

Derivation of Proposed Rates and Revenue by Rate Class
In-franchise

Line No.	Particulars	Billing Units	2024 Forecast Usage	Current Approved Revenue ($000s)	Current Approved Rates (1) (2) (cents/m^3)	Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue Requirement (3) ($000s)	Proposed 2024 Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue ($000s)	Proposed 2024 Rates (cents/m^3)	Proposed 2024 Revenue-to-Cost Ratios	Proposed 2024 Rate Change (%)	
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f) = (g - e)	(g)	(h)	(i) = (g / e)	(j) = (h - c) / (c)	
	EGD Rate Zone												
	Rate 1												
1	Monthly Customer Charge	bills	25,902,149	566,708	$21.88	(156,614)	723,322	(127,572)	595,749	$23.00	0.824	5%	/u
	Delivery Commodity Charge												
2	First 30 m³	10³m³	710,957	84,738	11.9189	8,962	75,775	19,596	95,372	13.4146			/u
3	Next 55 m³	10³m³	1,020,713	114,717	11.2389	13,246	101,470	26,166	127,637	12.5047			/u
4	Next 85 m³	10³m³	1,107,395	118,562	10.7064	14,693	103,869	26,716	130,586	11.7921			/u
5	Over 170 m³	10³m³	2,161,963	222,887	10.3095	29,154	193,734	49,725	243,459	11.2610			/u
6	Delivery Commodity Charge		5,001,027	540,904	10.8159	66,055	474,849	122,204	597,053	11.9386	1.257	10%	/u
7	Total Delivery		5,001,027	1,107,611	22.1477	(90,559)	1,198,170	(5,368)	1,192,802	23.8511	0.996	8%	/u
	Gas Supply Transportation Charge												
8	Transportation - System	10³m³	4,915,774	193,030	3.9267	97,553	95,477	-	95,477	1.9423			
9	Transportation - Dawn	10³m³	70,112	680	0.9697	(682)	1,362	-	1,362	1.9423			
10	Transportation - Western	10³m³	15,031	590	3.9267	18	572	-	572	3.8042			
11	Transportation - Ontario	10³m³	110	-	-	(2)	2	-	2	1.9423			
12	Gas Supply Transportation Charge		5,001,027	194,300	3.8852	96,887	97,413	-	97,413	1.9479	1.000	(50%)	
13	Gas Supply Commodity	10³m³	4,915,774	903,396	18.3775	(124,178)	1,027,574	-	1,027,574	20.9036	1.000	14%	/u
14	Total Rate 1		5,001,027	2,205,308	44.0971	(117,849)	2,323,157	(5,368)	2,317,789	46.3463	0.998	5%	/u
	Rate 6												
15	Monthly Customer Charge	bills	2,074,114	158,827	$76.58	50,605	108,222	57,707	165,929	$80.00	1.533	4%	/u
	Delivery Commodity Charge												
16	First 500 m³	10³m³	580,941	65,239	11.2299	(17,022)	82,261	(13,681)	68,581	11.8051			/u
17	Next 1,050 m³	10³m³	654,353	58,000	8.8637	(11,528)	69,528	(11,369)	58,159	8.8880			/u
18	Next 4,500 m³	10³m³	1,155,777	83,293	7.2067	(10,904)	94,198	(15,082)	79,115	6.8452			/u
19	Next 7,000 m³	10³m³	751,114	46,134	6.1421	(3,138)	49,272	(7,715)	41,557	5.5327			/u
20	Next 15,250 m³	10³m³	713,800	40,466	5.6691	(1,315)	41,780	(6,450)	35,330	4.9495			/u
21	Over 28,300 m³	10³m³	939,709	52,156	5.5503	(1,179)	53,336	(8,201)	45,135	4.8031			/u
22	Delivery Commodity Charge		4,795,693	345,288	7.2000	(45,086)	390,375	(62,498)	327,877	6.8369	0.840	(5%)	/u
23	Total Delivery		4,795,693	504,115	10.5118	5,519	498,596	(4,791)	493,806	10.2969	0.990	(2%)	/u
	Gas Supply Transportation Charge												
24	Transportation - System	10³m³	2,970,864	116,658	3.9267	61,892	54,767	-	54,767	1.8435			
25	Transportation - Dawn	10³m³	1,595,784	15,475	0.9697	(13,943)	29,418	-	29,418	1.8435			
26	Transportation - Western	10³m³	177,308	6,962	3.9267	392	6,570	-	6,570	3.7054			
27	Transportation - Ontario	10³m³	51,738	-	-	(954)	954	-	954	1.8435			
28	Gas Supply Transportation Charge		4,795,693	139,095	2.9004	47,387	91,708	-	91,708	1.9123	1.000	(34%)	
29	Gas Supply Commodity	10³m³	2,970,864	546,663	18.4008	(74,355)	621,018	-	621,018	20.9036	1.000	14%	/u
30	Total Rate 6		4,795,693	1,189,873	24.8113	(21,449)	1,211,322	(4,791)	1,206,531	25.1586	0.996	1%	/u

Derivation of Proposed Rates and Revenue by Rate Class
In-franchise (Continued)

Line No.	Particulars	Billing Units	2024 Forecast Usage	Current Approved Revenue ($000s)	Current Approved Rates (1) (2) (cents/m^3)	Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue Requirement (3) ($000s)	Proposed 2024 Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue ($000s)	Proposed 2024 Rates (cents/m^3)	Proposed 2024 Revenue-to-Cost Ratios	Proposed 2024 Rate Change (%)	
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f) = (g - e)	(g)	(h)	(i) = (g / e)	(j) = (h - c) / (c)	
	Rate 100												
31	Monthly Customer Charge	bills	168	22	$133.47	(320)	343	(259)	84	$500.00	0.245	275%	/u
32	Delivery Contract Demand Charge	10³m³/d	4,503	1,784	39.6129	473	1,311	642	1,953	43.3632	1.490	9%	/u
33	Delivery Commodity Charge	10³m³	27,429	382	1.3912	275	107	-	107	0.3898	1.000	(72%)	
34	Total Delivery		27,429	2,188	7.9766	427	1,761	383	2,144	7.8155	1.218	(2%)	/u
	Gas Supply Transportation Charge												
35	Transportation - System	10³m³	14,757	579	3.9267	382	197	-	197	1.3356			
36	Transportation - Dawn	10³m³	10,804	105	0.9697	(40)	144	-	144	1.3356			
37	Transportation - Western	10³m³	-	-	3.9267	-	-	-	-	3.1976			
38	Transportation - Ontario	10³m³	1,868	-	-	(25)	25	-	25	1.3356			
39	Gas Supply Transportation Charge		27,429	684	2.4945	318	366	-	366	1.3356	1.000	(46%)	
40	Gas Supply Commodity	10³m³	14,757	2,715	18.4008	(369)	3,085	-	3,085	20.9036	1.000	14%	/u
41	Total Rate 100		27,429	5,587	20.3706	376	5,212	383	5,595	20.3970	1.074	0%	/u
	Rate 110												
42	Monthly Customer Charge	bills	4,992	3,208	$642.55	(5,889)	9,096	(6,600)	2,496	$500.00	0.274	(22%)	/u
43	Delivery Contract Demand Charge	10³m³/d	75,654	19,212	25.3940	(10,704)	29,915	6,051	35,966	47.5401	1.202	87%	/u
	Delivery Commodity Charge												
44	First 1,000,000 m³	10³m³	897,522	11,532	1.2849	8,358	3,174	-	3,174	0.3537			
45	For all over 1,000,000 m³	10³m³	170,759	1,907	1.1169	1,303	604	-	604	0.3537			
46	Delivery Commodity Charge		1,068,281	13,440	1.2581	9,662	3,778	-	3,778	0.3537	1.000	(72%)	
47	Total Delivery		1,068,281	35,859	3.3567	(6,931)	42,790	(550)	42,240	3.9540	0.987	18%	/u
	Gas Supply Transportation Charge												
48	Transportation - System	10³m³	102,197	4,013	3.9267	2,786	1,227	-	1,227	1.2011			
49	Transportation - Dawn	10³m³	927,921	8,998	0.9697	(2,147)	11,145	-	11,145	1.2011			
50	Transportation - Western	10³m³	11,179	439	3.9267	97	342	-	342	3.0630			
51	Transportation - Ontario	10³m³	26,984	-	-	(324)	324	-	324	1.2011			
52	Gas Supply Transportation Charge		1,068,281	13,450	1.2591	411	13,039	-	13,039	1.2205	1.000	(3%)	
53	Gas Supply Commodity	10³m³	102,197	18,742	18.3394	(2,621)	21,363	-	21,363	20.9036	1.000	14%	/u
54	Total Rate 110		1,068,281	68,051	6.3702	(9,140)	77,191	(550)	76,642	7.1743	0.993	13%	/u
	Rate 115												
55	Monthly Customer Charge	bills	264	180	$681.11	(531)	710	(578)	132	$500.00	0.186	(27%)	/u
56	Delivery Contract Demand Charge	10³m³/d	14,481	3,928	27.1243	(988)	4,916	463	5,379	37.1446	1.094	37%	/u
	Delivery Commodity Charge												
57	First 1,000,000 m³	10³m³	144,905	1,109	0.7656	696	413	-	413	0.2850			
58	For all over 1,000,000 m³	10³m³	236,968	1,571	0.6631	896	675	-	675	0.2850			
59	Delivery Commodity Charge		381,873	2,681	0.7020	1,592	1,088	-	1,088	0.2850	1.000	(59%)	
60	Total Delivery		381,873	6,788	1.7776	74	6,715	(116)	6,599	1.7281	0.983	(3%)	/u
	Gas Supply Transportation Charge												
61	Transportation - System	10³m³	1,651	65	3.9267	50	15	-	15	0.9199			
62	Transportation - Dawn	10³m³	241,077	2,338	0.9697	120	2,218	-	2,218	0.9199			
63	Transportation - Western	10³m³	-	-	3.9267	-	-	-	-	2.7818			
64	Transportation - Ontario	10³m³	139,145	-	-	(1,280)	1,280	-	1,280	0.9199			
65	Gas Supply Transportation Charge		381,873	2,403	0.6292	(1,110)	3,513	-	3,513	0.9199	1.000	46%	
66	Gas Supply Commodity	10³m³	1,651	303	18.3394	(42)	345	-	345	20.9036	1.000	14%	/u
67	Total Rate 115		381,873	9,494	2.4861	(1,079)	10,573	(116)	10,457	2.7384	0.989	10%	/u

Derivation of Proposed Rates and Revenue by Rate Class
In-franchise (Continued)

Line No.	Particulars	Billing Units	2024 Forecast Usage	Current Approved Revenue ($000s)	Current Approved Rates (1) (2) (cents/m^3)	Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue Requirement (3) ($000s)	Proposed 2024 Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue ($000s)	Proposed 2024 Rates (cents/m^3)	Proposed 2024 Revenue-to-Cost Ratios	Proposed 2024 Rate Change (%)	
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f) = (g - e)	(g)	(h)	(i) = (g / e)	(j) = (h - c) / (c)	
	Rate 125												
68	Monthly Customer Charge	bills	48	26	$546.97	(577)	603	(459)	144	$3,000.00	0.239	448%	/u
69	Delivery Contract Demand Charge	10³m³/d	111,124	12,460	11.2127	1,085	11,375	459	11,834	10.6497	1.040	(5%)	/u
70	Total Delivery	10³m³	824,971	12,486	1.5135	508	11,978	-	11,978	1.4520	1.000	(4%)	/u
71	Customer Supplied Fuel (UFG)			588	0.900%	280	308	-	308	0.471%	1.000	(48%)	
72	Total Rate 125		824,971	13,074	1.5848	788	12,286	-	12,286	1.4893	1.000	(6%)	/u
	Rate 135												
73	Monthly Customer Charge	bills	492	62	$125.89	(1,096)	1,158	(912)	246	$500.00	0.213	297%	/u
	Winter												
	Delivery Commodity Charge												/u
74	First 14,000 m³	10³m³	402	35	8.7072	(10)	45	0	45	11.2918			/u
75	Next 28,000 m³	10³m³	847	61	7.2308	(19)	80	1	81	9.5090			/u
76	For all over 42,000 m³	10³m³	2,136	142	6.6456	(45)	187	1	188	8.8027			/u
77	Delivery Commodity Charge		3,385	238	7.0369	(74)	312	2	314	9.2750	1.006	32%	/u
	Summer												
	Delivery Commodity Charge												
78	First 14,000 m³	10³m³	3,705	112	3.0187	(51)	163	1	164	4.4240			/u
79	Next 28,000 m³	10³m³	7,201	157	2.1834	(88)	245	1	246	3.4156			/u
80	For all over 42,000 m³	10³m³	38,355	739	1.9276	(447)	1,186	6	1,192	3.1068			/u
81	Delivery Commodity Charge		49,261	1,008	2.0471	(585)	1,594	8	1,601	3.2510	1.005	59%	/u
82	Seasonal Credits			(444)			(444)		(444)				
83	Total Delivery		52,646	865	1.6431	(1,755)	2,620	(902)	1,718	3.2632	0.656	99%	/u
	Gas Supply Transportation Charge												
84	Transportation - System	10³m³	4,392	172	3.9267	133	39	-	39	0.8875			
85	Transportation - Dawn	10³m³	48,255	468	0.9697	40	428	-	428	0.8875			
86	Transportation - Western	10³m³	-	-	3.9267	-	-	-	-	2.7495			
87	Transportation - Ontario	10³m³	-	-	-	-	-	-	-	0.8875			
88	Gas Supply Transportation Charge		52,646	640	1.2164	173	467	-	467	0.8875	1.000	(27%)	
89	Gas Supply Commodity	10³m³	4,392	806	18.3471	(112)	918	-	918	20.9036	1.000	14%	/u
90	Total Rate 135		52,646	2,311	4.3899	(1,694)	4,005	(902)	3,103	5.8944	0.775	34%	/u

Derivation of Proposed Rates and Revenue by Rate Class
In-franchise (Continued)

Line No.	Particulars	Billing Units	2024 Forecast Usage	Current Approved Revenue ($000s)	Current Approved Rates (1) (2) (cents/m³)	Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue Requirement (3) ($000s)	Proposed 2024 Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue ($000s)	Proposed 2024 Rates (cents/m³)	Revenue-to-Cost Ratios	Rate Change (%)	
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f) = (g - e)	(g)	(h)	(i) = (g / e)	(j) = (h - c) / (c)	
	Rate 145												
91	Monthly Customer Charge	bills	192	26	$134.93	(224)	250	(224)	26	$134.93	0.104	0%	/u
92	Delivery Contract Demand Charge	10³m³/d	6,138	556	9.0517	77	479	224	703	11.4466	1.468	26%	/u
	Delivery Commodity Charge												
93	First 14,000 m³	10³m³	2,497	201	8.0496	181	20	-	20	0.8192			
94	Next 28,000 m³	10³m³	4,160	278	6.6754	244	34	-	34	0.8192			
95	For all over 42,000 m³	10³m³	9,057	553	6.1099	479	74	-	74	0.8192			
96	Delivery Commodity Charge		15,714	1,032	6.5678	903	129	-	129	0.8192	1.000	(88%)	
97	Curtailment Credits			(86)			(86)		(86)				
98	Total Delivery		15,714	1,527	9.7208	756	771	0	771	4.9077	1.000	(50%)	/u
	Gas Supply Transportation Charge												
99	Transportation - System	10³m³	574	23	3.9267	17	5	-	5	0.8875			
100	Transportation - Dawn	10³m³	15,140	147	0.9697	12	134	-	134	0.8875			
101	Transportation - Western	10³m³	-	-	3.9267	-	-	-	-	2.7495			
102	Transportation - Ontario	10³m³	-	-	-	-	-	-	-	0.8875			
103	Gas Supply Transportation Charge		15,714	169	1.0777	30	139	-	139	0.8875	1.000	(18%)	
104	Gas Supply Commodity	10³m³	574	105	18.3434	(15)	120	-	120	20.9036	1.000	14%	/u
105	Total Rate 145		15,714	1,802	11.4680	772	1,031	0	1,031	6.5583	1.000	(43%)	/u
	Rate 170												
106	Monthly Customer Charge	bills	264	81	$305.55	(266)	346	(266)	81	$305.55	0.233	0%	/u
107	Delivery Contract Demand Charge	10³m³/d	30,928	1,390	4.4945	491	899	266	1,164	3.7649	1.296	(16%)	/u
	Delivery Commodity Charge												
108	First 1,000,000 m³	10³m³	183,923	1,553	0.8445	(1,148)	2,701	-	2,701	1.4685			
109	For all over 1,000,000 m³	10³m³	139,330	892	0.6405	(1,154)	2,046	-	2,046	1.4685			
110	Delivery Commodity Charge		323,254	2,446	0.7566	(2,301)	4,747	-	4,747	1.4685	1.000	94%	
111	Curtailment Credits			(3,897)			(3,897)		(3,897)				
112	Total Delivery		323,254	20	0.0061	(2,076)	2,095	0	2,095	0.6482	1.000	10588%	/u
	Gas Supply Transportation Charge												
113	Transportation - System	10³m³	5,360	210	3.9267	163	48	-	48	0.8875			
114	Transportation - Dawn	10³m³	108,433	1,052	0.9697	89	962	-	962	0.8875			
115	Transportation - Western	10³m³	-	-	3.9267	-	-	-	-	2.7495			
116	Transportation - Ontario	10³m³	209,460	-	-	(1,859)	1,859	-	1,859	0.8875			
117	Gas Supply Transportation Charge		323,254	1,262	0.3904	(1,607)	2,869	-	2,869	0.8875	1.000	127%	
118	Gas Supply Commodity	10³m³	5,360	983	18.3394	(137)	1,120	-	1,120	20.9036	1.000	14%	/u
119	Total Rate 170		323,254	2,265	0.7006	(3,820)	6,085	0	6,085	1.8823	1.000	169%	/u
	Rate 200												
120	Monthly Customer Charge	bills	12	-	$0.00	(16)	16	(16)	-	$0.00	0.000	0%	/u
121	Delivery Contract Demand Charge	10³m³/d	15,025	2,443	16.2592	(2,150)	4,593	(112)	4,482	29.8281	0.976	83%	/u
122	Delivery Commodity Charge	10³m³	188,852	4,714	2.4962	3,677	1,037	-	1,037	0.5493	1.000	(78%)	
123	Curtailment Credits			(261)			(261)		(261)				
124	Total Delivery		188,852	6,897	3.6519	1,511	5,386	(127)	5,259	2.7845	0.976	(24%)	/u
	Gas Supply Transportation Charge												
125	Transportation - System	10³m³	140,306	5,509	3.9267	3,526	1,984	-	1,984	1.4137			
126	Transportation - Dawn	10³m³	48,545	471	0.9697	(216)	686	-	686	1.4137			
127	Transportation - Western	10³m³	2	0	3.9267	0	0	-	0	3.2757			
128	Transportation - Ontario	10³m³	-	-	-	-	-	-	-	1.4137			
129	Gas Supply Transportation Charge		188,852	5,980	3.1666	3,310	2,670	-	2,670	1.4137	1.000	(55%)	
130	Gas Supply Commodity	10³m³	140,306	25,731	18.3393	(3,598)	29,329	-	29,329	20.9036	1.000	14%	/u
131	Total Rate 200		188,852	38,608	20.4435	1,223	37,385	(127)	37,257	19.7283	0.997	(3%)	/u

Derivation of Proposed Rates and Revenue by Rate Class
In-franchise (Continued)

Line No.	Particulars	Billing Units	2024 Forecast Usage	Current Approved Revenue ($000s)	Current Approved Rates (1) (2) (cents/m^3)	Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue Requirement (3) ($000s)	Proposed 2024 Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue ($000s)	Proposed 2024 Rates (cents/m^3)	Revenue-to-Cost Ratios	Rate Change (%)	
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f) = (g - e)	(g)	(h)	(i) = (g / e)	(j) = (h - c) / (c)	
	Rate 300												
132	Monthly Customer Charge	bills	-	-	$546.97	-	-	-	-	$1,500.00		174%	
133	Delivery Contract Demand Charge	$10^3m^3/d$	-	-	26.3752	-	-	-	-	25.2604		(4%)	/u
134	Total Delivery	10^3m^3	-	-		-	-	-	-				
135	Customer Supplied Fuel (UFG)			-	0.900%	-	-	-	-	0.471%		(48%)	
136	Total Rate 300		-	-		-	-	-	-				
	Union North Rate Zone												
	Rate 01												
137	Monthly Customer Charge	bills	4,430,024	101,802	$22.98	(26,442)	128,244	(26,353)	101,891	$23.00	0.795	0%	/u
	Delivery Commodity Charge												
138	First 100 m^3	10^3m^3	300,034	33,427	11.1409	19,275	14,151	8,042	22,193	7.3968			/u
139	Next 200 m^3	10^3m^3	344,054	37,374	10.8629	21,616	15,758	8,990	24,748	7.1931			/u
140	Next 200 m^3	10^3m^3	129,906	13,539	10.4222	7,870	5,669	3,256	8,925	6.8702			/u
141	Next 500 m^3	10^3m^3	88,810	8,897	10.0179	5,198	3,699	2,139	5,838	6.5739			/u
142	Over 1,000 m^3	10^3m^3	126,201	12,221	9.6836	7,171	5,050	2,938	7,987	6.3290			/u
143	Delivery Commodity Charge		989,005	105,457	10.6630	61,131	44,327	25,365	69,691	7.0466	1.572	(34%)	/u
144	Total Delivery		989,005	207,259	20.9564	34,689	172,570	(988)	171,582	17.3490	0.994	(17%)	/u
	Storage Commodity Charge												
145	Storage Commodity - North West	10^3m^3	277,957	6,341	2.2812	136	6,204	-	6,204	2.2321			/u
146	Storage Commodity - North East	10^3m^3	711,047	44,510	6.2598	28,639	15,871	-	15,871	2.2321			/u
147	Storage Commodity Charge		989,005	50,851	5.1416	28,775	22,076	-	22,076	2.2321	1.000	(57%)	/u
	Gas Supply Transportation Charge												
148	Transportation - System - North West	10^3m^3	265,160	11,907	4.4904	3,100	8,806	-	8,806	3.3212			/u
149	Transportation - System - North East	10^3m^3	666,053	15,303	2.2975	(6,818)	22,121	-	22,121	3.3212			/u
150	Transportation - Bundled - North West	10^3m^3	12,798	575	4.4904	(89)	663	-	663	5.1831			/u
151	Transportation - Bundled - North East	10^3m^3	44,994	1,034	2.2975	(461)	1,494	-	1,494	3.3212			/u
152	Gas Supply Transportation Charge		989,005	28,818	2.9138	(4,267)	33,085	-	33,085	3.3452	1.000	15%	/u
	Gas Supply Commodity Charge												
153	Gas Supply Commodity - North West	10^3m^3	265,160	48,456	18.2741	(6,972)	55,428	-	55,428	20.9036			/u
154	Gas Supply Commodity - North East	10^3m^3	666,053	148,631	22.3151	9,401	139,229	-	139,229	20.9036			/u
155	Gas Supply Commodity Charge		931,213	197,086	21.1645	2,429	194,657	-	194,657	20.9036	1.000	(1%)	/u
156	Total Rate 01		989,005	484,014	48.9395	61,626	422,388	(988)	421,400	42.6084	0.998	(13%)	/u

Derivation of Proposed Rates and Revenue by Rate Class
In-franchise (Continued)

Line No.	Particulars	Billing Units	2024 Forecast Usage	Current Approved Revenue ($000s)	Current Approved Rates (1) (2) (cents/m^3)	Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue Requirement (3) ($000s)	Proposed 2024 Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue ($000s)	Proposed 2024 Rates (cents/m^3)	Proposed 2024 Revenue-to-Cost Ratios	Proposed 2024 Rate Change (%)	
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f) = (g - e)	(g)	(h)	(i) = (g / e)	(j) = (h - c) / (c)	
	Rate 10												
157	Monthly Customer Charge	bills	26,448	2,025	$76.58	(2,450)	4,475	(2,359)	2,116	$80.00	0.473	4%	/u
	Delivery Commodity Charge												/u
158	First 1,000 m³	10³m³	21,365	2,177	10.1913	934	1,244	188	1,432	6.7011			/u
159	Next 9,000 m³	10³m³	124,187	10,330	8.3182	4,568	5,762	892	6,654	5.3580			/u
160	Next 20,000 m³	10³m³	83,168	6,015	7.2328	2,726	3,290	519	3,809	4.5797			/u
161	Next 70,000 m³	10³m³	58,025	3,801	6.5512	1,755	2,046	328	2,374	4.0909			/u
162	Over 100,000 m³	10³m³	41,229	1,636	3.9687	854	782	141	923	2.2392			/u
163	Delivery Commodity Charge		327,974	23,960	7.3056	10,837	13,124	2,068	15,191	4.6319	1.158	(37%)	/u
164	Total Delivery		327,974	25,986	7.9231	8,387	17,599	(292)	17,307	5.2770	0.983	(33%)	/u
	Storage Commodity Charge												
165	Storage Commodity - North West	10³m³	74,067	1,341	1.8104	(56)	1,397	-	1,397	1.8857			/u
166	Storage Commodity - North East	10³m³	250,026	11,696	4.6780	6,981	4,715	-	4,715	1.8857			/u
167	Storage Commodity Charge		324,093	13,037	4.0226	6,926	6,111	-	6,111	1.8857	1.000	(53%)	/u
	Gas Supply Transportation Charge												
168	Transportation - System - North West	10³m³	38,768	1,527	3.9399	346	1,182	-	1,182	3.0486			/u
169	Transportation - System - North East	10³m³	125,822	2,657	2.1115	(1,179)	3,836	-	3,836	3.0486			/u
170	Transportation - Bundled - North West	10³m³	35,299	1,391	3.9399	(343)	1,733	-	1,733	4.9106			/u
171	Transportation - Bundled - North East	10³m³	124,204	2,623	2.1115	(1,164)	3,787	-	3,787	3.0486			/u
172	Gas Supply Transportation Charge		324,093	8,197	2.5294	(2,340)	10,538	-	10,538	3.2514	1.000	29%	/u
	Gas Supply Commodity Charge												
173	Gas Supply Commodity - North West	10³m³	38,768	7,085	18.2741	(1,019)	8,104	-	8,104	20.9036			/u
174	Gas Supply Commodity - North East	10³m³	125,822	28,077	22.3151	1,776	26,301	-	26,301	20.9036			/u
175	Gas Supply Commodity Charge		164,590	35,162	21.3633	757	34,405	-	34,405	20.9036	1.000	(2%)	/u
176	Total Rate 10		327,974	82,382	25.1185	13,729	68,653	(292)	68,362	20.8436	0.996	(17%)	/u

Derivation of Proposed Rates and Revenue by Rate Class
In-franchise (Continued)

Line No.	Particulars	Billing Units	2024 Forecast Usage	Current Approved Revenue ($000s)	Current Approved Rates (1) (2) (cents/m³)	Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue Requirement (3) ($000s)	Proposed 2024 Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue ($000s)	Proposed 2024 Rates (cents/m³)	Revenue-to-Cost Ratios	Rate Change (%)	
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f) = (g - e)	(g)	(h)	(i) = (g / e)	(j) = (h - c) / (c)	
	Rate 20												
177	Monthly Customer Charge	bills	756	825	$1,090.76	(1,158)	1,982	(1,226)	756	$1,000.00	0.381	(8%)	/u
	Delivery Contract Demand Charge												
178	First 70,000 m³	10³m³/d	25,506	8,875	34.7968	4,535	4,341	6,184	10,524	41.2617			/u
179	All over 70,000 m³	10³m³/d	66,226	13,551	20.4623	6,924	6,628	9,441	16,069	24.2640			/u
180	Delivery Contract Demand Charge		91,732	22,427	24.4480	11,458	10,968	15,625	26,593	28.9903	2.425	19%	/u
	Delivery Commodity Charge												
181	First 852,000 m³	10³m³	338,479	2,627	0.7760	2,130	497	(9)	487	0.1439			
182	All over 852,000 m³	10³m³	590,622	3,334	0.5645	2,468	867	(17)	850	0.1439			
183	Delivery Commodity Charge		929,101	5,961	0.6416	4,598	1,363	(26)	1,337	0.1439	0.981	(78%)	
184	MAV Charge	10³m³	18,115	102	0.5645	102	-	26	26	0.1439		(75%)	
185	Transportation Account Charge	bills	456	113	$248.07	113							
181	Total Delivery		929,101	29,427	3.1673	15,113	14,314	14,398	28,712	3.0903	2.006	(2%)	/u
	Gas Supply Demand Charge												
186	North West	10³m³/d	1,764	739	41.8848	408	331	-	331	18.7502			/u
187	North East	10³m³/d	6,792	2,945	43.3684	1,672	1,273	-	1,273	18.7502			/u
	Commodity Transportation 1												
187	System - North West	10³m³	3,190	80	2.5133	43	37	-	37	1.1669			
188	System - North East	10³m³	6,168	110	1.7764	38	72	-	72	1.1669			
188	Bundled - North West	10³m³	16,138	406	2.5133	(83)	489	-	489	3.0289			
189	Bundled - North East	10³m³	56,625	1,006	1.7764	345	661	-	661	1.1669			
	Commodity Transportation 2												
190	System - North West	10³m³	2,587	-	-	(30)	30	-	30	1.1669			
191	System - North East	10³m³	3,686	-	-	(43)	43	-	43	1.1669			
192	Bundled - North West	10³m³	13,089	-	-	(396)	396	-	396	3.0289			
193	Bundled - North East	10³m³	33,842	-	-	(395)	395	-	395	1.1669			
194	Gas Supply Transportation Charges		135,325	5,286	3.9058	1,558	3,728	-	3,728	2.7545	1.000	(29%)	/u
	Unbundled Storage												
195	Storage Demand ($/GJ)	GJ/d	141,504	2,665	18.835	(224)	2,889	-	2,889	20.419			/u
196	Storage Commodity ($/GJ)	GJ	522,359	125	0.240	69	56	-	56	0.108			
197	Unbundled Storage		522,359	2,791	5.342	(155)	2,946	-	2,946	5.639	1.000	6%	/u
	Gas Supply Commodity Charge												
198	North West	10³m³	5,777	1,023	17.7061	(185)	1,208	-	1,208	20.9036			/u
199	North East	10³m³	9,854	2,135	21.6670	75	2,060	-	2,060	20.9036			/u
200	Gas Supply Commodity Charge		15,631	3,158	20.2031	(109)	3,267	-	3,267	20.9036	1.000	3%	/u
201	Total Rate 20		929,101	40,661	4.3764	16,407	24,255	14,398	38,653	4.1603	1.594	(5%)	/u
	Rate 25												
202	Monthly Customer Charge	bills	864	318	$368.56	234	84	234	318	$368.56	3.788	0%	/u
203	Delivery Commodity Charge (average)	10³m³	126,831	4,097	3.2303	1,208	2,889	(482)	2,407	1.8976		(41%)	/u
204	MAV (average)	10³m³	12,204	424	3.4721	424	-	248	248	2.0324		(41%)	/u
205	Transportation Account Charge	bills	168	42	$248.07	42							
206	Total Delivery		126,831	4,881	3.8483	1,908	2,973	(0)	2,973	2.3443	1.000	(39%)	/u
207	Gas Supply Charge Including Transportation (average)	10³m³	5,703	1,313	23.0212	70	1,243	-	1,243	21.7911	1.000	(5%)	/u
208	Total Rate 25		126,831	6,194	4.8834	1,978	4,216	(0)	4,216	3.3241	1.000	(32%)	/u

Derivation of Proposed Rates and Revenue by Rate Class
In-franchise (Continued)

Line No.	Particulars	Billing Units	2024 Forecast Usage	Current Approved Revenue ($000s)	Current Approved Rates (1) (2) (cents/m^3)	Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue Requirement (3) ($000s)	Proposed 2024 Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue ($000s)	Proposed 2024 Rates (cents/m^3)	Proposed 2024 Revenue-to-Cost Ratios	Proposed 2024 Rate Change (%)	
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f) = (g - e)	(g)	(h)	(i) = (g / e)	(j) = (h - c) / (c)	
	Rate 100												
209	Monthly Customer Charge	bills	144	233	$1,620.86	(405)	638	(422)	216	$1,500.00	0.339	(7%)	/u
210	Delivery Contract Demand Charge	10³m³/d	42,050	8,387	19.9460	3,376	5,011	422	5,433	12.9207	1.084	(35%)	/u
211	Delivery Commodity Charge	10³m³	1,076,378	3,090	0.2871	1,774	1,316	(33)	1,282	0.1191		(59%)	
212	MAV Charge	10³m³	28,100	81	0.2871	81	-	33	33	0.1191		(59%)	
213	Transportation Account Charge	bills	144	36	$248.07	36							
214	Total Delivery		1,076,378	11,827	1.0988	4,862	6,965	(0)	6,965	0.6471	1.000	(41%)	/u
	Gas Supply Demand Charge												
215	North West	10³m³/d	-	-	75.2744	-	-	-	-	18.7502			/u
216	North East	10³m³/d	-	-	114.0459	-	-	-	-	18.7502			/u
	Commodity Transportation 1												
217	System - North West	10³m³	-	-	4.2342	-	-	-	-	1.1669			
218	System - North East	10³m³	-	-	6.5400	-	-	-	-	1.1669			
219	Bundled - North West	10³m³	-	-	4.2342	-	-	-	-	3.0289			
220	Bundled - North East	10³m³	-	-	6.5400	-	-	-	-	1.1669			
	Commodity Transportation 2												
221	System - North West	10³m³	-	-	-	-	-	-	-	1.1669			
222	System - North East	10³m³	-	-	-	-	-	-	-	1.1669			
223	Bundled - North West	10³m³	-	-	-	-	-	-	-	3.0289			
224	Bundled - North East	10³m³	-	-	-	-	-	-	-	1.1669			
225	Gas Supply Transportation Charges		-	-		-	-	-	-				
	Unbundled Storage												
226	Storage Demand ($/GJ)	GJ/d	-	-	18.835	-	-	-	-	20.419			/u
227	Storage Commodity ($/GJ)	GJ	-	-	0.240	-	-	-	-	0.108			
228	Unbundled Storage		-	-		-	-	-	-				
229	Total Rate 100		1,076,378	11,827	1.0988	4,862	6,965	(0)	6,965	0.6471	1.000	(41%)	/u
	Union South Rate Zone												
	Rate M1												
230	Monthly Customer Charge	bills	14,434,642	331,708	$22.98	(91,139)	422,847	(90,850)	331,997	$23.00	0.785	0%	/u
	Delivery Commodity Charge												/u
231	First 100 m³	10³m³	1,046,728	77,844	7.4369	(21,446)	99,290	30,747	130,037	12.4232			/u
232	Next 150 m³	10³m³	936,218	66,685	7.1228	(17,993)	84,678	26,150	110,828	11.8378			/u
233	All over 250 m³	10³m³	1,272,185	80,291	6.3113	(20,277)	100,568	30,792	131,359	10.3255			/u
234	Delivery Commodity Charge		3,255,132	224,821	6.9066	(59,716)	284,536	87,688	372,224	11.4350	1.308	66%	/u
235	Total Delivery		3,255,132	556,529	17.0970	(150,854)	707,383	(3,162)	704,221	21.6342	0.996	27%	/u
	Gas Supply Transportation Charge												
236	Transportation - System	10³m³	3,073,284	-	-	(55,532)	55,532	-	55,532	1.8069			
237	Transportation - Dawn	10³m³	181,848	-	-	(3,286)	3,286	-	3,286	1.8069			
238	Gas Supply Transportation Charge		3,255,132	-	-	(58,818)	58,818	-	58,818	1.8069	1.000		
239	Gas Supply Commodity	10³m³	3,073,284	685,055	22.2906	42,628	642,427	-	642,427	20.9036	1.000	(6%)	/u
240	Total Rate M1		3,255,132	1,241,583	38.1423	(167,045)	1,408,628	(3,162)	1,405,466	43.1769	0.998	13%	/u

Derivation of Proposed Rates and Revenue by Rate Class
In-franchise (Continued)

Line No.	Particulars	Billing Units	2024 Forecast Usage	Current Approved Revenue ($000s)	Current Approved Rates (1) (2) (cents/m^3)	Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue Requirement (3) ($000s)	Proposed 2024 Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue ($000s)	Proposed 2024 Rates (cents/m^3)	Revenue-to-Cost Ratios	Rate Change (%)	
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f) = (g - e)	(g)	(h)	(i) = (g / e)	(j) = (h - c) / (c)	
	Rate M2												
241	Monthly Customer Charge	bills	96,828	7,415	$76.58	(13,794)	21,209	(13,463)	7,746	$80.00	0.365	4%	/u
	Delivery Commodity Charge												
242	First 1,000 m³	10³m³	88,010	6,241	7.0915	(564)	6,805	890	7,696	8.7439			/u
243	Next 6,000 m³	10³m³	384,166	26,822	6.9819	(2,386)	29,208	3,816	33,024	8.5963			/u
244	Next 13,000 m³	10³m³	366,713	24,233	6.6082	(2,029)	26,262	3,417	29,679	8.0933			/u
245	All over 20,000 m³	10³m³	480,488	29,878	6.2183	(2,318)	32,197	4,168	36,365	7.5684			/u
246	Delivery Commodity Charge		1,319,376	87,175	6.6073	(7,298)	94,473	12,291	106,764	8.0920	1.130	22%	/u
247	Total Delivery		1,319,376	94,590	7.1693	(21,092)	115,682	(1,172)	114,510	8.6791	0.990	21%	/u
	Gas Supply Transportation Charge												
248	Transportation - System	10³m³	688,379	-	-	(11,677)	11,677	-	11,677	1.6963			
249	Transportation - Dawn	10³m³	630,997	-	-	(10,704)	10,704	-	10,704	1.6963			
250	Gas Supply Transportation Charge		1,319,376	-	-	(22,381)	22,381	-	22,381	1.6963	1.000		
251	Gas Supply Commodity	10³m³	688,379	153,444	22.2906	9,548	143,896	-	143,896	20.9036	1.000	(6%)	/u
252	Total Rate M2		1,319,376	248,034	18.7993	(33,925)	281,959	(1,172)	280,787	21.2818	0.996	13%	/u
	Rate M4												
	Delivery Contract Demand Charge												
253	First 8,450 m³	10³m³/d	20,879	14,489	69.3946	(7,432)	21,921	(8,769)	13,153	62.9945			/u
254	Next 19,700 m³	10³m³/d	20,175	6,669	33.0577	(3,421)	10,091	(4,036)	6,054	30.0089			/u
255	All over 28,150 m³	10³m³/d	5,781	1,638	28.3360	(840)	2,479	(991)	1,487	25.7226			/u
256	Delivery Contract Demand Charge		46,836	22,797	48.6737	(11,694)	34,491	(13,796)	20,694	44.1847	0.600	(9%)	/u
	Delivery Commodity Charge												
257	First Block	10³m³	592,385	12,049	2.0339	9,627	2,422	5,393	7,814	1.3191		(35%)	/u
258	All remaining use	10³m³	-	-	0.8725	-	-	-	-	0.1577		(82%)	/u
259	Delivery Commodity Charge		592,385	12,049	2.0339	9,627	2,422	5,393	7,814	1.3191		(35%)	
260	Firm MAV	10³m³	57,602	1,292	2.2424	1,292	-	828	828	1.4370		(36%)	/u
261	Unauthorized Overrun	10³m³	1,276	95	7.4369	95	-	159	159	12.4232		67%	/u
262	Total Delivery - Firm		592,385	36,232	6.1163	(680)	36,912	(7,417)	29,495	4.9790	0.799	(19%)	/u
	Interruptible Contracts												
263	Monthly Customer Charge	bills	36	27	$755.88	27	-	18	18	$500.00		(34%)	
264	Delivery Commodity Charge	10³m³	238	9	3.5886	1	8	(3)	5	2.0723		(42%)	/u
265	Interruptible MAV	10³m³	2,279	87	3.7971	19	68	(15)	53	2.3304		(39%)	/u
266	Total Delivery - Interruptible		238	122	51.3740	47	76	0	76	31.9460	1.005	(38%)	/u
	Gas Supply Transportation Charge												
267	Transportation - System	10³m³	59,362	-	-	(861)	861	-	861	1.4501			
268	Transportation - Dawn	10³m³	534,538	-	-	(7,751)	7,751	-	7,751	1.4501			
269	Gas Supply Transportation Charge		593,899	-	-	(8,612)	8,612	-	8,612	1.4501	1.000		
270	Gas Supply MAV	10³m³	16,021	33	0.2085	15	19	-	19	0.1178	1.000	(43%)	
271	Gas Supply Commodity	10³m³	59,362	13,232	22.2906	823	12,409	-	12,409	20.9036	1.000	(6%)	/u
272	Total Rate M4		592,623	49,620	8.3729	(8,408)	58,028	(7,417)	50,611	8.5402	0.872	2%	/u

Derivation of Proposed Rates and Revenue by Rate Class
In-franchise (Continued)

Line No.	Particulars	Billing Units	2024 Forecast Usage	Current Approved Revenue ($000s)	Current Approved Rates (1) (2) (cents/m^3)	Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue Requirement (3) ($000s)	Proposed 2024 Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue ($000s)	Proposed 2024 Rates (cents/m^3)	Proposed 2024 Revenue-to-Cost Ratios	Proposed 2024 Rate Change (%)	
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f) = (g - e)	(g)	(h)	(i) = (g / e)	(j) = (h - c) / (c)	
	Rate M5												
273	Monthly Customer Charge	bills	456	345	$755.88	(649)	994	(766)	228	$500.00	0.229	(34%)	/u
274	Delivery Commodity Charge	10³m³	55,087	1,899	3.4477	1,256	643	498	1,142	2.0723		(40%)	/u
275	Interruptible MAV	10³m³	4,253	161	3.7971	229	(68)	167	99	2.3304		(39%)	/u
276	Days Use Discount - 75 days	10³m³	12,767	(7)	(0.0530)	(7)	-	(7)	(7)	(0.0530)		0%	
277	Days Use Discount - up to 275 days	10³m³	12,450	(0)	(0.0021)	(0)	-	(0)	(0)	(0.0021)		0%	
278	Total Delivery - Interruptible		55,087	2,398	4.3538	829	1,570	(108)	1,462	2.6533	0.931	(39%)	/u
	Firm Contracts												
279	Delivery Contract Demand Charge	10³m³/d	432	178	41.2157	(71)	249	(77)	172	39.9104	0.692	(3%)	/u
280	Delivery Commodity Charge	10³m³	4,406	156	3.5497	137	20	146	165	3.7516		6%	
281	Firm MAV	10³m³	854	33	3.8997	33	-	35	35	4.1015		5%	
282	Total Delivery - Firm		4,406	368	8.3463	99	269	104	373	8.4593	1.387	1%	/u
	Gas Supply Transportation Charge												
283	Transportation - System	10³m³	2,164	-	-	(20)	20	-	20	0.9419			
284	Transportation - Dawn	10³m³	57,329	-	-	(540)	540	-	540	0.9419			
285	Gas Supply Transportation Charge		59,493	-	-	(560)	560	-	560	0.9419	1.000		
286	Gas Supply MAV	10³m³	1,600	3	0.2085	1	2	-	2	0.1178	1.000	(43%)	
287	Gas Supply Commodity	10³m³	2,164	482	22.2906	30	452	-	452	20.9036	1.000	(6%)	/u
288	Total Rate M5		59,493	3,252	5.4658	399	2,853	(4)	2,849	4.7887	0.999	(12%)	/u
	Rate M7												
	Firm Contracts												
289	Delivery Contract Demand Charge	10³m³/d	71,858	24,457	34.0345	(11,315)	35,771	(7,617)	28,154	39.1803	0.787	15%	/u
290	Delivery Commodity Charge	10³m³	713,738	3,239	0.4538	(54)	3,293	(100)	3,193	0.4473		(1%)	
291	Firm MAV	10³m³	22,349	101	0.4538	101	-	100	100	0.4473		(1%)	
292	Total Delivery - Firm		713,738	27,797	3.8946	(11,267)	39,064	(7,617)	31,447	4.4059	0.805	13%	/u
	Interruptible Contracts												
293	Delivery Commodity Charge (average)	10³m³	75,999	1,863	2.4514	685	1,178	(109)	1,070	1.4078		(43%)	/u
294	Interruptible MAV (average)	10³m³	7,467	190	2.5403	190	-	109	109	1.4541		(43%)	/u
295	Total Delivery - Interruptible		75,999	2,053	2.7010	874	1,178	(0)	1,178	1.5506	1.000	(43%)	/u
	Gas Supply Transportation Charge												
296	Transportation - System	10³m³	35,619	-	-	(566)	566	-	566	1.5901			
297	Transportation - Dawn	10³m³	754,118	-	-	(11,991)	11,991	-	11,991	1.5901			
298	Gas Supply Transportation Charge		789,737	-	-	(12,558)	12,558	-	12,558	1.5901	1.000		
299	Gas Supply Commodity	10³m³	35,619	7,940	22.2906	494	7,446	-	7,446	20.9036	1.000	(6%)	/u
300	Total Rate M7		789,737	37,789	4.7850	(22,456)	60,245	(7,617)	52,629	6.6641	0.874	39%	/u

Derivation of Proposed Rates and Revenue by Rate Class
In-franchise (Continued)

Line No.	Particulars	Billing Units	2024 Forecast Usage	Current Approved Revenue ($000s)	Current Approved Rates (1) (2) (cents/m³)	Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue Requirement (3) ($000s)	Proposed 2024 Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue ($000s)	Proposed 2024 Rates (cents/m³)	Proposed 2024 Revenue-to-Cost Ratios	Proposed 2024 Rate Change (%)	
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f) = (g - e)	(g)	(h)	(i) = (g / e)	(j) = (h - c) / (c)	
	Rate M9												
	Firm Contracts												
301	Delivery Contract Demand Charge	10³m³/d	6,040	1,645	27.2284	(211)	1,856	(50)	1,806	29.8954	0.973	10%	/u
302	Delivery Commodity Charge	10³m³	90,073	274	0.3040	(57)	330	-	330	0.3669	1.000	21%	
303	Total Delivery - Firm		90,073	1,919	2.1300	(268)	2,187	(50)	2,136	2.3717	0.977	11%	/u
	Gas Supply Transportation Charge												
304	Transportation - System	10³m³	15,795	-	-	(199)	199	-	199	1.2602			
305	Transportation - Dawn	10³m³	74,278	-	-	(936)	936	-	936	1.2602			
306	Gas Supply Transportation Charge		90,073	-	-	(1,135)	1,135	-	1,135	1.2602	1.000		
307	Gas Supply Commodity	10³m³	15,795	3,521	22.2906	219	3,302	-	3,302	20.9036	1.000	(6%)	/u
308	Total Rate M9		90,073	5,439	6.0389	(1,184)	6,623	(50)	6,573	7.2975	0.992	21%	/u
	Rate T1												
309	Monthly Customer Charge	bills	564	1,216	$2,155.61	(417)	1,633	59	1,692	$3,000.00	1.036	39%	/u
	Transportation (cents/m³)												
	Demand												
310	First 28,150 m³	10³m³/d	14,363	6,405	44.5954	331	6,074	(603)	5,471	38.0914		(15%)	/u
311	Next 112,720 m³	10³m³/d	12,177	3,857	31.6763	175	3,682	(383)	3,298	27.0881		(14%)	/u
	Commodity												
312	Firm Volumes - Customer Provides Fuel	10³m³	393,754	551	0.1400	551	-	-	-	-		(100%)	
313	Interruptible Volumes - Customer Provides Fuel (average)	10³m³	37,536	821	2.1870	695	125	(2)	124	0.3299		(85%)	/u
314	MAV - Firm	10³m³	1,410	2	0.1400	2	-	-	-	-		(100%)	
315	MAV - Interruptible (average)	10³m³	350	11	3.0980	11	-	2	2	0.4634		(85%)	/u
316	Customer Supplied Fuel - Transportation			328	0.358%	(390)	718	-	718	0.803%	1.000	124%	
317	Total Transportation		431,289	13,191	3.0585	958	12,233	(928)	11,305	2.6213	0.924	(14%)	/u
	Storage ($/GJ)												
	Monthly Demand Charges:												
318	Firm Space	GJ/d/mo.	17,815,248	214	0.012	(81)	295	-	295	0.017		38%	/u
	Firm Injection/Withdrawal Right												
319	Union provides deliverability inventory	GJ/d/mo.	674,172	1,266	1.878	370	896	781	1,677	2.487		32%	/u
320	Customer provides deliverability inventory	GJ/d/mo.	10,476	15	1.473	4	12	12	23	2.237		52%	/u
321	Firm incremental injection	GJ/d/mo.	-	-	1.473	-	-	-	-	2.237		52%	/u
322	Interruptible withdrawal	GJ/d/mo.	-	-	1.473	-	-	-	-	2.237		52%	/u
	Commodity:												
323	Customer Provides Fuel - Commodity	GJ	2,989,701	36	0.012	36	-	-	-	-		(100%)	
324	Customer Supplied Fuel - Storage			71	0.445%	(62)	132	-	132	0.834%	1.000	87%	
325	Total Storage		431,289	1,602	0.3714	267	1,335	792	2,127	0.4933	1.594	33%	/u
326	Total Rate T1		431,289	14,793	3.4299	1,225	13,568	(135)	13,433	3.1145	0.990	(9%)	/u

Derivation of Proposed Rates and Revenue by Rate Class
In-franchise (Continued)

Line No.	Particulars	Billing Units	2024 Forecast Usage	Current Approved Revenue ($000s)	Current Approved Rates (1) (2) (cents/m³)	Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue Requirement (3) ($000s)	Proposed 2024 Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue ($000s)	Proposed 2024 Rates (cents/m³)	Proposed 2024 Revenue-to-Cost Ratios	Proposed 2024 Rate Change (%)	
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f) = (g - e)	(g)	(h)	(i) = (g / e)	(j) = (h - c) / (c)	
	Rate T2												
327	Monthly Customer Charge	bills	501	3,409	$6,803.81	(1,863)	5,272	(3,769)	1,503	$3,000.00	0.285	(56%)	/u
	Transportation (cents/m³)												
	Demand												
328	First 140,870 m³	10³m³/d	60,334	20,007	33.1606	(3,393)	23,400	(154)	23,246	38.5289		16%	/u
329	All Over 140,870 m³	10³m³/d	248,380	45,894	18.4774	(8,602)	54,496	(542)	53,954	21.7223		18%	/u
	Commodity												
330	Firm Volumes - Customer Provides Fuel	10³m³	4,963,881	1,519	0.0306	1,519	-	-	-	-		(100%)	
331	Interruptible Volumes - Customer Provides Fuel (average)	10³m³	41,762	1,135	2.7177	546	589	(3)	586	1.4039		(48%)	/u
332	MAV - Firm	10³m³	24,455	7	0.0306	7	-	-	-	-		(100%)	
333	MAV - Interruptible (average)	10³m³	177	6	3.2398	6	-	3	3	1.6724		(48%)	/u
334	Customer Supplied Fuel - Transportation			3,215	0.309%	(5,120)	8,336	-	8,336	0.803%	1.000	160%	
335	Total Transportation		5,005,643	75,192	1.5022	(16,901)	92,093	(4,465)	87,628	1.7506	0.952	17%	/u
	Storage ($/GJ)												
	Monthly Demand Charges:												
336	Firm Space	GJ/d/mo.	113,600,526	1,363	0.012	(505)	1,868	13	1,880	0.017		38%	/u
	Firm Injection/Withdrawal Right												
337	Union provides deliverability inventory	GJ/d/mo.	2,398,062	4,504	1.878	400	4,103	1,861	5,964	2.487		32%	/u
338	Customer provides deliverability inventory	GJ/d/mo.	900,000	1,326	1.473	41	1,285	728	2,013	2.237		52%	/u
339	Firm incremental injection	GJ/d/mo.	12,000	18	1.473	1	17	10	27	2.237		52%	/u
340	Interruptible withdrawal	GJ/d/mo.	180,000	265	1.473	8	257	146	403	2.237		52%	/u
	Commodity:												
341	Customer Provides Fuel - Commodity	GJ	31,198,327	374	0.012	374	-	-	-	-		(100%)	
342	Customer Supplied Fuel - Storage			737	0.445%	(644)	1,381	-	1,381	0.834%	1.000	87%	
343	Total Storage		5,005,643	8,587	0.1715	(325)	8,911	2,757	11,669	0.2331	1.309	36%	/u
344	Total Rate T2		5,005,643	83,779	1.6737	(17,225)	101,005	(1,708)	99,296	1.9837	0.983	19%	/u
	Rate T3												
345	Monthly Customer Charge	bills	12	272	$22,703.73	(98)	371	-	371	$30,900.76	1.000	36%	/u
	Transportation (cents/m³)												
346	Demand	10³m³/d	28,200	5,841	20.7133	(1,498)	7,339	(169)	7,170	25.4243		23%	/u
347	Customer Provides Fuel - Commodity	10³m³	249,200	205	0.0821	205	-	-	-	-		(100%)	
348	Customer Supplied Fuel - Transportation			217	0.419%	(198)	415	-	415	0.803%	1.000	92%	
349	Total Transportation		249,200	6,535	2.6223	(1,590)	8,125	(169)	7,955	3.1924	0.979	22%	/u
	Storage ($/GJ)												
	Monthly Demand Charges:												
350	Firm Space	GJ/d/mo.	38,472,252	462	0.012	(175)	637	-	637	0.017	1.000	38%	/u
	Firm Injection/Withdrawal Right												
351	Union provides deliverability inventory	GJ/d/mo.	-	-	1.878	-	-	-	-	2.487		32%	/u
352	Customer provides deliverability inventory	GJ/d/mo.	649,668	957	1.473	(496)	1,453	-	1,453	2.237		52%	/u
353	Firm incremental injection	GJ/d/mo.	-	-	1.473	-	-	-	-	2.237		52%	/u
354	Interruptible withdrawal	GJ/d/mo.	-	-	1.473	-	-	-	-	2.237		52%	/u
	Commodity:												
355	Customer Provides Fuel - Commodity	GJ	6,433,274	77	0.012	77	-	-	-	-		(100%)	
356	Customer Supplied Fuel - Storage			152	0.445%	(133)	285	-	285	0.834%	1.000	87%	
357	Total Storage		249,200	1,648	0.6612	(727)	2,375	-	2,375	0.9531	1.000	44%	/u
358	Total Rate T3		249,200	8,183	3.2836	(2,317)	10,500	(169)	10,331	4.1455	0.984	26%	/u
359	Total In-franchise			5,853,925		(304,207)	6,158,131	(19,786)	6,138,345				/u

Notes:
(1) EB-2022-0133, Exhibit D, Tab 1, Appendix A for the EGD rate zone; and Exhibit D, Tab 2, Appendix A for the Union rate zones.
(2) Adjustment made to Union South and Union North East commodity rates, per Exhibit 3, Tab 2, Schedule 1, paragraph 2.
(3) Attachment 1, column (e).

Derivation of Proposed Rates and Revenue by Rate Class
Ex-franchise

Line No.	Particulars	Billing Units	2024 Forecast Usage	Current Approved Revenue ($000s)	Current Approved Rates (1) (2) ($/GJ)	Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue Requirement (3) ($000s)	Proposed 2024 Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue ($000s)	Proposed 2024 Rates ($/GJ)	Revenue-to-Cost Ratios	Rate Change (%)	
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f) = (g - e)	(g)	(h)	(i) = (g / e)	(j) = (h - c) / (c)	
	Rate 331												
	Tecumseh Transportation Service												
1	Firm Demand Charge	GJ/d/mo	91,095	169	$0.155	163	6	163	169	$0.155		0%	
2	Interruptible Charge	GJ	-		$0.006	-	-	-	-	$0.006		0%	
3	Total Rate 331		91,095	169	0.1855	163	6	163	169		30.187	(0%)	
	Rate 332												
	Monthly Contract Demand												
4	Firm Demand Charge	GJ/d/mo	1,210,000	19,179	$1.321	(2,578)	21,757	-	21,757	$1.498		13%	/u
5	Total Rate 332		-	19,179		(2,578)	21,757	-	21,757		1.000	13%	/u
	Rate 401												
6	Service Fee		-	3,561	-	3,561	-	3,561	3,561	-			
	Rate M12/C1 Dawn to Parkway												
	Rate M12 Demand Charges												
7	Dawn to Parkway	GJ/d/mo	1,835,035	82,797	3.760	(4,340)	87,137	(11,770)	75,366	3.423	0.865	(9%)	/u
8	- F24-T	GJ/d/mo	451,429	417	0.077	141	276	-	276	0.051	1.000	(34%)	
9	Dawn to Kirkwall	GJ/d/mo	49,500	1,895	3.190	226	1,669	(226)	1,443	2.429	0.865	(24%)	/u
10	- F24-T	GJ/d/mo	49,500	46	0.077	16	30		30	0.051	1.000	(34%)	
11	Kirkwall to Parkway	GJ/d/mo	383,739	2,625	0.570	(4,848)	7,473	(883)	6,590	1.431	0.882	151%	/u
	M12-X												
12	- Between Dawn, Kirkwall and Parkway	GJ/d/mo	54,513	3,041	4.648	452	2,589	264	2,852	4.360	1.102	(6%)	/u
	Rate C1 Dawn Parkway Demand Charges												
13	Dawn to Parkway	GJ/d/mo	32,826	1,481	3.760	(78)	1,559	(211)	1,348	3.423	0.865	(9%)	/u
14	Dawn to Kirkwall	GJ/d/mo	-	-	3.190	-	-	-	-	2.429	-	(24%)	/u
15	Kirkwall to Parkway	GJ/d/mo	-	-	0.570	-	-	-	-	1.431	-	151%	/u
16	Parkway to Dawn/Kirkwall	GJ/d/mo	1,047,191	11,159	0.888	11,159	-	11,783	11,783	0.938	-	6%	/u
17	Kirkwall to Dawn	GJ/d/mo	63,329	1,191	1.567	1,191	-	1,043	1,043	1.372	-	(12%)	/u
	Rate M12 Commodity Charges												
18	Easterly - Shipper Supplied Fuel	GJ	349,244,187	15,561		(4,355)	19,917	6	19,923		1.000	-	
19	Westerly - Shipper Supplied Fuel	GJ	17,399,687	161		(276)	437	11	448		1.025	-	
	Rate C1 Dawn Parkway Commodity Charges												
20	Easterly - Shipper Supplied Fuel	GJ	4,834,912	226		(61)	287	(2)	285		0.992	-	
21	Westerly - Shipper Supplied Fuel	GJ	204,967,728	3,043		(2,875)	5,919	(4)	5,915		0.999	-	
22	Total Rate M12/C1 Dawn Parkway		576,446,514	123,642	0.0214	(3,649)	127,291	11	127,302	0.0221	1.000	3%	/u

Derivation of Proposed Rates and Revenue by Rate Class
Ex-franchise (Continued)

Line No.	Particulars	Billing Units	2024 Forecast Usage	Current Approved Revenue ($000s)	Current Approved Rates (1) (2) ($/GJ)	Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue Requirement (3) ($000s)	Proposed 2024 Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue ($000s)	Proposed 2024 Rates ($/GJ)	Revenue-to-Cost Ratios	Rate Change (%)	
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f) = (g - e)	(g)	(h)	(i) = (g / e)	(j) = (h - c) / (c)	
	Rate C1												
	Firm Demand Charges												
23	From Dawn to St.Clair, Bluewater, and Ojibway	GJ/d/mo	-	-	2.326	-	-	-	-	6.677	-	187%	/u
24	To Dawn from St.Clair, Bluewater, and Ojibway	GJ/d/mo	36,927	1,031	2.326	1,031	-	811	811	1.829	-	(21%)	/u
25	Dawn to Dawn-Vector	GJ/d/mo	203,626	78	0.032	78	-	39	39	0.016	-	(50%)	
26	- F24-T	GJ/d/mo	110,781	102	0.077	35	68	-	68	0.051	1.000	(34%)	
27	Dawn to Dawn-TCPL	GJ/d/mo	500,000	912	0.152	912	-	161	161	0.024	-	(84%)	/u
	Commodity Charges												
	Easterly												
	Shipper Supplied Fuel												
28	Dawn to Dawn TCPL	GJ	182,562	4		(1)	5	-	5		1.000	-	
29	Dawn to Dawn Vector	GJ	36,496,499	534		(403)	937	-	937		1.000	-	
30	Ojibway to Dawn	GJ	10,101,455	223		(258)	481	-	481		1.000	-	
31	Bluewater to Dawn	GJ	-	-		-	-	-	-			-	
	Westerly												
	Shipper Supplied Fuel												
32	Parkway to Kirkwall	GJ	-	-		-	-	-	-		-	-	
33	Kirkwall to Dawn	GJ	-	-		-	-	-	-		-	-	
34	Short-term Transportation	GJ	45,665,000	12,139		12,118	21	12,118	12,139		577.366	-	/u
35	Short-term Transportation - Utility Supplied Fuel			2,388		(681)	3,070	(10)	3,060		0.997	-	
36	Total Rate C1		92,445,515	17,411	0.019	12,829	4,582	13,119	17,701	0.019	3.863	2%	/u
	Rate M13												
37	Monthly Fixed Charge - Typical	bills	24	25	$1,047.53	25	0	11	11	$469.19	27.439	(55%)	/u
38	Monthly Fixed Charge - Large	bills	105	110	$1,047.53	108	2	110	111	$1,061.58	62.082	1%	/u
39	RNG Sampling Charge	per use	8	-	-	-	-	78	78	$10,000.00	-	-	
40	Transmission Commodity Charge	GJ	4,791,112	182	0.038	182	-	208	208	0.044	-	14%	/u
41	Commodity - Utility Supplied Fuel	GJ	4,791,112	43	0.009	(80)	123	(0)	123	0.026	1.000	185%	
42	Commodity - Shipper Supplied Fuel	GJ	-										
43	Total Rate M13		4,791,112	360	0.008	235	125	406	532	0.011	4.245	48%	/u
44	Monthly Fixed Charge - Ontario Producers	bills	768	64	$90.00	64	-	360	360	$469.19			
	Rate M16												
45	Monthly Fixed Charge	bills	24	40	$1,666.51	40	0	40	40	$1,669.10		0%	
46	Transmission Commodity Charge	GJ	5,198,227	198	0.038	198	-	226	226	0.044		14%	/u
	Charges West of Dawn												
47	Firm Demand Charge	GJ/d	7,333	205	2.326	200	5	156	161	1.829		(21%)	/u
48	Utility Supplied Fuel to Dawn	GJ	655,236	6	0.009	(11)	17	(0)	17	0.026		185%	
49	Utility Supplied Fuel to Pool	GJ	642,043	17	0.026	(19)	36	(0)	36	0.056		114%	
50	Shipper Supplied Fuel to Dawn	GJ	4,542,991	42		(75)	117	-	117			-	
51	Shipper Supplied Fuel to Pool	GJ	5,048,909	132		(149)	281	-	281			-	
	Charges East of Dawn												
52	Firm Demand Charge	GJ/d	-	-	0.842	-	-	-	-	1.065		26%	/u
53	Utility Supplied Fuel to Dawn	GJ	-	-	0.009	-	-	-	-	0.026		185%	
54	Utility Supplied Fuel to Pool	GJ	-	-	0.011	-	-	-	-	0.026		134%	
55	Total Rate M16		16,094,763	638	0.004	183	455	422	877	0.005	1.928	37%	/u

Derivation of Proposed Rates and Revenue by Rate Class
Ex-franchise (Continued)

Line No.	Particulars	Billing Units	2024 Forecast Usage	Current Approved Revenue ($000s)	Current Approved Rates (1) (2) ($/GJ)	Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue Requirement (3) ($000s)	Proposed 2024 Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue ($000s)	Proposed 2024 Rates ($/GJ)	Proposed 2024 Revenue-to-Cost Ratios	Proposed 2024 Rate Change (%)	
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f) = (g - e)	(g)	(h)	(i) = (g / e)	(j) = (h - c) / (c)	
	Rate M17 Wholesale Transportation Service												
56	Monthly Fixed Charge	bills	12	26	$2,135.35	26	-	25	25	$2,112.14		(1%)	
	Firm Demand Charges												
57	Dawn to Delivery Area	GJ/d/mo	8,863	503	$4.734	4	499	-	499	4.696		(1%)	/u
58	Kirkwall to Delivery Area or Dawn	GJ/d/mo	-	-	$2.904	-	-	-	-	3.513		21%	/u
59	Parkway (TCPL) to Delivery Area or Dawn	GJ/d/mo	-	-	$2.904	-	-	-	-	3.513		21%	/u
	Commodity Charges												
60	Shipper Supplied Fuel Dawn to Delivery Area	GJ	1,303,506	41		(18)	59	(0)	59	-			
61	Total Rate M17		1,303,506	570	0.0438	12	558	25	583	0.0448	1.045	2%	/u
62	Non-Utility Cross Charge			1,197	-	1,197	-	1,719	1,719				/u
63	Total Ex-franchise			166,792		12,018	154,774	19,786	174,561				/u
64	Total (4) (5)			6,020,717		(292,189)	6,312,905	-	6,312,905				/u

Notes:
(1) EB-2022-0133, Exhibit D, Tab 1, Appendix A for the EGD rate zone; and Exhibit D, Tab 2, Appendix A for the Union rate zones.
(2) Adjustment made to Union South and Union North East commodity rates, per Exhibit 3, Tab 2, Schedule 1, paragraph 2.
(3) Attachment 1, column (e).
(4) 2024 total revenue deficiency can be found at Exhibit 7, Tab 1, Schedule 1, Attachment 1, column (i), line 15.
(5) Revenue requirement by rate class can be found at Exhibit 7, Tab 2, Schedule 1, Attachment 2, line 20.

Derivation of Gas Supply Transportation and Commodity Charges by Rate Class

Line No.	Particulars	Total Bundled In-franchise	EGD Rate Zone									Union North Rate Zone					Union South Rate Zone						
			Rate 1	Rate 6	Rate 100	Rate 110	Rate 115	Rate 135	Rate 145	Rate 170	Rate 200	Rate 01	Rate 10	Rate 20	Rate 25	Rate 100 (8)	Rate M1	Rate M2	Rate M4	Rate M5	Rate M7	Rate M9	
		(a) = sum(b to u)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	
	Gas Supply Transportation Charges																						
	Allocated Costs - Delivery ($000s) (1)																						
1	Load Balancing - Transportation	(7,886)	(2,513)	(2,184)	(6)	(160)	(6)	-	-	-	(47)	(451)	(127)	(18)	-	-	(1,426)	(508)	(159)	(2)	(264)	(16)	
2	Transportation Demand	(7,325)	(1,887)	(1,809)	(10)	(403)	(144)	(20)	(6)	(122)	(71)	(373)	(122)	(51)	(2)	-	(1,228)	(498)	(224)	(22)	(298)	(34)	
3	Transportation Commodity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Transmission (2)	18,190	-	-	-	-	-	-	-	-	-	14,044	4,146	-	-	-	-	-	-	-	-	-	/u
5	Total	2,979	(4,399)	(3,993)	(16)	(563)	(150)	(20)	(6)	(122)	(119)	13,220	3,896	(69)	(2)	-	(2,654)	(1,006)	(383)	(24)	(562)	(50)	/u
	Allocated Costs - Gas Supply ($000s) (3)																						
6	Load Balancing - Transportation	173,438	55,261	48,029	129	3,509	129	-	-	-	1,041	9,908	2,801	396	-	-	31,354	11,180	3,501	34	5,813	352	
7	Transportation Demand	161,093	40,425	41,798	220	8,784	3,065	423	126	2,595	1,516	8,177	3,259	1,630	46	-	26,130	10,591	4,767	478	6,339	723	
8	Transportation Commodity	23,783	6,126	5,874	34	1,309	468	64	19	396	231	1,211	397	166	7	-	3,987	1,616	727	73	967	110	
9	Transmission (2)	751	-	-	-	-	-	-	-	-	-	567	184	-	-	-	-	-	-	-	-	-	
10	Total	359,066	101,812	95,701	383	13,601	3,663	487	145	2,991	2,788	19,864	6,641	2,192	53	-	61,471	23,387	8,995	584	13,120	1,185	
11	Empress-Dawn Differential (cents/m³) (4)	1.8620																					
12	Western Incremental Revenue ($000s) (5)	5,229	280	3,301	-	208	-	-	-	-	0	238	657	544	-	-	-	-	-	-	-	-	
13	Revenue Recovered From All	353,836	101,532	92,400	383	13,393	3,663	487	145	2,991	2,788	19,626	5,984	1,648	53	-	61,471	23,387	8,995	584	13,120	1,185	
14	Total	359,066	101,812	95,701	383	13,601	3,663	487	145	2,991	2,788	19,864	6,641	2,192	53	-	61,471	23,387	8,995	584	13,120	1,185	
	Billing Units (10^3m^3) (6)																						
15	Transportation	19,135,763	4,985,996	4,618,386	27,429	1,057,102	381,873	52,646	15,714	323,254	188,850	976,207	288,794	106,098	5,703	-	3,255,132	1,319,376	593,899	59,493	789,737	90,073	
16	Western Transportation	280,843	15,031	177,308	-	11,179	-	-	-	-	2	12,798	35,299	29,227	-	-	-	-	-	-	-	-	
17	Total	19,416,606	5,001,027	4,795,693	27,429	1,068,281	381,873	52,646	15,714	323,254	188,852	989,005	324,093	135,325	5,703	-	3,255,132	1,319,376	593,899	59,493	789,737	90,073	
	Unit Rates - Delivery (cents/m^3)																						
18	Gas Supply Transportation Charge (line 5 / line 17)		(0.0880)	(0.0833)	(0.0591)	(0.0527)	(0.0393)	(0.0377)	(0.0377)	(0.0377)	(0.0628)	1.3367	1.2023	(0.0510)	(0.0377)	(0.0510)	(0.0815)	(0.0763)	(0.0645)	(0.0403)	(0.0712)	(0.0555)	/u
19	Gas Supply Western Transportation Charge (line 18 + line 11)		(0.0880)	(0.0833)	(0.0591)	(0.0527)	(0.0393)	(0.0377)	(0.0377)	(0.0377)	(0.0628)	1.3367	1.2023	(0.0510)	(0.0377)	(0.0510)							/u
	Unit Rates - Gas Supply (cents/m^3)																						
20	Gas Supply Transportation Charge (line 13 / line 17)		2.0302	1.9267	1.3947	1.2537	0.9591	0.9252	0.9252	0.9252	1.4765	1.9844	1.8464	1.2179	0.9252	1.2179	1.8884	1.7726	1.5146	0.9822	1.6613	1.3156	
21	Gas Supply Western Transportation Charge (line 20 + line 11)		3.8922	3.7887	3.2567	3.1157	2.8211	2.7872	2.7872	2.7872	3.3385	3.8464	3.7083	3.0799	2.7872	3.0799							
	Unit Rates - Total (cents/m^3)																						
22	Gas Supply Transportation Charge		1.9423	1.8435	1.3356	1.2011	0.9199	0.8875	0.8875	0.8875	1.4137	3.3212	3.0486	1.1669	0.8875	1.1669	1.8069	1.6963	1.4501	0.9419	1.5901	1.2602	/u
23	Gas Supply Western Transportation Charge		3.8042	3.7054	3.1976	3.0630	2.7818	2.7495	2.7495	2.7495	3.2757	5.1831	4.9106	3.0289	2.7495	3.0289							/u
	Gas Supply Commodity Charges																						
	Allocated Costs - Delivery ($000s) (1)																						
24	Gas Supply Commodity (Reference Price)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
25	Gas Supply Administration	15,492	5,792	3,501	17	120	2	5	1	6	165	1,097	194	18	7	-	3,621	811	70	3	42	19	
26	Panhandle/St. Clair Transportation	4,793	1,792	1,083	5	37	1	2	0	2	51	339	60	6	2	-	1,120	251	22	1	13	6	/u
27	Total	20,285	7,584	4,584	23	158	3	7	1	8	216	1,437	254	24	9	-	4,742	1,062	92	3	55	24	/u
	Allocated Costs - Gas Supply ($000s) (3)																						
28	Gas Supply Commodity (Reference Price)	2,728,041	1,019,990	616,434	3,062	21,205	343	911	119	1,112	29,112	193,220	34,151	3,243	1,183	-	637,686	142,834	12,317	449	7,391	3,277	
29	Gas Supply Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
30	Panhandle/St. Clair Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
31	Total	2,728,041	1,019,990	616,434	3,062	21,205	343	911	119	1,112	29,112	193,220	34,151	3,243	1,183	-	637,686	142,834	12,317	449	7,391	3,277	
32	Billing Units (10^3m^3) (7)	13,147,614	4,915,774	2,970,864	14,757	102,197	1,651	4,392	574	5,360	140,306	931,213	164,590	15,631	5,703	-	3,073,284	688,379	59,362	2,164	35,619	15,795	
33	Gas Supply Commodity Charge - Delivery (cents/m^3)		0.1543	0.1543	0.1543	0.1543	0.1543	0.1543	0.1543	0.1543	0.1543	0.1543	0.1543	0.1543	0.1543	0.1543	0.1543	0.1543	0.1543	0.1543	0.1543	0.1543	/u
34	Gas Supply Commodity Charge - Gas Supply (cents/m^3)		20.7493	20.7493	20.7493	20.7493	20.7493	20.7493	20.7493	20.7493	20.7493	20.7493	20.7493	20.7493	20.7493	20.7493	20.7493	20.7493	20.7493	20.7493	20.7493	20.7493	
35	Gas Supply Commodity Charge - Total (cents/m^3)		20.9036	20.9036	20.9036	20.9036	20.9036	20.9036	20.9036	20.9036	20.9036	20.9036	20.9036	20.9036	20.9036	20.9036	20.9036	20.9036	20.9036	20.9036	20.9036	20.9036	/u

Notes:
(1) Exhibit 7, Tab 2, Schedule 1, Attachment 9.
(2) Transmission costs for Rate 01 and Rate 10 in the Union North rate zones are included in the gas supply transportation charge.
(3) Exhibit 7, Tab 2, Schedule 1, Attachment 10.
(4) Difference between the Dawn supply price of $5.267/GJ and the Empress supply price of $4.539/GJ based on the April 2022 QRAM, converted to cents/m³.
(5) Western incremental revenue calculated as line 11 x line 16 / 100.
(6) Transportation billing units per Attachment 2, column (a), sum of transportation billing units less Western or North West transportation billing units.
Western transporation billing units per Attachment 2, column (a), sum of Western and North West transportation billing units.
(7) Attachment 2, column (a), sum of gas supply commodity billing units.
(8) Rate 100 gas supply charges are set equal to Rate 20.

Summary of Proposed Rate Changes and Unit Rate Component by Rate Class
EGD Rate Zone

Line No.	Rate Class	Particulars	Units	Current Rates (1)	Rate Change	Proposed Rates (2)	Proposed Unit Rate Components	
							Delivery	Gas Cost
				(a)	(b) = (c - a)	(c)	(d)	(e)
	Rate 1							
1		Monthly Customer Charge	$	$21.88	$1.12	$23.00	$23.00	-
		Delivery Charge - Commodity						
2		First 30 m³	cents/m³	11.9189	1.4957	13.4146	12.8772	0.5374 /u
3		Next 55 m³	cents/m³	11.2389	1.2658	12.5047	11.9673	0.5374 /u
4		Next 85 m³	cents/m³	10.7064	1.0857	11.7921	11.2548	0.5374 /u
5		Over 170 m³	cents/m³	10.3095	0.9515	11.2610	10.7236	0.5374 /u
		Gas Supply Transportation Charge						
6		Transportation - System	cents/m³	3.9267	(1.9845)	1.9423	(0.0880)	2.0302
7		Transportation - Dawn	cents/m³	0.9697	0.9725	1.9423	(0.0880)	2.0302
8		Transportation - Western	cents/m³	3.9267	(0.1225)	3.8042	(0.0880)	3.8922
9		Transportation - Ontario	cents/m³	-	1.9423	1.9423	(0.0880)	2.0302
10		Gas Supply Commodity Charge	cents/m³	18.3775	2.5261	20.9036	0.1543	20.7493 /u
	Rate 6							
11		Monthly Customer Charge	$	$76.58	$3.42	$80.00	$80.00	-
		Delivery Charge - Commodity						
12		First 500 m³	cents/m³	11.2299	0.5752	11.8051	11.2935	0.5116 /u
13		Next 1,050 m³	cents/m³	8.8637	0.0243	8.8880	8.3764	0.5116 /u
14		Next 4,500 m³	cents/m³	7.2067	(0.3615)	6.8452	6.3336	0.5116 /u
15		Next 7,000 m³	cents/m³	6.1421	(0.6094)	5.5327	5.0212	0.5116 /u
16		Next 15,250 m³	cents/m³	5.6691	(0.7195)	4.9495	4.4380	0.5116 /u
17		Over 28,300 m³	cents/m³	5.5503	(0.7472)	4.8031	4.2915	0.5116 /u
		Gas Supply Transportation Charge						
18		Transportation - System	cents/m³	3.9267	(2.0833)	1.8435	(0.0833)	1.9267
19		Transportation - Dawn	cents/m³	0.9697	0.8737	1.8435	(0.0833)	1.9267
20		Transportation - Western	cents/m³	3.9267	(0.2213)	3.7054	(0.0833)	3.7887
21		Transportation - Ontario		-	1.8435	1.8435	(0.0833)	1.9267
22		Gas Supply Commodity Charge	cents/m³	18.4008	2.5028	20.9036	0.1543	20.7493 /u
	Rate 100							
23		Monthly Customer Charge	$	$133.47	$366.53	$500.00	$500.00	-
24		Delivery Charge - Contract Demand	cents/m³	39.6129	3.7502	43.3632	43.3632	- /u
25		Delivery Charge - Commodity	cents/m³	1.3912	(1.0014)	0.3898	-	0.3898
		Gas Supply Transportation Charge						
26		Transportation - System	cents/m³	3.9267	(2.5911)	1.3356	(0.0591)	1.3947
27		Transportation - Dawn	cents/m³	0.9697	0.3659	1.3356	(0.0591)	1.3947
28		Transportation - Western	cents/m³	3.9267	(0.7291)	3.1976	(0.0591)	3.2567
29		Transportation - Ontario	cents/m³	-	1.3356	1.3356	(0.0591)	1.3947
30		Gas Supply Commodity Charge	cents/m³	18.4008	2.5028	20.9036	0.1543	20.7493 /u
	Rate 110							
31		Monthly Customer Charge	$	$642.55	($142.55)	$500.00	$500.00	-
32		Delivery Charge - Contract Demand	cents/m³/d	25.3940	22.1461	47.5401	47.5401	- /u
		Delivery Charge - Commodity						
33		First 1,000,000 m³	cents/m³	1.2849	(0.9313)	0.3537	-	0.3537
34		For all over 1,000,000 m³	cents/m³	1.1169	(0.7633)	0.3537	-	0.3537
		Gas Supply Transportation Charge						
35		Transportation - System	cents/m³	3.9267	(2.7257)	1.2011	(0.0527)	1.2537
36		Transportation - Dawn	cents/m³	0.9697	0.2313	1.2011	(0.0527)	1.2537
37		Transportation - Western	cents/m³	3.9267	(0.8637)	3.0630	(0.0527)	3.1157
38		Transportation - Ontario	cents/m³	-	1.2011	1.2011	(0.0527)	1.2537
39		Gas Supply Commodity Charge	cents/m³	18.3394	2.5642	20.9036	0.1543	20.7493 /u
	Rate 115							
40		Monthly Customer Charge	$	$681.11	($181.11)	$500.00	$500.00	-
41		Delivery Charge - Contract Demand	cents/m³/d	27.1243	10.0203	37.1446	37.1446	- /u
		Delivery Charge - Commodity						
42		First 1,000,000 m³	cents/m³	0.7656	(0.4806)	0.2850	-	0.2850
43		For all over 1,000,000 m³	cents/m³	0.6631	(0.3781)	0.2850	-	0.2850
		Gas Supply Transportation Charge						
44		Transportation - System	cents/m³	3.9267	(3.0069)	0.9199	(0.0393)	0.9591
45		Transportation - Dawn	cents/m³	0.9697	(0.0499)	0.9199	(0.0393)	0.9591
46		Transportation - Western	cents/m³	3.9267	(1.1449)	2.7818	(0.0393)	2.8211
47		Transportation - Ontario	cents/m³	-	0.9199	0.9199	(0.0393)	0.9591
48		Gas Supply Commodity Charge	cents/m³	18.3394	2.5642	20.9036	0.1543	20.7493 /u
	Rate 125							
49		Monthly Customer Charge	$	$546.97	$2,453.03	$3,000.00	$3,000.00	-
50		Delivery Charge - Contract Demand	cents/m³	11.2127	(0.5630)	10.6497	10.2189	0.4309 /u
51		Customer Supplied Fuel - UFG	%	0.900%	(0.429%)	0.471%	-	0.471%

Summary of Proposed Rate Changes and Unit Rate Component by Rate Class
EGD Rate Zone (Continued)

Line No.	Rate No.	Particulars	Units	Current Rates (1) (a)	Rate Change (b) = (c - a)	Proposed Rates (2) (c)	Proposed Unit Rate Components: Delivery (d)	Proposed Unit Rate Components: Gas Cost (e)
	Rate 135							
52		Monthly Customer Charge	$	$125.89	$374.11	$500.00	$500.00	-
		Winter						
		Delivery Charge - Commodity						
53		First 14,000 m³	cents/m³	8.7072	2.5846	11.2918	10.1866	1.1051 /u
54		Next 28,000 m³	cents/m³	7.2308	2.2783	9.5090	8.4039	1.1051 /u
55		For all over 42,000 m³	cents/m³	6.6456	2.1570	8.8027	7.6976	1.1051 /u
		Summer						
		Delivery Charge - Commodity						
56		First 14,000 m³	cents/m³	3.0187	1.4053	4.4240	3.3189	1.1051 /u
57		Next 28,000 m³	cents/m³	2.1834	1.2322	3.4156	2.3105	1.1051 /u
58		For all over 42,000 m³	cents/m³	1.9276	1.1792	3.1068	2.0017	1.1051 /u
		Gas Supply Transportation Charge						
59		Transportation - System	cents/m³	3.9267	(3.0392)	0.8875	(0.0377)	0.9252
60		Transportation - Dawn	cents/m³	0.9697	(0.0822)	0.8875	(0.0377)	0.9252
61		Transportation - Western	cents/m³	3.9267	(1.1773)	2.7495	(0.0377)	2.7872
62		Transportation - Ontario	cents/m³	-	0.8875	0.8875	(0.0377)	0.9252
63		Gas Supply Commodity Charge	cents/m³	18.3471	2.5565	20.9036	0.1543	20.7493 /u
	Rate 145							
64		Monthly Customer Charge	$	$134.93	-	$134.93	$134.93	-
65		Delivery Charge - Contract Demand	cents/m³/d	9.0517	2.3949	11.4466	11.4466	- /u
		Delivery Charge - Commodity						
66		First 14,000 m³	cents/m³	8.0496	(7.2304)	0.8192	-	0.8192
67		Next 28,000 m³	cents/m³	6.6754	(5.8562)	0.8192	-	0.8192
68		For all over 42,000 m³	cents/m³	6.1099	(5.2907)	0.8192	-	0.8192
		Gas Supply Transportation Charge						
69		Transportation - System	cents/m³	3.9267	(3.0392)	0.8875	(0.0377)	0.9252
70		Transportation - Dawn	cents/m³	0.9697	(0.0822)	0.8875	(0.0377)	0.9252
71		Transportation - Western	cents/m³	3.9267	(1.1773)	2.7495	(0.0377)	2.7872
72		Transportation - Ontario	cents/m³	-	0.8875	0.8875	(0.0377)	0.9252
73		Gas Supply Commodity Charge	cents/m³	18.3434	2.5602	20.9036	0.1543	20.7493 /u
	Rate 170							
74		Monthly Customer Charge		$305.55	-	$305.55	$305.55	-
75		Delivery Charge - Contract Demand	cents/m³/d	4.4945	(0.7296)	3.7649	3.7649	- /u
		Delivery Charge - Commodity						
76		First 1,000,000 m³	cents/m³	0.8445	0.6240	1.4685	-	1.4685
77		For all over 1,000,000 m³	cents/m³	0.6405	0.8280	1.4685	-	1.4685
		Gas Supply Transportation Charge						
78		Transportation - System	cents/m³	3.9267	(3.0392)	0.8875	(0.0377)	0.9252
79		Transportation - Dawn	cents/m³	0.9697	(0.0822)	0.8875	(0.0377)	0.9252
80		Transportation - Western	cents/m³	3.9267	(1.1773)	2.7495	(0.0377)	2.7872
81		Transportation - Ontario	cents/m³	-	0.8875	0.8875	(0.0377)	0.9252
82		Gas Supply Commodity Charge	cents/m³	18.3394	2.5642	20.9036	0.1543	20.7493 /u
	Rate 200							
83		Monthly Customer Charge	$	-	-	-	-	-
84		Delivery Charge - Contract Demand	cents/m³/d	16.2592	13.5689	29.8281	29.8281	- /u
85		Delivery Charge - Commodity	cents/m³	2.4962	(1.9470)	0.5493	-	0.5493
		Gas Supply Transportation Charge						
86		Transportation - System	cents/m³	3.9267	(2.5130)	1.4137	(0.0628)	1.4765
87		Transportation - Dawn	cents/m³	0.9697	0.4440	1.4137	(0.0628)	1.4765
88		Transportation - Western	cents/m³	3.9267	(0.6511)	3.2757	(0.0628)	3.3385
89		Transportation - Ontario	cents/m³	-	1.4137	1.4137	(0.0628)	1.4765
90		Gas Supply Commodity Charge	cents/m³	18.3393	2.5643	20.9036	0.1543	20.7493 /u
	Rate 300							
91		Monthly Customer Charge	$	$546.97	$953.03	$1,500.00	$1,500.00	-
92		Delivery Charge - Contract Demand	cents/m³/d	26.3752	(1.1148)	25.2604	25.2604	- /u
93		Customer Supplied Fuel - UFG	%	0.900%	(0.429%)	0.471%	-	0.471%
	Rate 315							
94		Monthly Customer Charge	$	$164.09	($164.09)	-	-	-
95		Space Demand Charge	cents/m³/d	0.0537	0.0110	0.0647	0.0598	0.0049 /u
96		Deliverability Demand Charge	cents/m³/d	23.1914	(0.0966)	23.0948	20.9542	2.1406 /u
97		Injection & Withdrawal Charge	cents/m³	0.2897	(0.0910)	0.1987		0.1987
	Rate 316							
98		Monthly Customer Charge	$	$164.09	($164.09)	-	-	-
99		Space Demand Charge	cents/m³/d	0.0537	0.0109	0.0647	0.0598	0.0049 /u
100		Deliverability Demand Charge	cents/m³/d	5.5775	4.1419	9.7195	7.5789	2.1406 /u
101		Injection & Withdrawal Charge	cents/m³	0.1206	(0.0228)	0.0978	-	0.0978

Notes:
(1) EB-2022-0133, Exhibit D, Tab 1, Appendix A.
(2) Attachment 2, column (h).

Summary of Proposed Rate Changes and Unit Rate Component by Rate Class
Union North Rate Zone

Line No.	Rate No.	Particulars	Units	Current Rates (1) (2)	Rate Change	Proposed Rates (3)	Proposed Unit Rate Components	
							Delivery	Gas Cost
				(a)	(b) = (c - a)	(c)	(d)	(e)
	Rate 01							
1		Monthly Customer Charge	$	$22.98	$0.02	$23.00	$23.00	-
		Delivery Charge - Commodity						
2		First 100 m³	cents/m³	11.1409	(3.7441)	7.3968	8.1161	(0.7193) /u
3		Next 200 m³	cents/m³	10.8629	(3.6698)	7.1931	7.9124	(0.7193) /u
4		Next 200 m³	cents/m³	10.4222	(3.5520)	6.8702	7.5895	(0.7193) /u
5		Next 500 m³	cents/m³	10.0179	(3.4440)	6.5739	7.2932	(0.7193) /u
6		Over 1,000 m³	cents/m³	9.6836	(3.3546)	6.3290	7.0482	(0.7193) /u
		Storage Charge - Commodity						
7		Storage Commodity - North West	cents/m³	2.2812	(0.0491)	2.2321	1.0553	1.1768 /u
8		Storage Commodity - North East	cents/m³	6.2598	(4.0277)	2.2321	1.0553	1.1768 /u
		Gas Supply Transportation Charge						
9		Transportation - System - North West	cents/m³	4.4904	(1.1692)	3.3212	1.3367	1.9844 /u
10		Transportation - System - North East	cents/m³	2.2975	1.0237	3.3212	1.3367	1.9844 /u
11		Transportation - Bundled - North West	cents/m³	4.4904	0.6927	5.1831	1.3367	3.8464 /u
12		Transportation - Bundled - North East	cents/m³	2.2975	1.0237	3.3212	1.3367	1.9844 /u
		Gas Supply Commodity Charge						
13		Gas Supply Commodity - North West	cents/m³	18.2741	2.6295	20.9036	0.1543	20.7493 /u
14		Gas Supply Commodity - North East	cents/m³	22.3151	(1.4115)	20.9036	0.1543	20.7493 /u
	Rate 10							
15		Monthly Customer Charge	$	$76.58	$3.42	$80.00	$80.00	-
		Delivery Charge - Commodity						
16		First 1,000 m³	cents/m³	10.1913	(3.4902)	6.7011	7.2962	(0.5951) /u
17		Next 9,000 m³	cents/m³	8.3182	(2.9602)	5.3580	5.9531	(0.5951) /u
18		Next 20,000 m³	cents/m³	7.2328	(2.6531)	4.5797	5.1748	(0.5951) /u
19		Next 70,000 m³	cents/m³	6.5512	(2.4603)	4.0909	4.6861	(0.5951) /u
20		Over 100,000 m³	cents/m³	3.9687	(1.7295)	2.2392	2.8343	(0.5951) /u
		Storage Charge - Commodity						
21		Storage Commodity - North West	cents/m³	1.8104	0.0753	1.8857	0.8587	1.0270 /u
22		Storage Commodity - North East	cents/m³	4.6780	(2.7923)	1.8857	0.8587	1.0270 /u
		Gas Supply Transportation Charge						
23		Transportation - System - North West	cents/m³	3.9399	(0.8913)	3.0486	1.2023	1.8464 /u
24		Transportation - System - North East	cents/m³	2.1115	0.9371	3.0486	1.2023	1.8464 /u
25		Transportation - Bundled - North West	cents/m³	3.9399	0.9707	4.9106	1.2023	3.7083 /u
26		Transportation - Bundled - North East	cents/m³	2.1115	0.9371	3.0486	1.2023	1.8464 /u
		Gas Supply Commodity Charge						
27		Gas Supply Commodity - North West	cents/m³	18.2741	2.6295	20.9036	0.1543	20.7493 /u
28		Gas Supply Commodity - North East	cents/m³	22.3151	(1.4115)	20.9036	0.1543	20.7493 /u
	Rate 20							
29		Monthly Customer Charge	$	$1,090.76	($90.76)	$1,000.00	$1,000.00	-
		Delivery Charge - Contract Demand						
30		First 70,000 m³	cents/m³/d	34.7968	6.4649	41.2617	41.2617	- /u
31		All over 70,000 m³	cents/m³/d	20.4623	3.8017	24.2640	24.2640	- /u
		Delivery Charge - Commodity						
32		First 852,000 m³	cents/m³	0.7760	(0.6321)	0.1439	-	0.1439
33		All over 852,000 m³	cents/m³	0.5645	(0.4206)	0.1439	-	0.1439
34		Monthly Transportation Account Charge	$	$248.07				
		Gas Supply Transportation Charge - Demand						
35		North West	cents/m³/d	41.8848	(23.1346)	18.7502	15.2779	3.4724 /u
36		North East	cents/m³/d	43.3684	(24.6182)	18.7502	15.2779	3.4724 /u
		Transportation Commodity - Tier 1						
37		System - North West	cents/m³	2.5133	(1.3464)	1.1669	(0.0510)	1.2179
38		System - North East	cents/m³	1.7764	(0.6095)	1.1669	(0.0510)	1.2179
39		Bundled - North West	cents/m³	2.5133	0.5156	3.0289	(0.0510)	3.0799
40		Bundled - North East	cents/m³	1.7764	(0.6095)	1.1669	(0.0510)	1.2179
		Transportation Commodity - Tier 2						
41		System - North West	cents/m³	-	1.1669	1.1669	(0.0510)	1.2179
42		System - North East	cents/m³	-	1.1669	1.1669	(0.0510)	1.2179
43		Bundled - North West	cents/m³	-	3.0289	3.0289	(0.0510)	3.0799
44		Bundled - North East	cents/m³	-	1.1669	1.1669	(0.0510)	1.2179
		Bundled (T-Service) Storage Service Charges						
45		Storage Demand	$/GJ/d	18.835	1.584	20.419	5.357	15.062 /u
46		Storage Commodity	$/GJ	0.240	(0.132)	0.108	-	0.108
		Gas Supply Commodity Charge						
47		Gas Supply Commodity - North West	cents/m³	17.7061	3.1975	20.9036	0.1543	20.7493 /u
48		Gas Supply Commodity - North East	cents/m³	21.6670	(0.7634)	20.9036	0.1543	20.7493 /u
	Rate 25							
49		Monthly Customer Charge	$	$368.56	-	$368.56	$368.56	-
50		Delivery Charge - Commodity (average)	cents/m³	3.2303	(1.3327)	1.8976	1.7938	0.1038 /u
51		Monthly Transportation Account Charge	$	$248.07				
52		Gas Supply Charge Including Transportation (average)	cents/m³	23.0212	(1.2301)	21.7911	0.1166	21.6745 /u

Summary of Proposed Rate Changes and Unit Rate Component by Rate Class
Union North Rate Zone (Continued)

Line No.	Rate No.	Particulars	Units	Current Rates (1) (2)	Rate Change	Proposed Rates (3)	Proposed Unit Rate Components	
							Delivery	Gas Cost
				(a)	(b) = (c - a)	(c)	(d)	(e)
	Rate 100							
53		Monthly Customer Charge	$	$1,620.86	($120.86)	$1,500.00	$1,500.00	-
54		Delivery Charge - Contract Demand	cents/m³/d	19.9460	(7.0253)	12.9207	12.9207	- /u
55		Delivery Charge - Commodity	cents/m³	0.2871	(0.1680)	0.1191	-	0.1191
56		Monthly Transportation Account Charge	$	$248.07				
		Gas Supply Transportation Charge - Demand						
57		North West	cents/m³/d	75.2744	(56.5242)	18.7502	15.2779	3.4724 /u
58		North East	cents/m³/d	114.0459	(95.2957)	18.7502	15.2779	3.4724 /u
		Transportation Commodity - Tier 1						
59		System - North West	cents/m³	4.2342	(3.0673)	1.1669	(0.0510)	1.2179
60		System - North East	cents/m³	6.5400	(5.3731)	1.1669	(0.0510)	1.2179
61		Bundled - North West	cents/m³	4.2342	(1.2053)	3.0289	(0.0510)	3.0799
62		Bundled - North East	cents/m³	6.5400	(5.3731)	1.1669	(0.0510)	1.2179
		Transportation Commodity - Tier 2						
63		System - North West	cents/m³	-	1.1669	1.1669	(0.0510)	1.2179
64		System - North East	cents/m³	-	1.1669	1.1669	(0.0510)	1.2179
65		Bundled - North West	cents/m³	-	3.0289	3.0289	(0.0510)	3.0799
66		Bundled - North East	cents/m³	-	1.1669	1.1669	(0.0510)	1.2179
		Bundled (T-Service) Storage Service Charges						
67		Storage Demand	$/GJ/d	18.835	1.584	20.419	5.357	15.062 /u
68		Storage Commodity	$/GJ	0.240	(0.132)	0.108	-	0.108

Notes:
(1) EB-2022-0133, Exhibit D, Tab 2, Appendix A.
(2) One adjustment made to Union South and Union North East commodity rates, per Exhibit 3, Tab 2, Schedule 1, paragraph 2.
(3) Attachment 2, column (h).

Summary of Proposed Rate Changes and Unit Rate Component by Rate Class
Union South Rate Zone

Line No.	Rate No.	Particulars	Units	Current Rates (1) (2) (a)	Rate Change (b) = (c - a)	Proposed Rates (3) (c)	Proposed Unit Rate Components: Delivery (d)	Proposed Unit Rate Components: Gas Cost (e)
	Rate M1							
1		Monthly Customer Charge	$	$22.98	$0.02	$23.00	$23.00	-
		Delivery Charge - Commodity						
2		First 100 m³	cents/m³	7.4369	4.9863	12.4232	11.9176	0.5056 /u
3		Next 150 m³	cents/m³	7.1228	4.7150	11.8378	11.3322	0.5056 /u
4		All over 250 m³	cents/m³	6.3113	4.0142	10.3255	9.8199	0.5056 /u
5		Gas Supply Transportation Charge	cents/m³	-	1.8069	1.8069	(0.0815)	1.8884
6		Gas Supply Commodity Charge	cents/m³	22.2906	(1.3870)	20.9036	0.1543	20.7493 /u
	Rate M2							
7		Monthly Customer Charge	$	$76.58	$3.42	$80.00	$80.00	-
		Delivery Charge - Commodity						
8		First 1,000 m³	cents/m³	7.0915	1.6524	8.7439	8.2686	0.4753 /u
9		Next 6,000 m³	cents/m³	6.9819	1.6144	8.5963	8.1210	0.4753 /u
10		Next 13,000 m³	cents/m³	6.6082	1.4851	8.0933	7.6180	0.4753 /u
11		All over 20,000 m³	cents/m³	6.2183	1.3501	7.5684	7.0931	0.4753 /u
12		Gas Supply Transportation Charge	cents/m³	-	1.6963	1.6963	(0.0763)	1.7726
13		Gas Supply Commodity Charge	cents/m³	22.2906	(1.3870)	20.9036	0.1543	20.7493 /u
	Rate M4							
		Delivery Charge - Contract Demand						
14		First 8,450 m³	cents/m³	69.3946	(6.4001)	62.9945	62.9945	- /u
15		Next 19,700 m³	cents/m³	33.0577	(3.0488)	30.0089	30.0089	- /u
16		All over 28,150 m³	cents/m³	28.3360	(2.6134)	25.7226	25.7226	- /u
		Delivery Charge - Commodity						
17		First Block	cents/m³	2.0339	(0.7148)	1.3191	0.9447	0.3745 /u
18		All remaining use	cents/m³	0.8725	(0.7148)	0.1577	(0.2167)	0.3745 /u
		Interruptible Contracts						
19		Monthly Customer Charge	$	$755.88	($255.88)	$500.00	$500.00	-
20		Delivery Charge - Commodity (Average)	cents/m³	3.5886	(1.5163)	2.0723	1.8393	0.2330 /u
21		Gas Supply Transportation Charge	cents/m³	-	1.4501	1.4501	(0.0645)	1.5146
22		Gas Supply Commodity Charge	cents/m³	22.2906	(1.3870)	20.9036	0.1543	20.7493 /u
	Rate M5							
23		Monthly Customer Charge	$	$755.88	($255.88)	$500.00	$500.00	-
24		Delivery Charge - Commodity (Average)	cents/m³	3.4477	(1.3754)	2.0723	1.8393	0.2330 /u
		Firm Contracts						
25		Delivery Charge - Contract Demand	cents/m³/d	41.2157	(1.3053)	39.9104	39.9104	- /u
26		Delivery Charge - Commodity	cents/m³	3.5497	0.2018	3.7516	3.3768	0.3747
27		Gas Supply Transportation Charge	cents/m³	-	0.9419	0.9419	(0.0403)	0.9822
28		Gas Supply Commodity Charge	cents/m³	22.2906	(1.3870)	20.9036	0.1543	20.7493 /u
	Rate M7							
		Firm Contracts						
29		Delivery Charge - Contract Demand	cents/m³/d	34.0345	5.1458	39.1803	39.1803	- /u
30		Delivery Charge - Commodity	cents/m³	0.4538	(0.0065)	0.4473	-	0.4473
		Interruptible Contracts						
31		Delivery Charge - Commodity (Average)	cents/m³	2.4514	(1.0436)	1.4078	1.1638	0.2440 /u
32		Gas Supply Transportation Charge	cents/m³	-	1.5901	1.5901	(0.0712)	1.6613
33		Gas Supply Commodity Charge	cents/m³	22.2906	(1.3870)	20.9036	0.1543	20.7493 /u
	Rate M9							
		Firm Contracts						
34		Delivery Charge - Contract Demand	cents/m³/d	27.2284	2.6670	29.8954	29.8954	- /u
35		Delivery Charge - Commodity	cents/m³	0.3040	0.0629	0.3669	-	0.3669
36		Gas Supply Transportation Charge	cents/m³	-	1.2602	1.2602	(0.0555)	1.3156
37		Gas Supply Commodity Charge	cents/m³	22.2906	(1.3870)	20.9036	0.1543	20.7493 /u

Summary of Proposed Rate Changes and Unit Rate Component by Rate Class
Union South Rate Zone (Continued)

Line No.	Rate No.	Particulars	Units	Current Rates (1) (2)	Rate Change	Proposed Rates (3)	Proposed Unit Rate Components	
							Delivery	Gas Cost
				(a)	(b) = (c - a)	(c)	(d)	(e)
	Rate T1							
38		Monthly Customer Charge	$	$2,155.61	$844.39	$3,000.00	$3,000.00	-
		Transportation Service Charges						
		Transportation Contract Demand						
39		First 28,150 m³	cents/m³/d	44.5954	(6.5040)	38.0914	37.9821	0.1092 /u
40		Next 112,720 m³	cents/m³/d	31.6763	(4.5882)	27.0881	26.9789	0.1092 /u
		Transportation Commodity						
41		Firm Volumes	cents/m³	0.1400	(0.1400)	-	-	-
42		Interruptible Volumes (average)	cents/m³	2.1870	(1.8571)	0.3299	0.3175	0.0124 /u
43		Customer Supplied Fuel - Transportation	%	0.358%	0.445%	0.803%	-	0.803%
		Storage Service Charges						
		Monthly Demand Charges:						
44		Firm Space	$/GJ/d	0.012	0.005	0.017	0.015	0.001 /u
		Firm Injection/Withdrawal Right						
45		Utility provides deliverability inventory	$/GJ/d	1.878	0.609	2.487	1.939	0.548 /u
46		Customer provides deliverability inventory	$/GJ/d	1.473	0.764	2.237	1.689	0.548 /u
47		Firm incremental injection	$/GJ/d	1.473	0.764	2.237	1.689	0.548 /u
48		Interruptible withdrawal	$/GJ/d	1.473	0.764	2.237	1.689	0.548 /u
		Commodity:						
49		Commodity	$/GJ	0.012	(0.012)	-	-	-
50		Customer Supplied Fuel - Storage	%	0.445%	0.389%	0.834%	-	0.834%
	Rate T2							
51		Monthly Customer Charge	$	$6,803.81	($3,803.81)	$3,000.00	$3,000.00	-
		Transportation Service Charges						
		Transportation Contract Demand						
52		First 140,870 m³	cents/m³/d	33.1606	5.3683	38.5289	37.9561	0.5728 /u
53		All Over 140,870 m³	cents/m³/d	18.4774	3.2449	21.7223	21.1495	0.5728 /u
		Transportation Commodity						
54		Firm Volumes	cents/m³	0.0306	(0.0306)	-	-	-
55		Interruptible Volumes (average)	cents/m³	2.7177	(1.3138)	1.4039	1.3915	0.0124 /u
56		Customer Supplied Fuel - Transportation	%	0.309%	0.494%	0.803%	-	0.803%
		Storage Service Charges ($/GJ)						
		Monthly Demand Charges:						
57		Firm Space	$/GJ/d	0.012	0.005	0.017	0.015	0.001 /u
		Firm Injection/Withdrawal Right						
58		Utility provides deliverability inventory	$/GJ/d	1.878	0.609	2.487	1.939	0.548 /u
59		Customer provides deliverability inventory	$/GJ/d	1.473	0.764	2.237	1.689	0.548 /u
60		Firm incremental injection	$/GJ/d	1.473	0.764	2.237	1.689	0.548 /u
61		Interruptible withdrawal	$/GJ/d	1.473	0.764	2.237	1.689	0.548 /u
		Commodity:						
62		Commodity	$/GJ	0.012	(0.012)	-	-	-
63		Customer Supplied Fuel - Storage	%	0.445%	0.389%	0.834%	-	0.834%
	Rate T3							
64		Monthly Customer Charge	$	$22,703.73	$8,197.03	$30,900.76	$30,900.76	- /u
		Transportation Service Charges (cents/m3)						
65		Transportation Contract Demand	cents/m³/d	20.7133	4.7110	25.4243	24.7249	0.6994 /u
66		Transportation Commodity	cents/m³	0.0821	(0.0821)	-	-	-
67		Customer Supplied Fuel - Transportation	%	0.419%	0.384%	0.803%		0.803%
		Storage Service Charges ($/GJ)						
		Monthly Demand Charges:						
68		Firm Space	$/GJ/d	0.012	0.005	0.017	0.015	0.001 /u
		Firm Injection/Withdrawal Right						
69		Utility provides deliverability inventory	$/GJ/d	1.878	0.609	2.487	1.939	0.548 /u
70		Customer provides deliverability inventory	$/GJ/d	1.473	0.764	2.237	1.689	0.548 /u
71		Firm incremental injection	$/GJ/d	1.473	0.764	2.237	1.689	0.548 /u
72		Interruptible withdrawal	$/GJ/d	1.473	0.764	2.237	1.689	0.548 /u
		Commodity:						
73		Commodity	$/GJ	0.012	(0.012)	-	-	-
74		Customer Supplied Fuel - Storage	%	0.445%	0.389%	0.834%	-	0.834%

Notes:
(1) EB-2022-0133, Exhibit D, Tab 2, Appendix A.
(2) One adjustment made to Union South and Union North East commodity rates, per Exhibit 3, Tab 2, Schedule 1, paragraph 2.
(3) Attachment 2, column (h).

Summary of Proposed Rate Changes and Unit Rate Component by Rate Class
Ex-franchise

Line No.	Rate Class	Particulars	Units	Current Rates (1)	Rate Change	Proposed Rates (2)	Proposed Unit Rate Components: Delivery	Proposed Unit Rate Components: Gas Cost
				(a)	(b) = (c - a)	(c)	(d)	(e)
	Rate 331							
1		Monthly Demand Charge - Firm	$/GJ	0.155	-	0.155	0.155	-
2		Commodity Charge - Interruptible	$/GJ	0.006	-	0.006	0.006	-
	Rate 332							
3		Monthly Demand Charge	$/GJ/d	1.321	0.177	1.498	1.498	- /u
4		Authorized Overrun	$/GJ/d	0.052	0.007	0.059	0.059	-
	Rate M12							
		Monthly Demand Charges						
5		Dawn to Parkway	$/GJ/d	3.760	(0.337)	3.423	3.423	- /u
6		Dawn to Kirkwall	$/GJ/d	3.190	(0.761)	2.429	2.429	- /u
7		Kirkwall to Parkway	$/GJ/d	0.570	0.861	1.431	1.431	- /u
8		M12-X - Dawn, Kirkwall and Parkway	$/GJ/d	4.648	(0.288)	4.360	4.360	- /u
9		F24-T	$/GJ/d	0.077	(0.026)	0.051	0.051	-
		Commodity Charges						
10		Easterly	$/GJ	Note (3)	-	Note (3)	-	Note (3)
11		Westerly	$/GJ	Note (3)	-	Note (3)	-	Note (3)
		Limited Firm/Interruptible Transportation						
12		Monthly Demand Charge - Maximum	$/GJ/d	9.024	(0.810)	8.214	8.214	- /u
		Authorized Overrun - Shipper Supplied Fuel						
		Transportation Commodity Charges						
13		Dawn to Parkway	$/GJ	0.124 (4)	(0.011)	0.113 (4)	-	Note (4) /u
14		Dawn to Kirkwall	$/GJ	0.105 (4)	(0.025)	0.080 (4)	-	Note (4) /u
15		Kirkwall to Parkway	$/GJ	0.019 (4)	0.028	0.047 (4)	-	Note (4) /u
16		M12-X - Dawn, Kirkwall and Parkway	$/GJ	0.153 (4)	(0.010)	0.143 (4)	-	Note (4) /u
	Rate C1							
		Monthly Demand Charges						
17		Dawn to Parkway	$/GJ/d	3.760	(0.337)	3.423	3.423	- /u
18		Dawn to Kirkwall	$/GJ/d	3.190	(0.761)	2.429	2.429	- /u
19		Kirkwall to Parkway	$/GJ/d	0.570	0.861	1.431	1.431	- /u
20		Parkway to Dawn	$/GJ/d	0.888	0.050	0.938	0.938	- /u
21		Parkway to Kirkwall	$/GJ/d	0.888	0.050	0.938	0.938	- /u
22		Kirkwall to Dawn	$/GJ/d	1.567	(0.195)	1.372	1.372	- /u
23		Dawn to St. Clair, Bluewater, & Ojibway	$/GJ/d	2.326	4.351	6.677	6.677	- /u
24		St. Clair, Bluewater, & Ojibway to Dawn	$/GJ/d	2.326	(0.497)	1.829	1.829	- /u
25		Dawn to Dawn-Vector	$/GJ/d	0.032	(0.016)	0.016	0.016	-
26		Dawn to Dawn-TCPL	$/GJ/d	0.152	(0.128)	0.024	0.024	-
27		Commodity Charges - Shipper Supplied Fuel	$/GJ	Note (4)	-	Note (4)	-	Note (4)
	Rate C1 (Continued)							
		Authorized Overrun - Shipper Supplied Fuel						
28		Dawn to Parkway	$/GJ	0.124 (4)	(0.011)	0.113 (4)	0.113	Note (4) /u
29		Dawn to Kirkwall	$/GJ	0.105 (4)	(0.025)	0.080 (4)	0.080	Note (4) /u
30		Kirkwall to Parkway	$/GJ	0.019 (4)	0.028	0.047 (4)	0.047	Note (4) /u
31		Parkway to Dawn	$/GJ	0.124 (4)	(0.011)	0.113 (4)	0.113	Note (4) /u
32		Parkway to Kirkwall	$/GJ	0.124 (4)	(0.011)	0.113 (4)	0.113	Note (4) /u
33		Kirkwall to Dawn	$/GJ	0.052 (4)	(0.007)	0.045 (4)	0.045	Note (4) /u
34		Dawn to St. Clair, Bluewater, & Ojibway	$/GJ	0.076 (4)	0.144	0.220 (4)	0.220	Note (4) /u
35		St. Clair, Bluewater, & Ojibway to Dawn	$/GJ	0.076 (4)	(0.016)	0.060 (4)	0.060	Note (4)
36		Dawn to Dawn-Vector	$/GJ	0.001 (4)	(0.000)	0.001 (4)	0.001	Note (4)
37		Dawn to Dawn-TCPL	$/GJ	0.005 (4)	(0.004)	0.001 (4)	0.001	Note (4)
	Rate M13							
		Monthly fixed charge per customer station - Typical	$	$1,047.53	($578.34)	$469.19	$469.19	-
38		Monthly fixed charge per customer station - Large	$	$1,047.53	$14.05	$1,061.58	$1,061.58	-
39		Transmission commodity charge to Dawn	$/GJ	0.038	0.006	0.044	0.044	-
40		Commodity charge - Utility Supplied Fuel	$/GJ	0.009	0.017	0.026	-	0.026
41		Commodity charge - Shipper Supplied Fuel	$/GJ	Note (4)	-	Note (4)	-	Note (4)
42		Authorized Overrun - Utility Supplied Fuel	$/GJ	0.124	0.005	0.129	0.104	0.026 /u
43		Authorized Overrun - Shipper Supplied Fuel	$/GJ	0.115 (4)	(0.011)	0.104 (4)	0.104	Note (4)

Summary of Proposed Rate Changes and Unit Rate Component by Rate Class
Ex-franchise (Continued)

Line No.	Rate Class	Particulars	Units	Current Rates (1)	Rate Change	Proposed Rates (2)	Proposed Unit Rate Components: Delivery	Proposed Unit Rate Components: Gas Cost
				(a)	(b) = (c - a)	(c)	(d)	(e)
	Rate M16							
44		Monthly Fixed Charge	$	$1,666.51	$2.59	$1,669.10	$1,669.10	-
		Firm Demand Charge						
45		East of Dawn	$/GJ/d	0.842	0.223	1.065	1.065	- /u
46		West of Dawn	$/GJ/d	2.326	(0.497)	1.829	1.829	- /u
47		Transmission Commodity Charge	$/GJ	0.038	0.006	0.044	0.044	-
		Transportation Fuel Charges to Dawn						
48		East of Dawn - Utility Supplied Fuel	$/GJ	0.009	0.017	0.026	-	0.026
49		West of Dawn - Utility Supplied Fuel	$/GJ	0.009	0.017	0.026	-	0.026
50		East of Dawn - Shipper Supplied Fuel	$/GJ	Note (4)	-	Note (4)	-	Note (4)
51		West of Dawn - Shipper Supplied Fuel	$/GJ	Note (4)	-	Note (4)	-	Note (4)
		Transportation Fuel Charges to Pool						
52		East of Dawn - Utility Supplied Fuel	$/GJ	0.011	0.015	0.026	-	0.026
53		West of Dawn - Utility Supplied Fuel	$/GJ	0.026	0.030	0.056	-	0.056
54		East of Dawn - Shipper Supplied Fuel	$/GJ	Note (4)	-	Note (4)	-	Note (4)
55		West of Dawn - Shipper Supplied Fuel	$/GJ	Note (4)	-	Note (4)	-	Note (4)
		Authorized Overrun						
		Transportation Fuel Charges to Dawn						
56		East of Dawn - Utility Supplied Fuel	$/GJ	0.075	0.029	0.104	0.079	0.025 /u
57		West of Dawn - Utility Supplied Fuel	$/GJ	0.124	0.005	0.129	0.104	0.025 /u
58		East of Dawn - Shipper Supplied Fuel	$/GJ	0.066 (4)	0.013	0.079 (4)	0.079	Note (4) /u
59		West of Dawn - Shipper Supplied Fuel	$/GJ	0.114 (4)	(0.010)	0.104 (4)	0.104	Note (4) /u
		Transportation Fuel Charges to Pool						
60		East of Dawn - Utility Supplied Fuel	$/GJ	0.038	0.023	0.061	0.035	0.026
61		West of Dawn - Utility Supplied Fuel	$/GJ	0.102	0.014	0.116	0.060	0.056 /u
62		East of Dawn - Shipper Supplied Fuel	$/GJ	0.028 (4)	0.007	0.035 (4)	0.035	Note (4)
63		West of Dawn - Shipper Supplied Fuel	$/GJ	0.076 (4)	(0.016)	0.060 (4)	0.060	Note (4)
	Rate M17							
64		Monthly Fixed Charge	$	$2,061.15	$50.99	$2,112.14	$2,112.14	-
		Firm Transportation						
		Monthly Demand Charges						
65		Dawn to Delivery Area	$/GJ/d	4.569	0.127	4.696	4.696	- /u
66		Kirkwall to Delivery Area or Dawn	$/GJ/d	2.803	0.710	3.513	3.513	- /u
67		Parkway (TCPL) to Delivery Area or Dawn	$/GJ/d	2.803	0.710	3.513	3.513	- /u
		Commodity Charges - Shipper Supplied Fuel						
68		Dawn to Delivery Area (Nov. 1 - Mar. 31)	$/GJ	Note (4)	-	Note (4)	-	Note (4)
69		Dawn to Delivery Area (Apr. 1 - Oct. 31)	$/GJ	Note (4)	-	Note (4)	-	Note (4)
70		Kirkwall to Delivery Area or Dawn (Nov. 1 - Mar. 31)	$/GJ	Note (4)	-	Note (4)	-	Note (4)
71		Kirkwall to Delivery Area or Dawn (Apr. 1 - Oct. 31)	$/GJ	Note (4)	-	Note (4)	-	Note (4)
72		Parkway (TCPL) to Delivery Area or Dawn (Nov. 1 - Mar. 31)	$/GJ	Note (4)	-	Note (4)	-	Note (4)
73		Parkway (TCPL) to Delivery Area or Dawn (Apr. 1 - Oct. 31)	$/GJ	Note (4)	-	Note (4)	-	Note (4)
		Authorized Overrun						
		Commodity Charges - Shipper Supplied Fuel						
74		Dawn to Delivery Area (Nov. 1 - Mar. 31)	$/GJ	0.156 (4)	(0.002)	0.154 (4)	-	Note (4)
75		Dawn to Delivery Area (Apr. 1 - Oct. 31)	$/GJ	0.156 (4)	(0.002)	0.154 (4)	-	Note (4)
76		Kirkwall to Delivery Area or Dawn (Nov. 1 - Mar. 31)	$/GJ	0.095 (4)	0.020	0.115 (4)	-	Note (4)
77		Kirkwall to Delivery Area or Dawn (Apr. 1 - Oct. 31)	$/GJ	0.095 (4)	0.020	0.115 (4)	-	Note (4)
78		Parkway (TCPL) to Delivery Area or Dawn (Nov. 1 - Mar. 31)	$/GJ	0.095 (4)	0.020	0.115 (4)	-	Note (4)
79		Parkway (TCPL) to Delivery Area or Dawn (Apr. 1 - Oct. 31)	$/GJ	0.095 (4)	0.020	0.115 (4)	-	Note (4)

Notes:
(1) EB-2022-0133, Exhibit D, Tab 1, Appendix A for the EGD rate zone; and Exhibit D, Tab 2, Appendix A for the Union rate zones.
(2) Attachment 2, column (h).
(3) Monthly fuel rates and fuel and commodity ratios per Rate M12 Schedule B.
(4) Plus shipper supplied fuel per rate schedule.

Storage Rate Detail

Line No.	Particulars	Costs ($000s) Gas Cost (a)	Costs ($000s) Delivery (b)	Costs ($000s) Total (c)	Allocation Units (5) (GJ) (d)	Rate (6) ($/GJ) Gas Cost (e)	Rate (6) ($/GJ) Delivery (f)	Rate (6) ($/GJ) Total (g)	Fuel Ratio (%) (h)	
	Storage Demand									
1	Space (1)	3,294	79,077	82,371						/u
2	Working Capital Adjustment (2)	-	(39,117)	(39,117)						/u
3	Firm Space	3,294	39,960	43,254	217,749,495	0.001	0.015	0.017		/u
4	Deliverability (1)	9,952	103,457	113,410						/u
5	Load Balancing Commodity (3)	23,591	-	23,591						
6	Customer Provides Deliverability Inventory	33,543	103,457	137,000	5,103,104	0.548	1.689	2.237		/u
7	Inventory Carrying Costs (ICC) (4)	-	15,301	15,301						/u
8	Utility Provides Deliverability Inventory	33,543	118,759	152,301	5,103,104	0.548	1.939	2.487		/u
9	Total Storage Demand	36,837	158,719	195,555	5,103,104	0.602	2.592	3.193		/u
	Storage Commodity									
10	Storage Commodity (1)	21,451	-	21,451	484,613,886	0.044	-	0.044	0.834%	

Notes:
(1) Exhibit 7, Tab 2, Schedule 1, Attachment 10, Attachment 9 and Attachment 8, column (a), line 9, line 8 and line 11, respectively.
(2) Exhibit 7, Tab 2, Schedule 1, Attachment 5, line 52, column (g) multiplied by ICC% of 6.62%.
(3) Exhibit 7, Tab 2, Schedule 1, Attachment 10 and Attachment 8, line 3, column (a), respectively.
(4) ICC derived as the cost of 20% of total firm space units multiplied the ICC% of 6.62%.
(5) Firm space and deliverability allocation units per Exhibit 7, Tab 2, Schedule 1, Attachment 12, STORAGEXCESS and NETFROMSTOR allocation factors, respectively.
Commodity allocation units per the total forecasted storage activity.
(6) Rate derived as costs in columns (a), (b) and (c) divided by allocation units in column (d), respectively. Demand unit rates divided by 12 months.

Storage Rate Detail

Line No.	Particulars	Unit Rate $/GJ Gas Cost (a)	Unit Rate $/GJ Delivery (b)	Unit Rate $/GJ Total (c) = (a + b)	Unit Rate cents/m³ Gas Cost (d)	Unit Rate cents/m³ Delivery (e)	Unit Rate cents/m³ Total (f) = (d + e)	Fuel Ratio (%) (g)	Reference	
	EGD Rate Zone - Rate 315, Rate 316									
1	Monthly Storage Space Demand Charge	0.001	0.015	0.017	0.0049	0.0598	0.0647		Page 1, line 3	/u
2	Monthly Storage Deliverability Demand Charge - Rate 316	0.548	1.939	2.487	2.1406	7.5789	9.7195		Page 1, line 8	/u
	Add: Transportation to Delivery Area									
3	Dawn-Parkway Demand Rate	-	3.423	3.423	-	13.3753	13.3753		Note (1)	/u
4	Monthly Storage Deliverability Demand Charge - Rate 315	0.548	5.362	5.910	2.141	20.954	23.0948			/u
5	Injection/Withdrawal Unit Charge - Rate 316	0.025	-	0.025	0.0978	-	0.0978	0.362%	Note (2)	
	Add: Transportation Fuel to Delivery Area									
6	Dawn-Parkway Fuel	0.026	-	0.026	0.1009	-	0.1009		Note (3)	
7	Injection/Withdrawal Unit Charge - Rate 315			0.051			0.1987	0.362%	Note (2)	
	Union South Rate Zone - Rate T1, Rate T2, Rate T3									
8	Firm Space	0.001	0.015	0.017					Page 1, line 3	/u
	Storage Deliverability									
9	Customer Provides Inventory	0.548	1.689	2.237					Page 1, line 6	/u
10	Utility Provides Inventory	0.548	1.939	2.487					Page 1, line 8	/u
	Injection & Withdrawal									
11	Customer Provides Fuel							0.834%	Page 1, line 10	
	Union North Rate Zone - Rate 20, Rate 100									
12	Storage Demand	0.602	2.592	3.193					Page 1, line 9	/u
	Add: Transportation to Delivery Area									
13	Dawn-Parkway Demand Rate	-	3.423	3.423					Note (1)	/u
14	Parkway to Union NDA TCPL Toll	14.460	-	14.460						
15	Parkway to Union NDA TCPL Toll Optimization Credit	-	(0.658)	(0.658)					Note (4)	
16	Total Storage Demand	15.062	5.357	20.419						/u
17	Storage Commodity	0.044	-	0.044					Page 1, line 10	
	Add: Transportation Fuel to Delivery Area									
18	Dawn-Parkway Fuel	0.026	-	0.026					Note (3)	
19	Parkway to Union NDA TCPL Fuel	0.038	-	0.038					Note (5)	
20	Total Storage Commodity	0.108	-	0.108						

Notes:
(1) Attachment 2, p.14, column (h), line 7.
(2) Rate 315 and Rate 316 injection/withdrawal recovers unaccounted for gas. Fuel ratio recovers storage fuel costs.
(3) Dawn-Parkway fuel rate calculated by dividing the allocated transmission fuel cost by storage commodity billing units.
(4) (Optimization revenue / total transportation costs) x Parkway to Union NDA TCPL toll.
(5) Parkway to Union NDA fuel rate calculated by dividing the allocated transportation fuel cost by storage commodity billing units.

Calculation of Supplemental Service Charges

Line No.	Particulars		cents / m³ (a)
	Gas Supply Administration Charge		
1	Gas Supply Administration Cost ($000s) (1)	15,492	
2	Forecast Sales Volumes (10^3m^3) (2)	13,147,614	
3	Gas Supply Admin Charge Unit Rate (line 1 / line 2 x 100)	0.1178	0.1178
	Semi-Unbundled Transportation Fuel Ratio		
	Rate T1/T2/T3 Transportation Fuel Ratio		
4	Transportation Fuel Cost ($000s) (1)	9,469	
5	Transportation Billing Units (10^3m^3) (3)	5,686,133	
6	Transportation Unit Rate (cents/m^3) (line 4 / line 5 x 100)	0.1665	
7	Weighted Average Reference Price (cents/m^3) (4)	20.7493	
8	Rate T1/T2/T3 Transportation Fuel Ratio (line 6 / line 7)	0.803%	0.803%
	Minimum Bill Charges		
	Variable Rate for EGD Minimum Bill Charges		
9	Weighted Average Reference Price (cents/m^3) (4)	20.7493	
10	UFG Ratio (5)	0.471%	
11	Distribution Loss Unit Rate (line 9 x line 10)	0.0978	
	Rate 110 Minimum Bill		
12	Delivery Commodity Charge (Tier 1)	0.3537	
13	Gas Supply Transportation Charge	1.2011	
14	Less: Distribution Loss Unit Rate (line 11)	(0.0978)	
15	Rate 110 Minimum Bill Charge	1.4570	1.4570
	Rate 115 Minimum Bill		
16	Delivery Commodity Charge (Tier 1)	0.2850	
17	Gas Supply Transportation Charge	0.9199	
18	Less: Distribution Loss Unit Rate (line 11)	(0.0978)	
19	Rate 115 Minimum Bill Charge	1.1071	1.1071
	Rate 135 Minimum Bill		
20	Delivery Commodity Charge (Average Tier 1)	6.7133	/u
21	Gas Supply Transportation Charge	0.8875	
22	Less: Distribution Loss Unit Rate (line 11)	(0.0978)	
23	Rate 135 Minimum Bill Charge	7.5030	7.5030 /u
	Rate 145 Minimum Bill		
24	Delivery Commodity Charge (Tier 1)	0.8192	
25	Gas Supply Transportation Charge	0.8875	
26	Less: Distribution Loss Unit Rate (line 11)	(0.0978)	
27	Rate 145 Minimum Bill Charge	1.6089	1.6089
	Rate 170 Minimum Bill		
28	Delivery Commodity Charge (Tier 1)	1.4685	
29	Gas Supply Transportation Charge	0.8875	
30	Less: Distribution Loss Unit Rate (line 11)	(0.0978)	
31	Rate 170 Minimum Bill Charge	2.2582	2.2582

Calculation of Supplemental Service Charges (Continued)

Line No.	Particulars		cents / m³ (a)	
	Minimum Bill Charges (Continued)			
	Rate 200 Minimum Bill			
32	Delivery Commodity Charge	0.5493		
33	Gas Supply Transportation Charge	1.4137		
34	Less: Distribution Loss Unit Rate (line 11)	(0.0978)		
35	Rate 200 Minimum Bill Charge	1.8652	1.8652	
	Rate M4 Firm MAV			
36	Delivery Commodity Charge (Tier 1)	2.7692		/u
37	Gas Supply Admin Charge	0.1178		
38	Minimum Annual Delivery Commodity Charge	2.8870	2.8870	/u
	Rate M4 / M5 Interruptible MAV			
39	Rate M5 Interruptible Delivery Commodity Charge (Tier 1)	3.1545		/u
40	Gas Supply Admin Charge	0.1178		
41	Minimum Annual Delivery Commodity Charge	3.2723	3.2723	/u
	Maximum Charges			
	Rate 25 Interruptible			
42	Average Rate 10 Delivery Charge	4.6319		/u
43	Percent of Average Rate 10 Delivery Charge	90%		
44	Rate 25 Maximum Interruptible Delivery Commodity Charge (line 42 x line 43)	4.1687	4.1687	/u
	Rate M7 Interruptible			
45	Firm Demand (Commoditized at 22.86%)	5.6352		/u
46	Firm Delivery Commodity Charge	2.0374		
47	Rate M7 Maximum Interruptible Charge	7.6726	7.6726	/u
	Rate M7 Seasonal			
48	Current Approved Maximum	6.8972		
49	Rate M7 Interruptible/Seasonal Average Rate Change	0.5465		/u
50	Rate M7 Maximum Seasonal Charge	7.4437	7.4437	/u
	Rate T1 Interruptible			
51	Equal to Rate M7 Maximum Interruptible Charge	7.6726		/u
52	Rate T1 Maximum Interruptible Charge	7.6726	7.6726	/u
	Rate T2 Interruptible			
53	Equal to Rate M7 Maximum Interruptible Charge	7.6726		/u
54	Rate T2 Maximum Interruptible Charge	7.6726	7.6726	/u

Calculation of Supplemental Service Charges (Continued)

Line No.	Particulars		cents / m³ (a)	
	Authorized Overrun Charges			
	Rate 125			
55	Delivery Demand Charge - Commoditized at 100% Load Factor (6)	0.3501		/u
56	Rate 125 Authorized Overrun Charge	0.3501	0.3501	/u
	Rate M4 Firm			
57	Firm Demand Charge (Tier 1) - Commoditized at 100% Load Factor (6)	2.0711		/u
58	Firm Delivery Commodity Charge	2.7692		/u
59	Rate M4 Authorized Overrun Charge	4.8403	4.8403	/u
	Rate M9			
60	Delivery Demand Charge - Commoditized at 100% Load Factor (6)	0.9829		/u
61	Delivery Commodity Charge	1.6271		
62	Rate M9 Authorized Overrun Charge	2.6100	2.6100	/u
	Rate T1/T2/T3 Authorized Storage Overrun			
63	Injection/Withdrawal Demand Charge, Commoditized at 100% Load Factor (6)	0.082		/u
64	Storage Commodity Charge	-		
65	Rate T1/T2/T3 Authorized Injection/Withdrawal Overrun Charge ($/GJ)	0.082	0.082	/u
	Rate T1 Firm			
66	Transportation Demand Charge (Tier 1) - Commoditized at 100% Load Factor (6)	1.2523		/u
67	Transportation Commodity Charge	-		
68	Rate T1 Firm Authorized Transportation Overrun Charge	1.2523	1.2523	/u
	Rate T2 Firm			
69	Transportation Demand Charge (Tier 1) - Commoditized at 100% Load Factor (6)	1.2667		/u
70	Transportation Commodity Charge	-		
71	Rate T2 Firm Authorized Transportation Overrun Charge	1.2667	1.2667	/u
	Rate T3 Firm			
72	Transportation Demand Charge - Commoditized at 100% Load Factor (6)	0.8359		/u
73	Transportation Commodity Charge	-		
74	Rate T3 Firm Authorized Transportation Overrun Charge	0.8359	0.8359	/u
	R20/100 Authorized Storage Overrun			
75	Storage Demand Charge - Commoditized at 100% Load Factor (6)	0.671		/u
76	Storage Commodity Charge	0.108		
77	R20/100 Authorized Storage Overrun Charge ($/GJ)	0.779	0.779	/u

Calculation of Supplemental Service Charges (Continued)

Line No.	Particulars		cents / m³ (a)	
	Unauthorized Overrun Charges			
78	Rate 25 - 150% of Maximum Interruptible Delivery Commodity Charge (line 44 x 150%)		6.2530	/u
	Rates T1, T2 Unauthorized Injections/Withdrawals			
79	Rate M1 Delivery Commodity Charge (Tier 1) (cents/m^3)	14.2301		/u
80	Heat Value Conversion (South)	39.08		
81	Rates T1, T2 Unauthorized Injections/Withdrawals ($/GJ) (line 79 / line 80 x 10)	3.641	3.641	/u
	Rates T3 Unauthorized Injections/Withdrawals			
82	Historical Rate (cents/m^3)	36.0000		
83	Heat Value Conversion (GJ/10^3m^3)	39.08		
84	Rate T3 Unauthorized Injections/Withdrawals ($/GJ) (line 82 / line 83 x 10)	9.212	9.212	
	Unauthorized Overrun Non-Compliance			
85	Rate ($/GJ) (7)	60.000		
86	Heat Value Conversion (GJ/10^3m^3)	39.08		
87	Unauthorized Overrun Non-Compliance (cents/m^3) (line 85 x line 86 / 10)	234.4800	234.4800	

Calculation of Supplemental Service Charges (Continued)

Line No.	Particulars		cents / m³ (a)	
	Commissioning and Decommissioning Charges			
	Rate 20 - at 50% Load Factor			
	Delivery			
88	Delivery Demand Charge (Tier 1) - Commoditized at 50% Load Factor	2.7131		/u
89	Delivery Commodity Charge (Tier 1)	0.1439		
90	Delivery Commissioning and Decommissioning Charge	2.8570	2.8570	/u
	Gas Supply			
91	Gas Supply Demand Charge - Commoditized at 50% Load Factor	1.2329		/u
92	Gas Supply Transportation Charge	1.1669		
93	Gas Supply Commissioning and Decommissioning Charge	2.3998	2.3998	/u
94	Total Rate 20 Commissioning and Decommissioning Charge (line 90 + line 93)	5.2568	5.2568	/u
	Rate 100 - at 70% Load Factor			
	Delivery			
95	Delivery Demand Charge - Commoditized at 70% Load Factor	0.6068		/u
96	Delivery Commodity Charge	0.1191		
97	Delivery Commissioning and Decommissioning Charge	0.7259	0.7259	/u
	Gas Supply			
98	Gas Supply Demand Charge - Commoditized at 70% Load Factor	1.2329		/u
99	Gas Supply Transportation Charge	1.1669		
100	Gas Supply Commissioning and Decommissioning Charge	2.3998	2.3998	/u
101	Total Rate 100 Commissioning and Decommissioning Charge (line 97 + line 100)	3.1257	3.1257	/u
	Rate M7 - at 32.66% Load Factor			
102	Delivery Demand Charge - Commoditized at 32.66% Load Factor	3.9446		/u
103	Delivery Commodity Charge	2.0374		
104	Rate M7 Delivery Commissioning and Decommissioning Charge	5.9820	5.9820	/u

Calculation of Supplemental Service Charges (Continued)

Line No.	Particulars		cents / m³ (a)	
	Balancing Charges			
	Rate 125 and Rate 300 Daily Balancing Charges			
105	Rate 315 Injection/Withdrawal	0.2739		
106	Dawn-Parkway Demand Charge - Commoditized at 100% Load Factor (6)	0.4397		/u
107	Daily Balancing Charge - Tier 1	0.7136	0.7136	/u
108	Daily Balancing Charge - Tier 2 (Tier 1 x 120%)	0.8563	0.8563	/u
	Rate 125 Cumulative Balancing Charge			
109	Rate 316 Deliverability Demand Charge - Commoditized at 100% Load Factor (6)	0.3195		/u
110	Rate 316 Space Demand Charge - Commoditized at 100% Load Factor (6)	0.0021		
111	Rate 125 Cumulative Balance Charge	0.3217	0.3217	/u
	Rate 300 Cumulative Balancing Charge			
112	Rate 316 Deliverability Demand Charge - Commoditized at 100% Load Factor (6)	0.3195		/u
113	Rate 316 Space Demand Charge - Commoditized at 100% Load Factor (6)	0.0021		
114	Rate 300 Factor	25%		
115	Rate 300 Cumulative Balance Charge ((line 112 + line 113) / line 114)	1.2867	1.2867	/u
	Enhanced Title Transfer (ETT) Service Administration Commodity Charge			
116	Storage Injection/Withdrawal Rate	0.1730		
117	Adjustment (line 116 / 2)	0.0865		
118	ETT Administration Commodity Charge ($/10^{3}m^3) (line 117 x 10)	0.8649	0.8649	
	Union Rate Zones IFT and EFT Charges ($/GJ)			
	From: South BT To: South BT / T1 / T2 / T3; or			
	From: North West BT To: North West BT; or			
	From: North East BT To: South BT / T1 / T2 / T3 / North East BT / North West BT; or			
	From: South BT To: North East BT or North West BT; or			
	From: South BT To: Ex-Franchise; or			
	From: North East BT To: Ex-Franchise			
119	Rate T1/T2/T3 Storage Withdrawal Fuel Ratio	0.834%		
120	Weighted Average Reference Price ($/GJ) (4)	5.309		
121	Storage Withdrawal Charge (line 119 x line 120)	0.044	0.044	
	From: North West BT To: South BT / T1 / T2 / T3 / North East BT			
122	Rate T1/T2/T3 Storage Withdrawal Fuel Ratio	0.834%		
123	Weighted Average Reference Price ($/GJ) (4)	5.309		
124	Storage Withdrawal Charge (line 122 x line 123)	0.044		
125	Western transportation price differential (cents/m³) (8)	1.8620		
126	Heat Value Conversion (GJ/10³m³)	39.08		
127	Transportation Charge (line 125 / line 126 x 10)	0.476		
128	Total (line 124 + line 127)	0.521	0.521	
	From: North West BT To: Ex-Franchise			
129	Rate T1/T2/T3 Storage Withdrawal Fuel Ratio	0.834%		
130	Weighted Average Reference Price ($/GJ) (4)	5.309		
131	Storage Withdrawal Charge (line 129 x line 130)	0.044		
132	Rate M12 Parkway to Dawn commodity charge	0.532%		
133	Weighted Average Reference Price ($/GJ) (4)	5.309		
134	Parkway to Dawn Commodity (line 132 x line 133)	0.028		
135	Empress to Union Parkway Belt - Commoditized at 100% Load Factor (6)	1.325		
136	Total (line 131 + line 134 + line 135)	1.398	1.398	

Calculation of Supplemental Service Charges (Continued)

Line No.	Particulars		cents / m³ (a)	
	Balancing Charges (Continued)			
	Failure to Deliver			
137	Rate M1 Delivery Commodity Charge (Tier 1)	14.2301		/u
138	Rate M1 Facility Carbon Charge	0.0127		
139	Failure to Deliver Adjustment	5.1708		
140	Failure to Deliver Charge (cents/m^3)	19.4136		/u
141	Heat Value Conversion (GJ/10³m³)	39.08		
142	Failure to Deliver Charge ($/GJ) (line 140 / line 141 x 10)	4.968	4.968	/u
	Parkway Delivery Commitment Incentive (PDCI)			
143	Rate M12 Dawn to Parkway Demand Charge - Commoditized @ 100% Load Factor (6)	0.113		/u
144	Rate M12 Average Dawn to Parkway (TCPL / EGT) Fuel Rate	0.056		
145	Rate M12 Dawn to Parkway Facility Carbon Charge	0.004		
146	Total (line 143 + line 144 + line 145) x (-1)	(0.173)	(0.174)	/u

Notes:
(1) Exhibit 7, Tab 2, Schedule 1, Attachment 8.
(2) Ibid, Attachment 12.
(3) Attachment 2, column (a).
(4) Exhibit 4, Tab 2, Schedule 2, paragraph 2.
(5) UFG ratio per the 2024 Cost Allocation Study.
(6) Commoditized demand rate at 100% load factor is equal to the respective demand rate multiplied by 12 and divided by 365.
(7) Unauthorized overrun non-compliance charge proposed at Exhibit 8, Tab 4, Schedule 2, Section 3.2.
(8) Difference between the Dawn supply price of $5.267/GJ and the Empress supply price of $4.539/GJ based on the April 2022 QRAM, converted to cents/m³.

Storage and Transportation (S&T) Margin Allocation

Line No.	Rate Class	D-PTRANS Allocation Units (10^3m^3/day) (1)	S&T Margin Allocation ($000s) (2)	
		(a)	(b)	
	EGD Rate Zone			
1	Rate 1	7,959	5,359	/u
2	Rate 6	7,103	4,782	/u
3	Rate 100	25	17	
4	Rate 110	815	549	/u
5	Rate 115	171	115	/u
6	Rate 125	-	-	
7	Rate 135	3	2	
8	Rate 145	-	-	
9	Rate 170	-	-	
10	Rate 200	189	127	/u
11	Rate 300	-	-	
12	Total EGD Rate Zone	16,265	10,951	/u
	Union North Rate Zone			
13	Rate 01	1,465	986	/u
14	Rate 10	433	291	/u
15	Rate 20	203	137	/u
16	Rate 25	-	-	
17	Rate 100	-	-	
18	Total Union North Rate Zone	2,101	1,414	/u
	Union South Rate Zone			
19	Rate M1	4,688	3,156	/u
20	Rate M2	1,737	1,170	/u
21	Rate M4	618	416	/u
22	Rate M5	5	4	
23	Rate M7	915	616	/u
24	Rate M9	75	50	
25	Rate T1	200	135	
26	Rate T2	2,532	1,705	/u
27	Rate T3	251	169	/u
28	Total Union South Rate Zone	11,022	7,421	/u
29	Total	29,388	19,786	(3)

Notes:
(1) Exhibit 7, Tab 2, Schedule 1, Attachment 12, pp.11-13, line 19.
(2) Allocated in proportion to column (a).
(3) Attachment 11, column (c).

Panhandle/St. Clair Transmission Cost Re-Allocation

Line No.	Particulars	Allocation Units PAN_STCLAIR (1) (10^3m^3)	Allocation Units SUPPLY_VOL (2) (10^3m^3/day)	Panhandle/St. Clair Transmission Credit (3) ($000s)	Sales Service Charge (4) ($000s)	Panhandle/ St. Clair Re-Allocation ($000s)	
		(a)	(b)	(c)	(d)	(e) = (c + d)	
	EGD Rate Zone						
1	Rate 1	16,119	4,915,774	(918)	1,792	874	/u
2	Rate 6	14,385	2,970,864	(819)	1,083	264	/u
3	Rate 100	51	14,757	(3)	5	2	
4	Rate 110	1,651	102,197	(94)	37	(57)	/u
5	Rate 115	347	1,651	(20)	1	(19)	
6	Rate 125	-	-	-	-	-	
7	Rate 135	6	4,392	(0)	2	1	
8	Rate 145	-	574	-	0	0	
9	Rate 170	-	5,360	-	2	2	
10	Rate 200	383	140,306	(22)	51	29	
11	Rate 300	-	-	-	-	-	
12	Total EGD Rate Zone	32,940	8,155,874	(1,876)	2,973	1,097	/u
	Union North Rate Zone						
13	Rate 01	2,967	931,213	(169)	339	171	/u
14	Rate 10	876	164,590	(50)	60	10	
15	Rate 20	199	15,631	(11)	6	(6)	
16	Rate 25	-	5,703	-	2	2	
17	Rate 100	-	-	-	-	-	
18	Total Union North Rate Zone	4,042	1,117,137	(230)	407	177	/u
	Union South Rate Zone						
19	Rate M1	9,494	3,073,284	(541)	1,120	580	/u
20	Rate M2	3,518	688,379	(200)	251	51	/u
21	Rate M4	1,252	59,362	(71)	22	(50)	/u
22	Rate M5	11	2,164	(1)	1	0	
23	Rate M7	1,852	35,619	(105)	13	(92)	
24	Rate M9	151	15,795	(9)	6	(3)	
25	Rate T1	2,077	-	(118)	-	(118)	
26	Rate T2	26,229	-	(1,494)	-	(1,494)	/u
27	Rate T3	2,601	-	(148)	-	(148)	/u
28	Total Union South Rate Zone	47,186	3,874,603	(2,687)	1,412	(1,275)	/u
29	Total (5)	84,168	13,147,614	(4,793)	4,793	-	/u

Notes:
(1) Exhibit 7, Tab 2, Schedule 1, Attachment 12, pp.14-16, line 41.
(2) Ibid, line 51.
(3) Allocated in proportion to column (a).
(4) Allocated in proportion to column (b).
(5) Exhibit 8, Tab 2, Schedule 2, Table 2, line 5 provides the calculation of the total sales service annual cost for use of the Panhandle and St. Clair systems.

DSM Budget Allocation by Rate Class

Line No.	Particulars ($000s)	2024 DSM Budget (1) (a)	
	EGD Rate Zone		
1	Rate 1	66,411	/u
2	Rate 6	30,013	/u
3	Rate 100	260	/u
4	Rate 110	2,288	/u
5	Rate 115	999	/u
6	Rate 125	167	/u
7	Rate 135	936	/u
8	Rate 145	305	/u
9	Rate 170	351	/u
10	Rate 200	40	/u
11	Rate 300	-	
12	Total EGD Rate Zone	101,769	/u
	Union North Rate Zone		
13	Rate 01	6,296	/u
14	Rate 10	1,578	/u
15	Rate 20	1,255	/u
16	Rate 25	75	/u
17	Rate 100	865	/u
18	Total Union North Rate Zone	10,069	/u
	Union South Rate Zone		
19	Rate M1	42,404	/u
20	Rate M2	6,731	/u
21	Rate M4	5,273	/u
22	Rate M5	384	/u
23	Rate M7	4,000	/u
24	Rate M9	17	/u
25	Rate T1	922	/u
26	Rate T2	3,379	/u
27	Rate T3	107	/u
28	Total Union South Rate Zone	63,216	/u
29	Total	175,054	/u

Note:
(1) Exhibit 7, Tab 2, Schedule 1, Attachment 12, pp.11-13, lines 21 and 23.

Derivation of 2024 DSM Unit Rates

Line No.	Particulars	2024 Forecast Usage (1) (10^3m^3) (a)	2024 DSM Budget (2) ($000s) (b)	2024 DSM Rate (cents / m^3) (c)	
	EGD Rate Zone				
	Rate 1				
	Delivery Commodity Charge				
1	First 30 m^3	710,957	10,663	1.4998	/u
2	Next 55 m^3	1,020,713	14,227	1.3939	/u
3	Next 85 m^3	1,107,395	14,517	1.3109	/u
4	Over 170 m^3	2,161,963	27,003	1.2490	/u
5	Total Rate 1	5,001,027	66,411	1.3279	/u
	Rate 6				
	Delivery Commodity Charge				
6	First 500 m^3	580,941	6,491	1.1174	/u
7	Next 1,050 m^3	654,353	5,423	0.8288	/u
8	Next 4,500 m^3	1,155,777	7,243	0.6266	/u
9	Next 7,000 m^3	751,114	3,731	0.4968	/u
10	Next 15,250 m^3	713,800	3,134	0.4391	/u
11	Over 28,300 m^3	939,709	3,990	0.4246	/u
12	Total Rate 6	4,795,693	30,013	0.6258	/u
	Rate 100				
13	Delivery Contract Demand Charge	4,503	260	5.7764	/u
14	Total Rate 100	4,503	260	5.7764	/u
	Rate 110				
15	Delivery Contract Demand Charge	75,654	2,288	3.0240	/u
16	Total Rate 110	75,654	2,288	3.0240	/u
	Rate 115				
17	Delivery Contract Demand Charge	14,481	999	6.9008	/u
18	Total Rate 115	14,481	999	6.9008	/u
	Rate 125				
19	Delivery Contract Demand Charge	111,124	167	0.1502	/u
20	Total Rate 125	111,124	167	0.1502	/u

Derivation of 2024 DSM Unit Rates (Continued)

Line No.	Particulars	2024 Forecast Usage (1) (10^3m^3) (a)	2024 DSM Budget (2) ($000s) (b)	2024 DSM Rate (cents / m^3) (c)	
	Rate 135				
	Winter				
	Delivery Commodity Charge				
21	First 14,000 m^3	402	29	7.1454	/u
22	Next 28,000 m^3	847	50	5.8949	/u
23	For all over 42,000 m^3	2,136	115	5.3995	/u
24	Total Winter	3,385	194	5.7308	/u
	Summer				
	Delivery Commodity Charge				
25	First 14,000 m^3	3,705	86	2.3281	/u
25	Next 28,000 m^3	7,201	117	1.6207	/u
26	For all over 42,000 m^3	38,355	539	1.4041	/u
27	Total Summer	49,261	741	1.5052	/u
28	Total Rate 135	52,646	936	1.7770	/u
	Rate 145				
29	Delivery Contract Demand Charge	6,138	305	4.9669	/u
30	Total Rate 145	6,138	305	4.9669	/u
	Rate 170				
31	Delivery Contract Demand Charge	30,928	351	1.1338	/u
32	Total Delivery	30,928	351	1.1338	/u
	Rate 200				
33	Delivery Contract Demand Charge	15,025	40	0.2687	/u
34	Total Rate 200	15,025	40	0.2687	/u
	Rate 300				
35	Delivery Contract Demand Charge	-	-	-	
36	Total Rate 300	-	-	-	
	Union North Rate Zone				
	Rate 01				
	Delivery Commodity Charge				
37	First 100 m^3	300,034	1,996	0.6653	/u
38	Next 200 m^3	344,054	2,232	0.6486	/u
39	Next 200 m^3	129,906	808	0.6222	/u
40	Next 500 m^3	88,810	531	0.5979	/u
41	Over 1,000 m^3	126,201	729	0.5778	/u
42	Total Rate 01	989,005	6,296	0.6366	/u

Derivation of 2024 DSM Unit Rates (Continued)

Line No.	Particulars	2024 Forecast Usage (1) (10^3m^3) (a)	2024 DSM Budget (2) ($000s) (b)	2024 DSM Rate (cents / m^3) (c)	
	Rate 10				
	Delivery Commodity Charge				
43	First 1,000 m^3	21,365	143	0.6715	/u
44	Next 9,000 m^3	124,187	680	0.5479	/u
45	Next 20,000 m^3	83,168	396	0.4762	/u
46	Next 70,000 m^3	58,025	250	0.4312	/u
47	Over 100,000 m^3	41,229	108	0.2608	/u
48	Total Rate 10	327,974	1,578	0.4810	/u
	Rate 20				
	Delivery Contract Demand Charge				
49	First 70,000 m^3	25,506	497	1.9477	/u
50	All over 70,000 m^3	66,226	759	1.1453	/u
51	Total Rate 20	91,732	1,255	1.3684	/u
	Rate 25				
52	Delivery Commodity Charge	126,831	75	0.0595	/u
53	Total Rate 25	126,831	75	0.0595	/u
	Rate 100				
54	Delivery Contract Demand Charge	42,050	865	2.0565	/u
55	Total Rate 100	42,050	865	2.0565	/u
	Union South Rate Zone				
	Rate M1				
	Delivery Commodity Charge				
56	First 100 m^3	1,046,728	14,869	1.4205	/u
57	Next 150 m^3	936,218	12,646	1.3507	/u
58	All over 250 m^3	1,272,185	14,890	1.1705	/u
59	Total Rate M1	3,255,132	42,404	1.3027	/u
	Rate M2				
	Delivery Commodity Charge				
60	First 1,000 m^3	88,010	487	0.5538	/u
61	Next 6,000 m^3	384,166	2,090	0.5439	/u
62	Next 13,000 m^3	366,713	1,871	0.5102	/u
63	All over 20,000 m^3	480,488	2,283	0.4751	/u
64	Total Rate M2	1,319,376	6,731	0.5102	/u
	Rate M4				
	Delivery Contract Demand Charge				
65	First 8,450 m^3	20,879	3,351	16.0515	/u
66	Next 19,700 m^3	20,175	1,543	7.6465	/u
67	All over 28,150 m^3	5,781	379	6.5544	/u
68	Total Rate M4	46,836	5,273	11.2586	/u

Derivation of 2024 DSM Unit Rates (Continued)

Line No.	Particulars	2024 Forecast Usage (1) (10^3m^3) (a)	2024 DSM Budget (2) ($000s) (b)	2024 DSM Rate (cents / m^3) (c)	
	Rate M5				
	Firm Contracts				
69	Monthly Demand Charge	432	28	6.5866	/u
70	Delivery Commodity	4,406			
	Interruptible Contracts				
71	Delivery Commodity Charge (avg. price)	55,087	356	0.6457	/u
72	Total Rate M5	59,493	384	0.6457	/u
	Rate M7				
	Firm Contracts				
73	Delivery Contract Demand Charge	71,858	3,615	5.0304	/u
74	Delivery Commodity	713,738	-	-	/u
	Interruptible / Seasonal Contracts				
75	Monthly Delivery Commodity Charge	75,999	385	0.5065	/u
76	Total Rate M7	789,737	4,000	0.5065	/u
	Rate M9				
77	Monthly Demand Charge	6,040	17	0.2803	/u
	Rate T1				
	Firm Contracts				
	Monthly Demand Charge				
78	First 28,150 m^3	14,363	525	3.6567	/u
79	Next 112,720 m^3	12,177	316	2.5973	/u
80	Firm Commodity	393,754			
	Interruptible Contracts				
81	Delivery Commodity Charge	37,536	80	0.2137	/u
82	Total Rate T1	431,289	922	0.2137	/u
	Rate T2				
	Firm Contracts				
	Monthly Demand Charge				
83	First 140,870 m^3	60,334	1,017	1.6859	/u
84	All Over 140,870 m^3	248,380	2,333	0.9394	/u
85	Firm Commodity	4,963,881	-	-	/u
	Interruptible Contracts				
86	Delivery Commodity Charge	41,762	28	0.0675	/u
87	Total Rate T2	5,005,643	3,379	0.0675	/u
	Rate T3				
88	Firm Contracts				
89	Monthly Demand Charge	28,200	107	0.3778	/u
90	Total		175,054		/u

Notes:
(1) Attachment 2, column (a).
(2) Attachment 9, p.1, column (a).

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers
EGD Rate Zone

Line No.	Particulars	EB-2022-0133 - Current Approved (2) Total Bill ($) (a)	Unit Rate (cents/m^3) (b)	EB-2022-0200 - 2024 Proposed Total Bill ($) (c)	Unit Rate (cents/m^3) (d)	Total Bill Change ($) (e) = (c - a)	Bill Impact Including Federal Carbon Charge (%) (f) = (e / a)	Bill Impact Excluding Federal Carbon Charge (%) (g)	
	Rate 1 - Small Customer	Annual Volume 2,400 m^3							
1	Delivery Charges	523	21.8085	564	23.5074	41	7.8%	7.8%	/u
2	Federal Carbon Charge	235	9.7900	235	9.7900	-	0.0%	0.0%	
3	Gas Supply Transportation	94	3.9267	47	1.9423	(48)	(50.5%)	(50.5%)	
4	Gas Supply Commodity	441	18.3775	502	20.9036	61	13.7%	13.7%	/u
5	Total Bill - Sales Service	1,294	53.9027	1,347	56.1433	54	4.2%	5.1%	/u
6	Total Bill - Bundled Direct Purchase WTS	1,354	56.4288	1,392	58.0052	38	2.8%	3.4%	/u
7	Bundled Direct Purchase Impact WTS						4.4%	6.1%	
8	Total Bill - Bundled Direct Purchase DTS	1,283	53.4718	1,347	56.1433	64	5.0%	6.1%	/u
9	Bundled Direct Purchase Impact DTS						8.2%	11.7%	/u
	Rate 1 - Large Customer	Annual Volume 5,048 m^3							
10	Delivery Charges	799	15.8339	866	17.1590	67	8.4%	8.4%	/u
11	Federal Carbon Charge	494	9.7900	494	9.7900	-	0.0%	0.0%	
12	Gas Supply Transportation	198	3.9267	98	1.9423	(100)	(50.5%)	(50.5%)	
13	Gas Supply Commodity	928	18.3775	1,055	20.9036	128	13.7%	13.7%	/u
14	Total Bill - Sales Service	2,419	47.9282	2,514	49.7949	94	3.9%	4.9%	/u
15	Total Bill - Bundled Direct Purchase WTS	2,547	50.4543	2,608	51.6568	61	2.4%	3.0%	/u
16	Bundled Direct Purchase Impact WTS						4.1%	6.1%	
17	Total Bill - Bundled Direct Purchase DTS	2,398	47.4973	2,514	49.7949	116	4.8%	6.1%	/u
18	Bundled Direct Purchase Impact DTS						8.6%	13.7%	/u
	Rate 6 - Small Customer	Annual Volume 5,048 m^3							
19	Delivery Charges	1,473	29.1886	1,541	30.5192	67	4.6%	4.6%	/u
20	Federal Carbon Charge	494	9.7900	494	9.7900	-	0.0%	0.0%	
21	Gas Supply Transportation	198	3.9267	93	1.8435	(105)	(53.1%)	(53.1%)	
22	Gas Supply Commodity	929	18.4008	1,055	20.9036	126	13.6%	13.6%	/u
23	Total Bill - Sales Service	3,095	61.3061	3,183	63.0563	88	2.9%	3.4%	/u
24	Total Bill - Bundled Direct Purchase WTS	3,221	63.8089	3,277	64.9182	56	1.7%	2.1%	/u
25	Bundled Direct Purchase Impact WTS						2.6%	3.3%	
26	Total Bill - Bundled Direct Purchase DTS	3,072	60.8519	3,183	63.0563	111	3.6%	4.3%	/u
27	Bundled Direct Purchase Impact DTS						5.5%	7.3%	
	Rate 6 - Average Customer	Annual Volume 22,606 m^3							
28	Delivery Charges	2,907	12.8584	2,949	13.0465	43	1.5%	1.5%	/u
29	Federal Carbon Charge	2,213	9.7900	2,213	9.7900	-	0.0%	0.0%	
30	Gas Supply Transportation	888	3.9267	417	1.8435	(471)	(53.1%)	(53.1%)	
31	Gas Supply Commodity	4,160	18.4008	4,725	20.9036	566	13.6%	13.6%	/u
32	Total Bill - Sales Service	10,167	44.9760	10,305	45.5836	137	1.4%	1.7%	/u
33	Total Bill - Bundled Direct Purchase WTS	10,733	47.4788	10,726	47.4455	(8)	(0.1%)	(0.1%)	/u
34	Bundled Direct Purchase Impact WTS						(0.1%)	(0.2%)	
35	Total Bill - Bundled Direct Purchase DTS	10,065	44.5217	10,305	45.5836	240	2.4%	3.1%	/u
36	Bundled Direct Purchase Impact DTS						4.5%	7.7%	/u
	Rate 6 - Large Customer	Annual Volume 339,124 m^3							
37	Delivery Charges	22,069	6.5076	20,112	5.9307	(1,956)	(8.9%)	(8.9%)	/u
38	Federal Carbon Charge	33,200	9.7900	33,200	9.7900	-	0.0%	0.0%	
39	Gas Supply Transportation	13,317	3.9267	6,252	1.8435	(7,065)	(53.1%)	(53.1%)	
40	Gas Supply Commodity	62,402	18.4008	70,889	20.9036	8,488	13.6%	13.6%	/u
41	Total Bill - Sales Service	130,987	38.6251	130,453	38.4678	(534)	(0.4%)	(0.5%)	/u
42	Total Bill - Bundled Direct Purchase WTS	139,475	41.1279	136,768	40.3297	(2,707)	(1.9%)	(2.5%)	/u
43	Bundled Direct Purchase Impact WTS						(3.9%)	(7.7%)	
44	Total Bill - Bundled Direct Purchase DTS	129,447	38.1709	130,453	38.4678	1,007	0.8%	1.0%	/u
45	Bundled Direct Purchase Impact DTS						1.7%	4.0%	/u

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers
EGD Rate Zone (Continued)

Line No.	Particulars	EB-2022-0133 - Current Approved (2) Total Bill ($)	Unit Rate (cents/m^3)	EB-2022-0200 - 2024 Proposed Total Bill ($)	Unit Rate (cents/m^3)	Total Bill Change ($)	Bill Impact Including Federal Carbon Charge (%)	Bill Impact Excluding Federal Carbon Charge (%)	
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)	
	Rate 100 - Small Customer	Contract Demand 2,993 m^3 Annual Volume 339,188 m^3							
46	Delivery Charges	20,572	6.0649	22,920	6.7574	2,349	11.4%	11.4%	/u
47	Federal Carbon Charge	33,207	9.7900	33,207	9.7900	-	0.0%	0.0%	
48	Gas Supply Transportation	13,319	3.9267	4,530	1.3356	(8,789)	(66.0%)	(66.0%)	
49	Gas Supply Commodity	62,413	18.4008	70,903	20.9036	8,489	13.6%	13.6%	/u
50	Total Bill - Sales Service	129,510	38.1825	131,559	38.7866	2,049	1.6%	2.1%	/u
51	Total Bill - Bundled Direct Purchase WTS	138,000	40.6853	137,875	40.6486	(124)	(0.1%)	(0.1%)	/u
52	Bundled Direct Purchase Impact WTS						(0.2%)	(0.4%)	
53	Total Bill - Bundled Direct Purchase DTS	127,970	37.7282	131,559	38.7866	3,590	2.8%	3.8%	/u
54	Bundled Direct Purchase Impact DTS						6.3%	15.0%	/u
	Rate 100 - Average Customer	Contract Demand 15,000 m^3 Annual Volume 598,567 m^3							
55	Delivery Charges	81,274	13.5781	86,429	14.4393	5,155	6.3%	6.3%	/u
56	Federal Carbon Charge	58,600	9.7900	58,600	9.7900	-	0.0%	0.0%	
57	Gas Supply Transportation	23,504	3.9267	7,994	1.3356	(15,510)	(66.0%)	(66.0%)	
58	Gas Supply Commodity	110,141	18.4008	125,122	20.9036	14,981	13.6%	13.6%	/u
59	Total Bill - Sales Service	273,519	45.6957	278,145	46.4685	4,626	1.7%	2.2%	/u
69	Total Bill - Bundled Direct Purchase WTS	288,500	48.1984	289,290	48.3305	790	0.3%	0.3%	/u
70	Bundled Direct Purchase Impact WTS						0.5%	0.8%	
71	Total Bill - Bundled Direct Purchase DTS	270,800	45.2414	278,145	46.4685	7,345	2.7%	3.5%	/u
72	Bundled Direct Purchase Impact DTS						5.0%	8.4%	/u
	Rate 100 - Large Customer	Contract Demand 30,000 m^3 Annual Volume 1,500,000 m^3							
60	Delivery Charges	165,181	11.0121	168,060	11.2040	2,879	1.7%	1.7%	/u
61	Federal Carbon Charge	146,850	9.7900	146,850	9.7900	-	0.0%	0.0%	
62	Gas Supply Transportation	58,901	3.9267	20,034	1.3356	(38,867)	(66.0%)	(66.0%)	
63	Gas Supply Commodity	276,012	18.4008	313,554	20.9036	37,542	13.6%	13.6%	/u
64	Total Bill - Sales Service	646,944	43.1296	648,498	43.2332	1,553	0.2%	0.3%	/u
65	Total Bill - Bundled Direct Purchase WTS	684,486	45.6324	676,428	45.0952	(8,059)	(1.2%)	(1.5%)	/u
66	Bundled Direct Purchase Impact WTS						(2.2%)	(3.6%)	
67	Total Bill - Bundled Direct Purchase DTS	640,131	42.6754	648,498	43.2332	8,367	1.3%	1.7%	/u
68	Bundled Direct Purchase Impact DTS						2.6%	4.7%	/u
	Rate 110 - Small Customer	Contract Demand 3,292 m^3 Annual Volume 598,568 m^3							
73	Delivery Charges	25,475	4.2560	26,939	4.5006	1,464	5.7%	5.7%	/u
74	Federal Carbon Charge	58,600	9.7900	58,600	9.7900	-	0.0%	0.0%	
75	Gas Supply Transportation	23,504	3.9267	7,189	1.2011	(16,315)	(69.4%)	(69.4%)	
76	Gas Supply Commodity	109,774	18.3394	125,122	20.9036	15,348	14.0%	14.0%	/u
77	Total Bill - Sales Service	217,353	36.3122	217,851	36.3953	498	0.2%	0.3%	/u
78	Total Bill - Bundled Direct Purchase WTS	232,701	38.8764	228,995	38.2572	(3,706)	(1.6%)	(2.1%)	/u
79	Bundled Direct Purchase Impact WTS						(3.4%)	(7.6%)	
80	Total Bill - Bundled Direct Purchase DTS	215,002	35.9193	217,851	36.3953	2,849	1.3%	1.8%	/u
81	Bundled Direct Purchase Impact DTS						3.2%	9.1%	/u
	Rate 110 - Average Customer	Contract Demand 36,413 m^3 Annual Volume 9,976,120 m^3							
82	Delivery Charges	247,553	2.4815	249,713	2.5031	2,160	0.9%	0.9%	/u
83	Federal Carbon Charge	976,662	9.7900	976,662	9.7900	-	0.0%	0.0%	
84	Gas Supply Transportation	391,737	3.9267	119,823	1.2011	(271,914)	(69.4%)	(69.4%)	
85	Gas Supply Commodity	1,829,564	18.3394	2,085,368	20.9036	255,805	14.0%	14.0%	/u
86	Total Bill - Sales Service	3,445,516	34.5376	3,431,567	34.3978	(13,949)	(0.4%)	(0.6%)	/u
87	Total Bill - Bundled Direct Purchase WTS	3,701,320	37.1018	3,617,312	36.2597	(84,008)	(2.3%)	(3.1%)	/u
88	Bundled Direct Purchase Impact WTS						(5.2%)	(13.1%)	
89	Total Bill - Bundled Direct Purchase DTS	3,406,324	34.1448	3,431,567	34.3978	25,243	0.7%	1.0%	/u
90	Bundled Direct Purchase Impact DTS						1.9%	7.3%	/u
	Rate 110 - Large Customer	Contract Demand 53,871 m^3 Annual Volume 9,976,121 m^3							
91	Delivery Charges	299,591	3.0031	349,308	3.5014	49,717	16.6%	16.6%	/u
92	Federal Carbon Charge	976,662	9.7900	976,662	9.7900	-	0.0%	0.0%	
93	Gas Supply Transportation	391,737	3.9267	119,823	1.2011	(271,914)	(69.4%)	(69.4%)	
94	Gas Supply Commodity	1,829,564	18.3394	2,085,368	20.9036	255,805	14.0%	14.0%	/u
95	Total Bill - Sales Service	3,497,553	35.0593	3,531,162	35.3961	33,608	1.0%	1.3%	/u

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers
EGD Rate Zone (Continued)

Line No.	Particulars	EB-2022-0133 - Current Approved (2) Total Bill ($) (a)	Unit Rate (cents/m^3) (b)	EB-2022-0200 - 2024 Proposed Total Bill ($) (c)	Unit Rate (cents/m^3) (d)	Total Bill Change ($) (e) = (c - a)	Bill Impact Including Federal Carbon Charge (%) (f) = (e / a)	Bill Impact Excluding Federal Carbon Charge (%) (g)	
96	Total Bill - Bundled Direct Purchase WTS	3,753,358	37.6234	3,716,907	37.2580	(36,451)	(1.0%)	(1.3%)	/u
97	Bundled Direct Purchase Impact WTS						(2.2%)	(5.3%)	
98	Total Bill - Bundled Direct Purchase DTS	3,458,362	34.6664	3,531,162	35.3961	72,800	2.1%	2.9%	/u
99	Bundled Direct Purchase Impact DTS						5.3%	18.4%	/u
	Rate 115 - Small Customer	Contract Demand 15,300 m^3 Annual Volume 4,471,609 m^3							
100	Delivery Charges	92,520	2.0690	91,830	2.0536	(690)	(0.7%)	(0.7%)	/u
101	Federal Carbon Charge	437,771	9.7900	437,771	9.7900	-	0.0%	0.0%	
102	Gas Supply Transportation	175,589	3.9267	41,134	0.9199	(134,454)	(76.6%)	(76.6%)	
103	Gas Supply Commodity	820,068	18.3394	934,727	20.9036	114,660	14.0%	14.0%	/u
104	Total Bill - Sales Service	1,525,947	34.1252	1,505,462	33.6671	(20,485)	(1.3%)	(1.9%)	/u
105	Total Bill - Bundled Direct Purchase WTS	1,640,606	36.6894	1,588,719	35.5290	(51,887)	(3.2%)	(4.3%)	/u
106	Bundled Direct Purchase Impact WTS						(7.4%)	(19.4%)	
107	Total Bill - Bundled Direct Purchase DTS	1,508,380	33.7324	1,505,462	33.6671	(2,918)	(0.2%)	(0.3%)	/u
108	Bundled Direct Purchase Impact DTS						(0.5%)	(2.1%)	/u
	Rate 115 - Large Customer	Contract Demand 238,928 m^3 Annual Volume 69,832,850 m^3							
109	Delivery Charges	1,266,100	1.8130	1,274,898	1.8256	8,798	0.7%	0.7%	/u
110	Federal Carbon Charge	6,836,636	9.7900	6,836,636	9.7900	-	0.0%	0.0%	
111	Gas Supply Transportation	2,742,158	3.9267	642,392	0.9199	(2,099,766)	(76.6%)	(76.6%)	
112	Gas Supply Commodity	12,806,948	18.3394	14,597,580	20.9036	1,790,632	14.0%	14.0%	/u
113	Total Bill - Sales Service	23,651,842	33.8692	23,351,506	33.4391	(300,336)	(1.3%)	(1.8%)	/u
114	Total Bill - Bundled Direct Purchase WTS	25,442,474	36.4334	24,651,724	35.3010	(790,750)	(3.1%)	(4.3%)	/u
115	Bundled Direct Purchase Impact WTS						(7.3%)	(19.7%)	
116	Total Bill - Bundled Direct Purchase DTS	23,377,499	33.4764	23,351,506	33.4391	(25,993)	(0.1%)	(0.2%)	/u
117	Bundled Direct Purchase Impact DTS						(0.3%)	(1.3%)	/u
	Rate 125 - Average Customer	Contract Demand 2,315,000 m^3 Annual Volume 206,000,000 m^3							
118	Delivery Charges	3,135,864	1.5223	3,008,907	1.4606	(126,958)	(4.0%)	(4.0%)	/u
119	Federal Carbon Charge	20,167,400	9.7900	20,167,400	9.7900	-	0.0%	0.0%	
120	Gas Supply Commodity	37,779,229	18.3394	43,061,416	20.9036	5,282,187	14.0%	14.0%	/u
121	Total Bill - Sales Service	61,082,493	29.6517	66,237,723	32.1542	5,155,230	8.4%	12.6%	/u
122	Total Bill - Bundled Direct Purchase	66,364,680	32.2159	66,237,723	32.1542	(126,958)	(0.2%)	(0.3%)	/u
123	Bundled Direct Purchase Impact						(0.5%)	(4.0%)	/u
	Rate 135 - Average Customer	Annual Volume 598,567 m^3							
124	Delivery Charges	14,844	2.4799	26,754	4.4698	11,911	80.2%	80.2%	/u
125	Federal Carbon Charge	58,600	9.7900	58,600	9.7900	-	0.0%	0.0%	
126	Gas Supply Transportation	18,461	3.0843	270	0.0450	(18,192)	(98.5%)	(98.5%)	
127	Gas Supply Commodity	109,797	18.3434	125,122	20.9036	15,325	14.0%	14.0%	/u
128	Total Bill - Sales Service	201,702	33.6975	210,746	35.2084	9,043	4.5%	6.3%	/u
129	Total Bill - Bundled Direct Purchase WTS	217,027	36.2578	221,891	37.0704	4,864	2.2%	3.1%	/u
130	Bundled Direct Purchase Impact WTS						5.3%	14.6%	
131	Total Bill - Bundled Direct Purchase DTS	199,327	33.3007	210,746	35.2084	11,419	5.7%	8.1%	/u
132	Bundled Direct Purchase Impact DTS						15.4%	73.2%	/u
	Rate 145 - Small Customer	Contract Demand 2,993 m^3 Annual Volume 339,188 m^3							
133	Delivery Charges	29,478	8.6906	8,533	2.5156	(20,945)	(71.1%)	(71.1%)	/u
134	Federal Carbon Charge	33,207	9.7900	33,207	9.7900	-	0.0%	0.0%	
135	Gas Supply Transportation	11,460	3.3788	1,152	0.3396	(10,309)	(90.0%)	(90.0%)	
136	Gas Supply Commodity	62,219	18.3434	70,903	20.9036	8,684	14.0%	14.0%	/u
137	Total Bill - Sales Service	136,363	40.2028	113,793	33.5488	(22,570)	(16.6%)	(21.9%)	/u
138	Total Bill - Bundled Direct Purchase WTS	145,047	42.7630	120,109	35.4108	(24,938)	(17.2%)	(22.3%)	/u
139	Bundled Direct Purchase Impact WTS						(33.6%)	(60.9%)	
140	Total Bill - Bundled Direct Purchase DTS	135,017	39.8060	113,793	33.5488	(21,224)	(15.7%)	(20.8%)	/u
141	Bundled Direct Purchase Impact DTS						(33.1%)	(68.7%)	/u

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers
EGD Rate Zone (Continued)

Line No.	Particulars	EB-2022-0133 - Current Approved (2) Total Bill ($)	Unit Rate (cents/m^3)	EB-2022-0200 - 2024 Proposed Total Bill ($)	Unit Rate (cents/m^3)	Total Bill Change ($)	Bill Impact Including Federal Carbon Charge (%)	Bill Impact Excluding Federal Carbon Charge (%)	
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)	
	Rate 145 - Large Customer	Contract Demand 4,489 m^3 Annual Volume 598,567 m^3							
142	Delivery Charges	47,616	7.9550	12,731	2.1268	(34,885)	(73.3%)	(73.3%)	/u
143	Federal Carbon Charge	58,600	9.7900	58,600	9.7900	-	0.0%	0.0%	
144	Gas Supply Transportation	20,224	3.3788	2,032	0.3396	(18,192)	(90.0%)	(90.0%)	
145	Gas Supply Commodity	109,797	18.3434	125,122	20.9036	15,325	14.0%	14.0%	/u
146	Total Bill - Sales Service	236,238	39.4672	198,485	33.1600	(37,753)	(16.0%)	(21.3%)	/u
147	Total Bill - Bundled Direct Purchase WTS	251,562	42.0274	209,630	35.0220	(41,932)	(16.7%)	(21.7%)	/u
148	Bundled Direct Purchase Impact WTS						(33.2%)	(61.8%)	
149	Total Bill - Bundled Direct Purchase DTS	233,862	39.0704	198,485	33.1600	(35,378)	(15.1%)	(20.2%)	/u
150	Bundled Direct Purchase Impact DTS						(32.5%)	(70.6%)	/u
	Rate 170 - Small Customer	Contract Demand 36,413 m^3 Annual Volume 9,976,120 m^3							
151	Delivery Charges	108,254	1.0851	167,315	1.6772	59,061	54.6%	54.6%	/u
152	Federal Carbon Charge	976,662	9.7900	976,662	9.7900	-	0.0%	0.0%	
153	Gas Supply Transportation	271,477	2.7213	(31,722)	(0.3180)	(303,199)	(111.7%)	(111.7%)	
154	Gas Supply Commodity	1,829,564	18.3394	2,085,368	20.9036	255,805	14.0%	14.0%	/u
155	Total Bill - Sales Service	3,185,956	31.9358	3,197,624	32.0528	11,667	0.4%	0.5%	/u
156	Total Bill - Bundled Direct Purchase WTS	3,441,761	34.5000	3,383,379	33.9148	(58,382)	(1.7%)	(2.4%)	/u
157	Bundled Direct Purchase Impact WTS						(4.3%)	(15.4%)	
158	Total Bill - Bundled Direct Purchase DTS	3,146,764	31.5430	3,197,624	32.0528	50,859	1.6%	2.3%	/u
159	Bundled Direct Purchase Impact DTS						4.8%	60.0%	
	Rate 170 - Average Customer	Contract Demand 53,871 m^3 Annual Volume 9,976,121 m^3							
160	Delivery Charges	116,258	1.1654	175,203	1.7562	58,944	50.7%	50.7%	/u
161	Federal Carbon Charge	976,662	9.7900	976,662	9.7900	-	0.0%	0.0%	
162	Gas Supply Transportation	271,477	2.7213	(31,722)	(0.3180)	(303,199)	(111.7%)	(111.7%)	
163	Gas Supply Commodity	1,829,564	18.3394	2,085,368	20.9036	255,805	14.0%	14.0%	/u
164	Total Bill - Sales Service	3,193,961	32.0161	3,205,511	32.1318	11,550	0.4%	0.5%	/u
165	Total Bill - Bundled Direct Purchase WTS	3,449,766	34.5802	3,391,267	33.9938	(58,499)	(1.7%)	(2.4%)	/u
166	Bundled Direct Purchase Impact WTS						(4.3%)	(15.1%)	
167	Total Bill - Bundled Direct Purchase DTS	3,154,769	31.6232	3,205,511	32.1318	50,742	1.6%	2.3%	/u
168	Bundled Direct Purchase Impact DTS						4.7%	54.7%	
	Rate 170 - Large Customer	Contract Demand 255,089 m^3 Annual Volume 69,832,850 m^3							
169	Delivery Charges	617,886	0.8848	1,149,296	1.6458	531,411	86.0%	86.0%	/u
170	Federal Carbon Charge	6,836,636	9.7900	6,836,636	9.7900	-	0.0%	0.0%	
171	Gas Supply Transportation	1,900,337	2.7213	(222,054)	(0.3180)	(2,122,391)	(111.7%)	(111.7%)	
172	Gas Supply Commodity	12,806,947	18.3394	14,597,580	20.9036	1,790,632	14.0%	14.0%	/u
173	Total Bill - Sales Service	22,161,806	31.7355	22,361,458	32.0214	199,652	0.9%	1.3%	/u
174	Total Bill - Bundled Direct Purchase WTS	23,952,439	34.2997	23,661,746	33.8834	(290,693)	(1.2%)	(1.7%)	/u
175	Bundled Direct Purchase Impact WTS						(3.1%)	(11.5%)	
176	Total Bill - Bundled Direct Purchase DTS	21,887,464	31.3426	22,361,458	32.0214	473,994	2.2%	3.1%	/u
177	Bundled Direct Purchase Impact DTS						6.5%	104.6%	
	Rate 200 - Average Customer (1)	Contract Demand 1,252,000 m^3 Annual Volume 140,305,600 m^3							
178	Delivery Charges	5,954,982	4.2443	5,261,894	3.7503	(693,088)		(11.6%)	/u
179	Gas Supply Transportation	5,248,930	3.7411	1,722,988	1.2280	(3,525,942)		(67.2%)	
180	Gas Supply Commodity	25,731,108	18.3393	29,328,921	20.9036	3,597,813		14.0%	/u
181	Total Bill - Sales Service	36,935,019	26.3247	36,313,803	25.8819	(621,216)		(1.7%)	/u
182	Total Bill - Bundled Direct Purchase WTS	40,532,833	28.8890	38,926,293	27.7439	(1,606,540)		(4.0%)	/u
183	Bundled Direct Purchase Impact WTS							(14.3%)	
184	Total Bill - Bundled Direct Purchase DTS	36,383,962	25.9319	36,313,803	25.8819	(70,160)		(0.2%)	/u
185	Bundled Direct Purchase Impact DTS							(1.0%)	/u

Notes:
(1) Rate 200 customers are not charged the Federal Carbon Charge.
(2) EB-2022-0133, Exhibit D, Tab 1, Appendix A.

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers
Union North Rate Zone (1)

Line No.	Particulars	EB-2022-0133 - Current Approved (2) Total Bill ($)	Unit Rate (cents/m^3)	EB-2022-0200 - 2024 Proposed Total Bill ($)	Unit Rate (cents/m^3)	Total Bill Change ($)	Bill Impact Including Federal Carbon Charge (%)	Bill Impact Excluding Federal Carbon Charge (%)	
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)	
	Rate 01 - Small Customer	Annual Volume 2,200 m^3							
1	Delivery Charges	517	23.4947	436	19.8136	(81)	(15.7%)	(15.7%)	/u
2	Federal Carbon Charge	215	9.7900	215	9.7900	-	0.0%	0.0%	
3	Gas Supply Transportation	188	8.5573	122	5.5533	(66)	(35.1%)	(35.1%)	/u
4	Gas Supply Commodity	491	22.3151	460	20.9036	(31)	(6.3%)	(6.3%)	/u
5	Total Bill - Sales Service	1,411	64.1572	1,233	56.0605	(178)	(12.6%)	(14.9%)	/u
6	Total Bill - Bundled Direct Purchase	1,380	62.7456	1,233	56.0605	(147)	(10.7%)	(12.6%)	/u
7	Bundled Direct Purchase Impact						(16.0%)	(20.9%)	/u
	Rate 01 - Large Customer	Annual Volume 40,000 m^3							
8	Delivery Charges	4,238	10.5960	2,874	7.1862	(1,364)	(32.2%)	(32.2%)	/u
9	Federal Carbon Charge	3,916	9.7900	3,916	9.7900	-	0.0%	0.0%	
10	Gas Supply Transportation	3,423	8.5573	2,221	5.5533	(1,202)	(35.1%)	(35.1%)	/u
11	Gas Supply Commodity	8,926	22.3151	8,361	20.9036	(565)	(6.3%)	(6.3%)	/u
12	Total Bill - Sales Service	20,503	51.2585	17,373	43.4331	(3,130)	(15.3%)	(18.9%)	/u
13	Total Bill - Bundled Direct Purchase	19,939	49.8469	17,373	43.4331	(2,566)	(12.9%)	(16.0%)	/u
14	Bundled Direct Purchase Impact						(22.2%)	(33.5%)	/u
	Rate 10 - Small Customer	Annual Volume 60,000 m^3							
15	Delivery Charges	6,143	10.2385	4,344	7.2407	(1,799)	(29.3%)	(29.3%)	/u
16	Federal Carbon Charge	5,874	9.7900	5,874	9.7900	-	0.0%	0.0%	
17	Gas Supply Transportation	4,074	6.7895	2,961	4.9343	(1,113)	(27.3%)	(27.3%)	/u
18	Gas Supply Commodity	13,389	22.3151	12,542	20.9036	(847)	(6.3%)	(6.3%)	/u
19	Total Bill - Sales Service	29,480	49.1331	25,721	42.8686	(3,759)	(12.8%)	(15.9%)	/u
20	Total Bill - Bundled Direct Purchase	28,633	47.7216	25,721	42.8686	(2,912)	(10.2%)	(12.8%)	/u
21	Bundled Direct Purchase Impact						(18.1%)	(28.5%)	/u
	Rate 10 - Average Customer	Annual Volume 93,000 m^3							
29	Delivery Charges	8,765	9.4252	6,026	6.4795	(2,740)	(31.3%)	(31.3%)	/u
30	Federal Carbon Charge	9,105	9.7900	9,105	9.7900	-	0.0%	0.0%	
31	Gas Supply Transportation	6,314	6.7895	4,589	4.9343	(1,725)	(27.3%)	(27.3%)	/u
32	Gas Supply Commodity	20,753	22.3151	19,440	20.9036	(1,313)	(6.3%)	(6.3%)	/u
33	Total Bill - Sales Service	44,937	48.3198	39,160	42.1074	(5,778)	(12.9%)	(16.1%)	/u
34	Total Bill - Bundled Direct Purchase	43,625	46.9083	39,160	42.1074	(4,465)	(10.2%)	(12.9%)	/u
35	Bundled Direct Purchase Impact						(18.5%)	(29.6%)	/u
	Rate 10 - Large Customer	Annual Volume 250,000 m^3							
22	Delivery Charges	20,397	8.1587	13,420	5.3680	(6,977)	(34.2%)	(34.2%)	/u
23	Federal Carbon Charge	24,475	9.7900	24,475	9.7900	-	0.0%	0.0%	
24	Gas Supply Transportation	16,974	6.7895	12,336	4.9343	(4,638)	(27.3%)	(27.3%)	/u
25	Gas Supply Commodity	55,788	22.3151	52,259	20.9036	(3,529)	(6.3%)	(6.3%)	/u
26	Total Bill - Sales Service	117,633	47.0533	102,490	40.9959	(15,143)	(12.9%)	(16.3%)	/u
27	Total Bill - Bundled Direct Purchase	114,105	45.6418	102,490	40.9959	(11,615)	(10.2%)	(13.0%)	/u
28	Bundled Direct Purchase Impact						(18.8%)	(31.1%)	/u
	Rate 20 - Small Customer	Contract Demand 14,000 m^3	Annual Volume 3,000,000 m^3						
36	Delivery Charges	95,251	3.1750	86,060	2.8687	(9,191)	(9.6%)	(9.6%)	/u
37	Federal Carbon Charge	293,700	9.7900	293,700	9.7900	-	0.0%	0.0%	
38	Gas Supply Transportation	75,893	2.5298	66,507	2.2169	(9,386)	(12.4%)	(12.4%)	/u
39	Gas Supply Commodity	650,011	21.6670	627,108	20.9036	(22,903)	(3.5%)	(3.5%)	/u
40	Total Bill - Sales Service	1,114,855	37.1618	1,073,375	35.7792	(41,480)	(3.7%)	(5.1%)	/u
41	Total Bill - Bundled Direct Purchase	1,091,952	36.3984	1,073,375	35.7792	(18,577)	(1.7%)	(2.3%)	/u
42	Bundled Direct Purchase Impact						(4.0%)	(10.9%)	/u

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers
Union North Rate Zone (1) (Continued)

Line No.	Particulars	EB-2022-0133 - Current Approved (2) Total Bill ($)	Unit Rate (cents/m^3)	EB-2022-0200 - 2024 Proposed Total Bill ($)	Unit Rate (cents/m^3)	Total Bill Change ($)	Bill Impact Including Federal Carbon Charge (%)	Bill Impact Excluding Federal Carbon Charge (%)	
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)	
	Rate 20 - Large Customer	Contract Demand 60,000 m^3 Annual Volume 15,000,000 m^3							
43	Delivery Charges	372,040	2.4803	332,784	2.2186	(39,256)	(10.6%)	(10.6%)	/u
44	Federal Carbon Charge	1,468,500	9.7900	1,468,500	9.7900	-	0.0%	0.0%	
45	Gas Supply Transportation	325,256	2.1684	310,036	2.0669	(15,219)	(4.7%)	(4.7%)	/u
46	Gas Supply Commodity	3,250,054	21.6670	3,135,540	20.9036	(114,514)	(3.5%)	(3.5%)	/u
47	Total Bill - Sales Service	5,415,849	36.1057	5,246,861	34.9791	(168,989)	(3.1%)	(4.3%)	/u
48	Total Bill - Bundled Direct Purchase	5,301,336	35.3422	5,246,861	34.9791	(54,475)	(1.0%)	(1.4%)	/u
49	Bundled Direct Purchase Impact						(2.5%)	(7.8%)	/u
	Rate 25 - Average Customer	Annual Volume 2,275,000 m^3							
50	Delivery Charges	78,233	3.4388	47,914	2.1061	(30,319)	(38.8%)	(38.8%)	/u
51	Federal Carbon Charge	222,723	9.7900	222,723	9.7900	-	0.0%	0.0%	
52	Gas Supply Transportation	25,810	1.1345	20,191	0.8875	(5,619)	(21.8%)	(21.8%)	/u
53	Gas Supply Commodity	497,922	21.8867	475,557	20.9036	(22,365)	(4.5%)	(4.5%)	/u
54	Total Bill - Sales Service	824,687	36.2500	766,384	33.6872	(58,303)	(7.1%)	(9.7%)	/u
55	Total Bill - Bundled Direct Purchase	802,322	35.2669	766,384	33.6872	(35,938)	(4.5%)	(6.2%)	/u
56	Bundled Direct Purchase Impact						(11.0%)	(34.5%)	/u
	Rate 100 - Small Customer	Contract Demand 100,000 m^3 Annual Volume 27,000,000 m^3							
57	Delivery Charges	340,126	1.2597	209,012	0.7741	(131,114)	(38.5%)	(38.5%)	/u
58	Federal Carbon Charge	2,643,300	9.7900	2,643,300	9.7900	-	0.0%	0.0%	
59	Gas Supply Transportation	1,428,392	5.2903	540,065	2.0002	(888,326)	(62.2%)	(62.2%)	/u
60	Gas Supply Commodity	5,850,097	21.6670	5,643,972	20.9036	(206,125)	(3.5%)	(3.5%)	/u
61	Total Bill - Sales Service	10,261,915	38.0071	9,036,350	33.4680	(1,225,565)	(11.9%)	(16.1%)	/u
62	Total Bill - Bundled Direct Purchase	10,055,790	37.2437	9,036,350	33.4680	(1,019,440)	(10.1%)	(13.8%)	/u
63	Bundled Direct Purchase Impact						(23.1%)	(57.6%)	
64	Total Bill - Unbundled Direct Purchase	9,167,464	33.9536	9,036,350	33.4680	(131,114)	(1.4%)	(2.0%)	/u
65	Unbundled Direct Purchase Impact						(4.4%)	(38.5%)	/u
	Rate 100 - Large Customer	Contract Demand 850,000 m^3 Annual Volume 240,000,000 m^3							
66	Delivery Charges	2,776,822	1.1570	1,655,591	0.6898	(1,121,231)	(40.4%)	(40.4%)	/u
67	Federal Carbon Charge	23,496,000	9.7900	23,496,000	9.7900	-	0.0%	0.0%	
68	Gas Supply Transportation	12,141,330	5.0589	4,713,080	1.9638	(7,428,250)	(61.2%)	(61.2%)	/u
69	Gas Supply Commodity	52,000,862	21.6670	50,168,640	20.9036	(1,832,222)	(3.5%)	(3.5%)	/u
70	Total Bill - Sales Service	90,415,015	37.6729	80,033,312	33.3472	(10,381,703)	(11.5%)	(15.5%)	/u
71	Total Bill - Bundled Direct Purchase	88,582,793	36.9095	80,033,312	33.3472	(8,549,481)	(9.7%)	(13.1%)	/u
72	Bundled Direct Purchase Impact						(22.3%)	(57.3%)	
73	Total Bill - Unbundled Direct Purchase	81,154,543	33.8144	80,033,312	33.3472	(1,121,231)	(1.4%)	(1.9%)	/u
74	Unbundled Direct Purchase Impact						(22.3%)	(40.4%)	/u

Notes:
(1) Gas Supply charges based on Union North East rate zone.
(2) EB-2022-0133, Exhibit D, Tab 2, Appendix A.

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers
Union South Rate Zone

Line No.	Particulars	EB-2022-0133 - Current Approved (2) Total Bill ($) (a)	Unit Rate (cents/m^3) (b)	EB-2022-0200 - 2024 Proposed Total Bill ($) (c)	Unit Rate (cents/m^3) (d)	Total Bill Change ($) (e) = (c - a)	Bill Impact Including Federal Carbon Charge (%) (f) = (e / a)	Bill Impact Excluding Federal Carbon Charge (%) (g)	
	Rate M1 - Small Customer	Annual Volume 2,200 m^3							
1	Delivery Charges	433	19.6623	536	24.3803	104	24.0%	24.0%	/u
2	Federal Carbon Charge	215	9.7900	215	9.7900	-	0.0%	0.0%	
3	Gas Supply Transportation	-	-	40	1.8069	40	100.0%	100.0%	
4	Gas Supply Commodity	490	22.2906	460	20.9036	(31)	(6.2%)	(6.2%)	/u
5	Total Bill - Sales Service	1,138	51.7429	1,251	56.8808	113	9.9%	12.2%	/u
6	Total Bill - Bundled Direct Purchase	1,108	50.3559	1,251	56.8808	144	13.0%	16.1%	/u
7	Bundled Direct Purchase Impact						22.2%	33.2%	/u
	Rate M1 - Large Customer	Annual Volume 40,000 m^3							
8	Delivery Charges	2,834	7.0851	4,464	11.1606	1,630	57.5%	57.5%	/u
9	Federal Carbon Charge	3,916	9.7900	3,916	9.7900	-	0.0%	0.0%	
10	Gas Supply Transportation	-	-	723	1.8069	723	100.0%	100.0%	
11	Gas Supply Commodity	8,916	22.2906	8,361	20.9036	(555)	(6.2%)	(6.2%)	/u
12	Total Bill - Sales Service	15,666	39.1657	17,464	43.6611	1,798	11.5%	15.3%	/u
13	Total Bill - Bundled Direct Purchase	15,111	37.7787	17,464	43.6611	2,353	15.6%	21.0%	/u
14	Bundled Direct Purchase Impact						34.9%	83.0%	/u
	Rate M2 - Small Customer	Annual Volume 60,000 m^3							
15	Delivery Charges	5,093	8.4889	6,095	10.1583	1,002	19.7%	19.7%	/u
16	Federal Carbon Charge	5,874	9.7900	5,874	9.7900	-	0.0%	0.0%	
17	Gas Supply Transportation	-	-	1,018	1.6963	1,018	100.0%	100.0%	
18	Gas Supply Commodity	13,374	22.2906	12,542	20.9036	(832)	(6.2%)	(6.2%)	/u
19	Total Bill - Sales Service	24,342	40.5695	25,529	42.5482	1,187	4.9%	6.4%	/u
20	Total Bill - Bundled Direct Purchase	23,509	39.1825	25,529	42.5482	2,019	8.6%	11.5%	/u
21	Bundled Direct Purchase Impact						18.4%	39.6%	/u
	Rate M2 - Average Customer	Annual Volume 73,000 m^3							
29	Delivery Charges	5,972	8.1811	7,173	9.8263	1,201	20.1%	20.1%	/u
30	Federal Carbon Charge	7,147	9.7900	7,147	9.7900	-	0.0%	0.0%	
31	Gas Supply Transportation	-	-	1,238	1.6963	1,238	100.0%	100.0%	
32	Gas Supply Commodity	16,272	22.2906	15,260	20.9036	(1,013)	(6.2%)	(6.2%)	/u
33	Total Bill - Sales Service	29,391	40.2618	30,818	42.2162	1,427	4.9%	6.4%	/u
34	Total Bill - Bundled Direct Purchase	28,379	38.8747	30,818	42.2162	2,439	8.6%	11.5%	/u
35	Bundled Direct Purchase Impact						18.6%	40.8%	/u
	Rate M2 - Large Customer	Annual Volume 250,000 m^3							
22	Delivery Charges	17,465	6.9862	21,216	8.4864	3,751	21.5%	21.5%	/u
23	Federal Carbon Charge	24,475	9.7900	24,475	9.7900	-	0.0%	0.0%	
24	Gas Supply Transportation	-	-	4,241	1.6963	4,241	100.0%	100.0%	
25	Gas Supply Commodity	55,727	22.2906	52,259	20.9036	(3,468)	(6.2%)	(6.2%)	/u
26	Total Bill - Sales Service	97,667	39.0668	102,191	40.8763	4,524	4.6%	6.2%	/u
27	Total Bill - Bundled Direct Purchase	94,199	37.6798	102,191	40.8763	7,991	8.5%	11.5%	/u
28	Bundled Direct Purchase Impact						19.1%	45.8%	/u
	Rate M4 - Small Customer	Contract Demand 4,800 m^3 Annual Volume 875,000 m^3							
36	Delivery Charges	57,891	6.6161	47,950	5.4800	(9,941)	(17.2%)	(17.2%)	/u
37	Federal Carbon Charge	85,663	9.7900	85,663	9.7900	-	0.0%	0.0%	
38	Gas Supply Transportation	-	-	12,688	1.4501	12,688	100.0%	100.0%	
39	Gas Supply Commodity	195,043	22.2906	182,907	20.9036	(12,137)	(6.2%)	(6.2%)	/u
40	Total Bill - Sales Service	338,597	38.6968	329,208	37.6237	(9,389)	(2.8%)	(3.7%)	/u
41	Total Bill - Bundled Direct Purchase	326,460	37.3097	329,208	37.6237	2,747	0.8%	1.1%	/u
42	Bundled Direct Purchase Impact						1.9%	4.7%	/u
	Rate M4 - Large Customer	Contract Demand 50,000 m^3 Annual Volume 12,000,000 m^3							
43	Delivery Charges	468,572	3.9048	362,246	3.0187	(106,325)	(22.7%)	(22.7%)	/u
44	Federal Carbon Charge	1,174,800	9.7900	1,174,800	9.7900	-	0.0%	0.0%	
45	Gas Supply Transportation	-	-	174,012	1.4501	174,012	100.0%	100.0%	
46	Gas Supply Commodity	2,674,877	22.2906	2,508,432	20.9036	(166,445)	(6.2%)	(6.2%)	/u
47	Total Bill - Sales Service	4,318,248	35.9854	4,219,490	35.1624	(98,758)	(2.3%)	(3.1%)	/u
48	Total Bill - Bundled Direct Purchase	4,151,804	34.5984	4,219,490	35.1624	67,687	1.6%	2.3%	/u
49	Bundled Direct Purchase Impact						4.1%	14.4%	/u

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers
Union South Rate Zone (Continued)

Line No.	Particulars	EB-2022-0133 - Current Approved (2) Total Bill ($)	Unit Rate (cents/m^3)	EB-2022-0200 - 2024 Proposed Total Bill ($)	Unit Rate (cents/m^3)	Total Bill Change ($)	Bill Impact Including Federal Carbon Charge (%)	Bill Impact Excluding Federal Carbon Charge (%)	
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)	
	Rate M5 - Small Customer	Contract Demand 7,500 m^3 Annual Volume 825,000 m^3							
50	Delivery Charges	38,793	4.7022	24,370	2.9540	(14,423)	(37.2%)	(37.2%)	/u
51	Federal Carbon Charge	80,768	9.7900	80,768	9.7900	-	0.0%	0.0%	
52	Gas Supply Transportation	-	-	7,771	0.9419	7,771	100.0%	100.0%	
53	Gas Supply Commodity	183,898	22.2906	172,455	20.9036	(11,443)	(6.2%)	(6.2%)	/u
54	Total Bill - Sales Service	303,458	36.7828	285,363	34.5895	(18,095)	(6.0%)	(8.1%)	/u
55	Total Bill - Bundled Direct Purchase	292,015	35.3958	285,363	34.5895	(6,652)	(2.3%)	(3.1%)	/u
56	Bundled Direct Purchase Impact						(5.6%)	(17.1%)	/u
	Rate M5 - Large Customer	Contract Demand 70,000 m^3 Annual Volume 6,500,000 m^3							
57	Delivery Charges	227,250	3.4961	134,739	2.0729	(92,511)	(40.7%)	(40.7%)	/u
58	Federal Carbon Charge	636,350	9.7900	636,350	9.7900	-	0.0%	0.0%	
59	Gas Supply Transportation	-	-	61,224	0.9419	61,224	100.0%	100.0%	
60	Gas Supply Commodity	1,448,892	22.2906	1,358,734	20.9036	(90,158)	(6.2%)	(6.2%)	/u
61	Total Bill - Sales Service	2,312,491	35.5768	2,191,047	33.7084	(121,445)	(5.3%)	(7.2%)	/u
62	Total Bill - Bundled Direct Purchase	2,222,334	34.1897	2,191,047	33.7084	(31,287)	(1.4%)	(2.0%)	/u
63	Bundled Direct Purchase Impact						(3.6%)	(13.8%)	/u
	Rate M7 - Small Customer	Contract Demand 165,000 m^3 Annual Volume 36,000,000 m^3							
64	Delivery Charges	842,327	2.3398	941,874	2.6163	99,547	11.8%	11.8%	/u
65	Federal Carbon Charge	3,524,400	9.7900	3,524,400	9.7900	-	0.0%	0.0%	
66	Gas Supply Transportation	-	-	572,436	1.5901	572,436	100.0%	100.0%	
67	Gas Supply Commodity	8,024,630	22.2906	7,525,296	20.9036	(499,334)	(6.2%)	(6.2%)	/u
68	Total Bill - Sales Service	12,391,357	34.4204	12,564,006	34.9000	172,649	1.4%	1.9%	/u
69	Total Bill - Bundled Direct Purchase	11,892,023	33.0334	12,564,006	34.9000	671,983	5.7%	8.0%	/u
70	Bundled Direct Purchase Impact						15.4%	79.8%	/u
	Rate M7 - Large Customer	Contract Demand 720,000 m^3 Annual Volume 52,000,000 m^3							
71	Delivery Charges	3,183,889	6.1229	3,625,106	6.9714	441,217	13.9%	13.9%	/u
72	Federal Carbon Charge	5,090,800	9.7900	5,090,800	9.7900	-	0.0%	0.0%	
73	Gas Supply Transportation	-	-	826,852	1.5901	826,852	100.0%	100.0%	
74	Gas Supply Commodity	11,591,133	22.2906	10,869,872	20.9036	(721,261)	(6.2%)	(6.2%)	/u
75	Total Bill - Sales Service	19,865,821	38.2035	20,412,630	39.2551	546,809	2.8%	3.7%	/u
76	Total Bill - Bundled Direct Purchase	19,144,561	36.8165	20,412,630	39.2551	1,268,069	6.6%	9.0%	/u
77	Bundled Direct Purchase Impact						15.3%	39.8%	/u
	Rate M9 - Small Customer (1)	Contract Demand 56,439 m^3 Annual Volume 6,950,000 m^3							
78	Delivery Charges	206,517	2.9715	228,951	3.2943	22,434		10.9%	/u
79	Gas Supply Transportation	-	-	87,584	1.2602	87,584		100.0%	
80	Gas Supply Commodity	1,549,199	22.2906	1,452,800	20.9036	(96,399)		(6.2%)	/u
81	Total Bill - Sales Service	1,755,717	25.2621	1,769,336	25.4581	13,619		0.8%	/u
82	Total Bill - Bundled Direct Purchase	1,659,317	23.8751	1,769,336	25.4581	110,018		6.6%	
83	Bundled Direct Purchase Impact							53.3%	/u
	Rate M9 - Large Customer (1)	Contract Demand 168,100 m^3 Annual Volume 20,178,000 m^3							
84	Delivery Charges	613,438	3.0401	679,928	3.3697	66,491		10.8%	/u
85	Gas Supply Transportation	-	-	254,283	1.2602	254,283		100.0%	
86	Gas Supply Commodity	4,497,805	22.2906	4,217,928	20.9036	(279,877)		(6.2%)	/u
87	Total Bill - Sales Service	5,111,243	25.3308	5,152,140	25.5335	40,897		0.8%	/u
88	Total Bill - Bundled Direct Purchase	4,831,366	23.9437	5,152,140	25.5335	320,774		6.6%	/u
89	Bundled Direct Purchase Impact							52.3%	/u

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers
Union South Rate Zone (Continued)

Line No.	Particulars	EB-2022-0133 - Current Approved (2) Total Bill ($)	Unit Rate (cents/m^3)	EB-2022-0200 - 2024 Proposed Total Bill ($)	Unit Rate (cents/m^3)	Total Bill Change ($)	Bill Impact Including Federal Carbon Charge (%)	Bill Impact Excluding Federal Carbon Charge (%)	
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)	
	Rate T1 - Small Customer	Contract Demand 25,750 m^3 Annual Volume 7,537,000 m^3							
90	Delivery Charges	175,282	2.3256	154,765	2.0534	(20,516)	(11.7%)	(11.7%)	/u
91	Federal Carbon Charge	737,872	9.7900	737,872	9.7900	-	0.0%	0.0%	
92	Gas Supply Commodity	1,680,046	22.2906	1,575,504	20.9036	(104,541)	(6.2%)	(6.2%)	/u
93	Total Bill - Sales Service	2,593,199	34.4063	2,468,142	32.7470	(125,058)	(4.8%)	(6.7%)	/u
94	Total Bill - Bundled Direct Purchase	2,488,658	33.0192	2,468,142	32.7470	(20,516)	(0.8%)	(1.2%)	/u
95	Bundled Direct Purchase Impact						(2.2%)	(11.7%)	/u
	Rate T1 - Average Customer	Contract Demand 48,750 m^3 Annual Volume 11,565,938 m^3							
96	Delivery Charges	272,638	2.3572	233,265	2.0168	(39,372)	(14.4%)	(14.4%)	/u
97	Federal Carbon Charge	1,132,305	9.7900	1,132,305	9.7900	-	0.0%	0.0%	
98	Gas Supply Commodity	2,578,122	22.2906	2,417,697	20.9036	(160,424)	(6.2%)	(6.2%)	/u
99	Total Bill - Sales Service	3,983,064	34.4379	3,783,268	32.7104	(199,796)	(5.0%)	(7.0%)	/u
100	Total Bill - Bundled Direct Purchase	3,822,640	33.0508	3,783,268	32.7104	(39,372)	(1.0%)	(1.5%)	/u
101	Bundled Direct Purchase Impact						(2.8%)	(14.4%)	/u
	Rate T1 - Large Customer	Contract Demand 133,000 m^3 Annual Volume 25,624,080 m^3							
102	Delivery Charges	614,548	2.3983	509,108	1.9868	(105,440)	(17.2%)	(17.2%)	/u
103	Federal Carbon Charge	2,508,597	9.7900	2,508,597	9.7900	-	0.0%	0.0%	
104	Gas Supply Commodity	5,711,771	22.2906	5,356,355	20.9036	(355,416)	(6.2%)	(6.2%)	/u
105	Total Bill - Sales Service	8,834,917	34.4790	8,374,061	32.6804	(460,856)	(5.2%)	(7.3%)	/u
106	Total Bill - Bundled Direct Purchase	8,479,501	33.0919	8,374,061	32.6804	(105,440)	(1.2%)	(1.8%)	/u
107	Bundled Direct Purchase Impact						(3.4%)	(17.2%)	/u
	Rate T2 - Small Customer	Contract Demand 190,000 m^3 Annual Volume 59,256,000 m^3							
108	Delivery Charges	777,629	1.3123	823,729	1.3901	46,100	5.9%	5.9%	/u
109	Federal Carbon Charge	5,801,162	9.7900	5,801,162	9.7900	-	0.0%	0.0%	
110	Gas Supply Commodity	13,208,541	22.2906	12,386,637	20.9036	(821,904)	(6.2%)	(6.2%)	/u
111	Total Bill - Sales Service	19,787,332	33.3930	19,011,529	32.0837	(775,804)	(3.9%)	(5.5%)	/u
112	Total Bill - Bundled Direct Purchase	18,965,428	32.0059	19,011,529	32.0837	46,100	0.2%	0.4%	/u
113	Bundled Direct Purchase Impact						0.7%	5.9%	/u
	Rate T2 - Average Customer	Contract Demand 669,000 m^3 Annual Volume 197,789,850 m^3							
114	Delivery Charges	1,901,634	0.9614	2,091,860	1.0576	190,226	10.0%	10.0%	/u
115	Federal Carbon Charge	19,363,626	9.7900	19,363,626	9.7900	-	0.0%	0.0%	
116	Gas Supply Commodity	44,088,623	22.2906	41,345,199	20.9036	(2,743,424)	(6.2%)	(6.2%)	/u
117	Total Bill - Sales Service	65,353,883	33.0421	62,800,686	31.7512	(2,553,198)	(3.9%)	(5.6%)	/u
118	Total Bill - Bundled Direct Purchase	62,610,460	31.6550	62,800,686	31.7512	190,226	0.3%	0.4%	/u
119	Bundled Direct Purchase Impact						0.9%	10.0%	/u
	Rate T2 - Large Customer	Contract Demand 1,200,000 m^3 Annual Volume 370,089,000 m^3							
120	Delivery Charges	3,156,032	0.8528	3,500,299	0.9458	344,267	10.9%	10.9%	/u
121	Federal Carbon Charge	36,231,713	9.7900	36,231,713	9.7900	-	0.0%	0.0%	
122	Gas Supply Commodity	82,495,205	22.2906	77,361,924	20.9036	(5,133,281)	(6.2%)	(6.2%)	/u
123	Total Bill - Sales Service	121,882,950	32.9334	117,093,937	31.6394	(4,789,014)	(3.9%)	(5.6%)	/u
124	Total Bill - Bundled Direct Purchase	116,749,669	31.5464	117,093,937	31.6394	344,267	0.3%	0.4%	/u
125	Bundled Direct Purchase Impact						0.9%	10.9%	/u
	Rate T3 - Large Customer (1)	Contract Demand 2,350,000 m^3 Annual Volume 272,712,000 m^3							
126	Delivery Charges	6,375,944	2.3380	7,578,914	2.7791	1,202,970		18.9%	/u
127	Gas Supply Commodity	60,789,249	22.2906	57,006,626	20.9036	(3,782,624)		(6.2%)	/u
128	Total Bill - Sales Service	67,165,193	24.6286	64,585,540	23.6827	(2,579,654)		(3.8%)	/u
129	Total Bill - Bundled Direct Purchase	63,382,570	23.2416	64,585,540	23.6827	1,202,970		1.9%	/u
130	Bundled Direct Purchase Impact							18.9%	/u

Notes:
(1) Rate M9 and Rate T3 customers are not charged the Federal Carbon Charge.
(2) EB-2022-0133, Exhibit D, Tab 2, Appendix A.

Storage and Transportation (S&T) Margin Summary

Line No.	Particulars ($000s)	Total Revenue (1)	Allocated Costs (1)	Total Margin (1)	
		(a)	(b)	(c) = (a - b)	
	Firm Transportation Charges				
1	Rate 331	169	6	163	
2	Rate C1 - St. Clair & Ojibway to Dawn	811	-	811	/u
3	Rate C1 - Dawn-Dawn Vector	39	-	39	
4	Rate C1 - Dawn-Dawn TCPL	161	-	161	/u
5	Rate M13 - Transmission Commodity Charge	208	-	208	/u
6	Rate M16 - Transportation Commodity and Demand Charges	387	5	382	/u
7	Total Firm Transportation Charges	1,776	11	1,765	
8	Short-Term Transportation	12,139	21	12,118	
	Other Charges				
9	Monthly Charges				
10	Rate 401	3,561	-	3,561	
11	Rate M13	123	2	121	
12	Gas Purchase Agreements	360	-	360	
13	Rate M16	40	0	40	
14	Rate M17	25	-	25	
15	Rate M13 - RNG Sampling Charge	78	-	78	
16	Total Other Charges	4,187	2	4,185	
17	Non-Utility Cross Charge Revenue	1,719	-	1,719	/u
18	Total S&T Margin (sum lines 7, 8, 16, 17)	19,820	34	19,786	/u

Note:
(1) Attachment 2, pp.14-15, columns (g), (e), and (f), respectively.

Derivation of Rate M12/Rate C1 Dawn Parkway Firm Transportation Demand Charges
Proposed Rate Design Methodology

Line No.	Particulars	Notes	Dawn Parkway Easterly: Dawn to Parkway (a)	Dawn to Kirkwall (b)	Kirkwall to Parkway (c)	Total Dawn Parkway (d)	Station Costs: Dawn Station (e)	Parkway Station (f)	Kirkwall Station (g)	
1	Revenue Requirement ($000s)	(1)(2)(3)(4)				70,370	4,537	24,284	1,234	/u
	Allocation Units (GJ)									
2	Easterly Demands	(5)(6)(7)	1,922,374	49,500	383,739	2,355,613				
3	Distance (km)		229	189	40					
4	Distance weighted TJ/km (line 2 x line 3 / 1000)		440,108	9,339	15,453	464,901				
5	Revenue Requirement ($000s) (line 1 allocated using line 4)		66,617	1,414	2,339	70,370				/u
	Annual Billing Units									
6	Dawn Parkway Easterly Demands (line 2 x 12)		23,068,488	594,000	4,604,866	28,267,354				
7	Station Specific Demands (from line 6)						23,662,488	27,673,354	5,198,866	
8	Easterly Dawn Parkway Demand Charge ($/GJ) (line 5 x 1000 / line 6)		2.888	2.380	0.508					
9	Adjusted Westerly Demands Recovered over 100 days	(8)	3,428,884	72,761	120,396	3,622,041	3,830,245	3,622,041		
10	Adjusted Westerly Demands Recovered over 214 days	(9)	347,604	7,376	12,205	367,186			445,559	
11	Total Demands (line 6 + line 7 + line 9 + line 10)		26,844,976	674,138	4,737,467	32,256,580	27,492,733	31,295,395	5,644,425	
12	Dawn, Parkway and Kirkwall Station Demand Charges ($/GJ) (line 1 x 1000 / line 11)						0.165	0.776	0.219	/u
13	Adjusted Easterly Demand Charge ($/GJ) (line 5 x 1000 / line 11)		2.482							/u
14	Westerly Revenue Adjustment ($000s) ((line 9 + line 10) x line 13 / 1000)		9,372	199	329					/u
15	Demand Charges ($/GJ) ((line 5 - line 14) x 1000 / line 6)			2.045	0.436					/u
	Monthly Firm Demand Charge ($/GJ)									
	Easterly Demand Charge									
16	Dawn Parkway (line 13, line 15)		2.482	2.045	0.436					/u
17	Station Charge (line 12)									
18	Dawn Station		0.165	0.165	-					/u
19	Kirkwall Station		-	0.219	0.219					/u
20	Parkway Station		0.776	-	0.776					/u
21	Total Easterly Demand Charge		3.423	2.429	1.431					/u
22	Westerly Firm Demand Charges (line 21 x 100 / 365)		0.938		0.938					/u
23	Westerly Demand Charge ((lines 16+19) x 214/365) + (line 18 x 100/365)			1.372						/u

Notes:
(1) Dawn Parkway revenue requirement per Exhibit 7, Tab 2, Schedule 1, Attachment 8, columns (an) and (ap), line 10 + line 16, less F24-T revenue.
(2) Dawn Station revenue requirement per Exhibit 7, Tab 2, Schedule 1, Attachment 8, columns (an) and (ap), line 13.
(3) Kirkwall Station revenue requirement per Exhibit 7, Tab 2, Schedule 1, Attachment 8, columns (an) and (ap), line 14.
(4) Parkway Station revenue requirement per Exhibit 7, Tab 2, Schedule 1, Attachment 8, columns (an) and (ap), line 15.
(5) Dawn to Parkway easterly demands per Attachment 2, p.14, column (a), line 7 + line 12 + line 13.
(6) Dawn to Kirkwall easterly demands per Attachment 2, p.14, column (a), line 9.
(7) Kirkwall to Parkway easterly demands per Attachment 2, p.14, column (a), line 11.
(8) Parkway to Dawn westerly demands in column (d) per Attachment 2, p.14, column (a), line 12 + line 16 x 12 / 365 x 100 days.
(9) Kirkwall to Dawn westerly demands in column (d) per Attachment 2, p.14, column (a), line 17 x 12 / 365 x 214 days, distance weighted.

Derivation of Rate M12/Rate C1 Transportation Demand Charges
Approved Rate Design Methodology

Line No.	Particulars	Notes	Dawn Parkway Easterly: Dawn to Parkway (a)	Dawn to Kirkwall (b)	Kirkwall to Parkway (c)	Total Dawn Parkway (d)	Total Dawn Station (e)	
1	Revenue Requirement ($000s)	(1)(2)				95,888	4,537	/u
	Allocation Units (GJ)							
2	Easterly Demands (from p.1, line 2)		1,922,374	49,500	383,739	2,355,613		
3	Distance (km)		229	189	40			
4	Distance weighted TJ/km (line 2 x line 3 / 1000)		440,108	9,339	15,453	464,901		
5	Revenue Requirement ($000s) (line 1 allocated using line 4)		90,774	1,926	3,187	95,888		/u
	Annual Billing Units							
6	Dawn Parkway Easterly Demands (line 2 x 12)		23,068,488	594,000	4,604,866	28,267,354		
7	Station Specific Demands (from line 6)						23,662,488	
8	Easterly Dawn Parkway Demand Charge ($/GJ) (line 5 x 1000 / line 6)		3.935	3.243	0.692			/u
9	Adjusted Westerly Demands Recovered over 100 days (from p.1, line 9)		3,428,884	72,761	120,396	3,622,041	3,622,041	
10	Adjusted Westerly Demands Recovered over 214 days (from p.1, line 10)		347,604	7,376	12,205	367,186	445,559	
11	Total Demands (line 6 + line 7 + line 9 + line 10)		26,844,976	674,138	4,737,467	32,256,580	27,730,087	
12	Dawn Station Demand Charges ($/GJ) (line 1 x 1000 / line 11)						0.164	/u
13	Adjusted Dawn to Parkway Easterly Demand Charge ($/GJ) (line 5 / line 9)		3.381					/u
14	Westerly Revenue Adjustment ($000s) ((line 9 + line 10) x line 13 / 1000)		12,770	271	448			/u
15	Demand Charges ($/GJ) ((line 5 - line 14) x 1000 / line 6)			2.787	0.595			/u
	Monthly Demand Charge ($/GJ)							
	Easterly Demand Charge							
16	Dawn Parkway (line 13; (line 5 - line 14) x 1000 / line 6)		3.381	2.787	0.595			/u
17	Dawn Station (line 12)		0.164	0.164	-			/u
18	Total Easterly Demand Charge (line 16 + line 17)		3.545	2.950	0.595			/u
19	Westerly Demand Charge (line 18 x 100 / 365)		0.971		0.971			/u
20	Westerly Demand Charge (line 18 x 214 / 365)			1.730				/u

Notes:
(1) Dawn Parkway revenue requirement includes Dawn Parkway, Kirkwall Station and Parkway Station. Total revenue requirement from p.1, line 1.
(2) Dawn Station includes measuring and regulating costs as proposed at Exhibit 7, Tab 1, Schedule 4. Dawn Station revenue requirement from p.1, line 1.

Derivation of M12-X and F24-T Firm Transportation Demand Charges

Line No.	Particulars ($/GJ)	Rate M12 Charges (a)	
	M12-X Monthly Firm Demand Charge		
1	Rate M12 Dawn to Parkway Firm Demand Charge (from p.1, column (a), line 21)	3.423	/u
2	Rate C1 Parkway to Dawn Firm Demand Charge (from p.1, column (a), line 22)	0.938	/u
3	M12-X Firm Demand Charge (line 1 + line 2)	4.360	/u
	F24-T - Firm All Day Demand Charge		
	Revenue Requirement		
4	Operating & Maintenance Costs ($000s) (1)	374	
5	F24-T Demand (GJ/d) (2)	611,710	
6	F24-T Firm Demand Charge (line 5 x 1000 / (line 6 x 12))	0.051	

Notes:

(1) Assumes two full time staff and $100,000 in additional compressor fuel and maintenance costs.

(2) Attachment 2, pp.14-15, column (e), line 8 + line 10 + line 26.

Derivation of Rate C1 Long-Term Firm Transportation Demand Charges

Line No.	Particulars	Rate C1 Charges (a)	
	Rate C1 - St. Clair, Bluewater, Ojibway and Dawn Demand Charge		
	Panhandle/St. Clair Revenue Requirement ($000s) (1)		
1	Total Rate Base	704,655	/u
2	Return on Rate Base	41,364	/u
3	Operating and Maintenance Costs	14,155	/u
4	Depreciation	20,369	/u
5	Taxes	8,743	/u
6	Total Revenue Requirement (sum of lines 2 to 5)	84,632	/u
7	Maximum Day Demand (GJ) (2)	1,056,228	
8	From Dawn to St. Clair, Bluewater and Ojibway Demand Charge ($/GJ/mo) (line 6 x 1000 / (line 7 x 12))	6.677	/u
9	To Dawn from St. Clair, Bluewater and Ojibway Demand Charge ($/GJ/mo) (line 8 x 100/365)	1.829	/u
	Rate C1 - Dawn to Dawn-Vector and Dawn to Dawn-TCPL Demand Charge		
10	Dawn Compression Revenue Requirement ($000s) (3)	1,244	/u
11	Maximum Day Demand (GJ) (2)	1,056,228	
12	Monthly Demand per Unit ($/GJ) (line 10 x 1000 / (line 11 x 12))	0.098	/u
13	Dawn to Dawn-Vector Demand Charge ($/GJ/mo) (line 12 x 60 / 365)	0.016	
14	Dawn to Dawn-TCPL Demand Charge ($/GJ/mo) (line 12 x 90 / 365)	0.024	

Notes:

(1) Exhibit 7, Tab 2, Schedule 1, Attachment 1, p. 4, column (g).

(2) Panhandle System and St. Clair System maximum design capacity.

(3) Dawn transmission compression-related costs related to the Panhandle transmission system.

Derivation of Rate M13 Charges

Line No.	Particulars	Rate M13 Charges (a)	
	Monthly Fixed Charges		
	Typical Producer Station		
1	Operating and Maintenance Costs ($000s) (1)	372	
2	Number of Typical Customer Stations (2)	66	
3	Monthly Fixed Charge Per Typical Customer Station ($/mo) (line 1 / line 2 x 12 x 1000)	$ 469.19	
	Large Producer Station		
4	Operating and Maintenance Costs ($000s) (3)	111	
5	Number of Large Customer Stations	9	
6	Monthly Fixed Charge Per Large Customer Station ($/mo) (line 4 / line 5 x 12 x 1000)	$ 1,061.58	
	RNG Sampling Charge		
7	Operating and Maintenance Costs ($000s) (4)	78	
8	Number of RNG Sampling Tests	8	
9	RNG Sampling Charge ($/test) (line 7 / line 8 x 1000)	$ 10,000.00	
	Rate M13/Rate M16 Transmission Commodity Charge		
10	Dawn to Parkway Easterly Demand Charge ($/GJ/mo) (5)	3.423	/u
11	Parkway Station Demand Charge ($/GJ/mo) (6)	0.776	/u
12	Dawn to Parkway Demand Charge less Parkway Station ($/GJ/mo) (lines 10 - 11)	2.647	/u
13	Rate M13/Rate M16 Transmission Commodity Charge ($/GJ) (line 13 x 12 / 365 x 50%)	0.044	

Notes:

(1) Operating and maintence costs of typical producer stations.
(2) Typical customer station count includes gas purchase agreement stations.
(3) Operating and maintence costs of large producer stations.
(4) Operating and maintence costs of RNG sampling at $10,000/test.
(5) Attachment 12, p.1, column (a), line 21.
(6) Ibid, line 20.

Derivation of Rate M16 Charges

Line No.	Particulars	Rate M16 Charges (a)
	Monthly Fixed Charge	
1	Revenue Requirement ($000s) (1)	40
2	Number of Customer Stations	2
3	Monthly Fixed Charge Per Customer Station ($/mo) (line 1 / (line 2 x 12) x 1000)	$ 1,669.10
	East of Dawn Demand Charge	
4	Dawn-Parkway Easterly Demand Charge ($/GJ) (2)	3.423 /u
5	Distance - Dawn to Stratford lateral (km)	121.45
6	Distance - Dawn to Parkway (km)	228.94
7	Distance adjusted Dawn to Parkway Demand Charge ($/GJ) (line 4 x (line 5 / line 6))	1.816 /u
8	East of Dawn Demand Charge - Adjusted for Easterly Flow ($/GJ) (line 7 x 214 / 365)	1.065 /u

Notes:

(1) Revenue requirement of Rate M16 stations.

(2) Attachment 12, p.1, column (a), line 21.

Derivation of Rate M17 Charges

Line No.	Particulars	Rate M17 Charges (a)	
	Monthly Fixed Charge		
1	Operating and Maintenance Costs ($000s) (1)	25	
2	Monthly Fixed Charge per Station ($/mo) (line 1 / 12)	$ 2,112.14	
	Firm Transportation Demand Charges		
	Dawn to Delivery Area Demand Charge		
3	Storage Demand Deliverability costs ($000s) (2)	1	
4	Transmission Demand costs ($000s)	226	/u
5	Distribution Demand costs ($000s) (3)	273	/u
6	Total Dawn to Delivery Area Demand Costs ($000s)	499	/u
7	Annual demands (GJ) (5)	106,356	
8	Total Dawn to Delivery Area Demand Charge ($/GJ/mo) (line 6 x 1000 / line 7)	4.696	/u
	Parkway/Kirkwall to Delivery Area or Dawn Demand Charge		
9	Rate M12/C1 Parkway/Kirwall to Dawn Demand Charge (6)	0.938	/u
10	Distribution Demand average unit rate ((line 3 + line 5) x 1000 / line 7)	2.575	/u
11	Total Parkway/Kirkwall to Delivery Area or Dawn Demand Charge ($/GJ/mo) (line 9 + line 10)	3.513	/u

Notes:

(1) Operating and maintenance costs for Rate M17 station.
(2) Exhibit 7, Tab 2, Schedule 1, Attachment 8, column (as), line 10.
(3) Ibid, line 13 + line 16.
(4) Ibid, line 21.
(5) Attachment 2, p.15, column (a), line 57 x 12 months.
(6) Attachment 12, p.1, line 22, column (a).

Calculation of Non-Utility Cross Charge Revenue
Current Approved Revenue

Line No.	Particulars	Forecast	Unit Rate (1)	Costs
		(a)	(b)	(c)
	Heritage Pool Transportation Charges (GJ; $/GJ)			
1	Transmission commodity charge to Dawn	738,612	0.038	28,067
2	Fuel & UFG to Dawn	738,612	0.009	6,648
3	Fuel & UFG to Pool	738,612	0.026	19,204
4	Total Heritage Pool			53,919
	Tipperary Pool Transportation Charges (GJ; $/GJ)			
5	Transmission commodity charge to Dawn	418,156	0.038	15,890
6	Fuel & UFG to Dawn	418,156	0.009	3,763
7	Fuel & UFG to Pool	418,156	0.011	4,600
8	Total Tipperary Pool			24,253
	Dow Moore Pool Storage Charges (10^3m^3; $/$10^3m^3$)			
9	Annual turnover volume	162,000	0.2265	440,257
10	Maximum daily withdrawal volume	2,835	24.9285	848,069
11	Commodity charge	324,000	1.0641	344,755
12	Operating charges (mo; $/mo) (2)	12	$ 29,117	349,400
13	Total			1,982,481
14	Unregulated allocation			30.0%
15	Total Dow Moore Pool			594,744
	Black Creek Pool Storage Charges (10^3m^3; $/$10^3m^3$)			
16	Annual turnover volume	28,300	0.4404	149,561
17	Maximum daily withdrawal volume	283	48.7102	165,420
18	Commodity charge	56,600	1.2765	72,252
19	Total			387,233
20	Unregulated allocation			42.4%
21	Total Black Creek Pool			164,049
	Storage System Integrity (3)			
22	OBA/LBA			48,080
23	UFG			82,978
24	Hysteresis			228,916
25	Total Long-Term Storage System Integrity			359,974
26	Total Non-Utility Cross Charge Revenue			1,196,940

Notes:

(1) EB-2022-0133, 2023 Rates at April 2022 QRAM. Unit rates for Heritage and Tipperary Pool transportation using Rate M16 unit rates and unit rates for Dow Moore and Black Creek pool storage using Rate 325 unit rates.

(2) Monthly operating charge per agreement between EGD and Union.

(3) Storage System Integrity relates to the short-term excess utility storage and long-term storage allocation of storage system integrity per Union's 2013 cost allocation study.

Calculation of Non-Utility Cross Charge Revenue
Proposed Revenue

Line No	Particulars	Forecast (GJ)	Unit Rate ($/GJ)	Costs ($)	
		(a)	(b)	(c)	
	Heritage Pool Transportation Charges (1)				
1	Transmission commodity charge to Dawn	738,612	0.044	32,134	/u
2	Fuel & UFG to Dawn	738,612	0.026	18,973	
3	Fuel & UFG to Pool	738,612	0.056	41,075	/u
4	Total Heritage Pool			92,182	/u
	Tipperary Pool Transportation Charges (1)				
5	Transmission commodity charge to Dawn	418,156	0.044	18,192	/u
6	Fuel & UFG to Dawn	418,156	0.026	10,741	
7	Fuel & UFG to Pool	418,156	0.026	10,741	
8	Total Tipperary Pool			39,674	/u
	Dow Moore Pool Storage Charges (2)				
9	Storage space	6,330,960	0.009	690,775	/u
10	Storage deliverability	110,792	0.966	1,283,971	/u
11	Commodity charge	12,661,920	0.044	560,460	/u
12	Total			2,535,206	/u
13	Unregulated allocation			40.1%	
14	Total Dow Moore Pool			1,016,200	/u
	Black Creek Pool Storage Charges (2)				
15	Storage space	1,105,964	0.009	120,672	/u
16	Storage deliverability	11,060	0.966	128,171	/u
17	Commodity charge	2,211,928	0.044	97,908	
18	Total			346,751	/u
19	Unregulated allocation			40.1%	
20	Total Black Creek Pool			138,990	/u
	Long-Term Storage Operational Contingency (3)				
21	OBA/LBA	210,444	0.461	96,954	/u
22	Hysteresis	726,146	0.461	334,543	/u
23	Total Long-Term Storage Operational Contingency			431,497	/u
24	Total Non-Utility Cross Charge			1,718,544	/u

Notes:

(1) Unit rates for Heritage and Tipperary Pool transportation per Rate M16 charges provided at Attachment 2, p.14, column (h), lines 46, 48 and 49, and lines 46, 53 and 54, respectively.

(2) Unit rates for Dow Moore and Black Creek pool storage space and deliverability calculated as the capital component of storage space and deliverability demand charges provided at Attachment 5. Dow Moore and Black Creek pool storage unit rate charge for commodity per Attachment 5, line 10.

(3) Long-term storage operational contingency per the 2024 Cost Allocation Study.

RATE DESIGN WORKING PAPERS – HARMONIZED RATE CLASSES

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KENT KERRIGAN, SPECIALIST RATE DESIGN

1. The purpose of this evidence is to provide the 2024 rate design working papers based on the harmonized rate classes. The working papers were prepared based on the rate design methodology provided at Exhibit 8, Tab 2, Schedules 2 to 5.

2. The 2024 rate design working papers for the harmonized rate classes are organized as follows:

Attachment 1	Summary of Proposed Revenue Change by Rate Class This schedule provides a summary of the total revenue change by rate class as well as a summary of revenue changes in the delivery revenue and gas supply revenue components by rate class. Also provided in this schedule is the revenue deficiency/sufficiency, allocation of revenue requirement, and revenue-to-cost ratios by rate class.
Attachment 2	Derivation of Proposed Rates and Revenue by Rate Class This schedule provides detailed support for the derivation of 2024 rates, including the allocation of revenue requirement and forecast billing units by rate class and charge type. Also provided in this schedule is the revenue deficiency/sufficiency, allocation of revenue requirement, and revenue-to-cost ratios by rate class and charge type.
Attachment 3	Derivation of Gas Supply Transportation and Commodity Charges by Rate Class This schedule provides the derivation of 2024 unit rates for gas supply transportation and gas supply commodity charges for in-franchise general service and bundled contract rate classes.
Attachment 4	Summary of Proposed Rate Changes and Unit Rate Component by Rate Class This schedule provides the rate change by rate class and charge type compared to 2023 rates[1] at April 2022 QRAM[2]. This schedule also provides the delivery and gas cost component of the 2024 rates.

[1] EB-2022-0133.
[2] EB-2022-0089.

Attachment 5 Storage Rate Detail
This schedule provides the derivation of storage rates for in-franchise rate classes.

Attachment 6 Calculation of Supplemental Service Charges
This schedule provides the calculation of supplemental service charges.

Attachment 7 Storage and Transportation Margin Allocation
This schedule provides the allocation of storage and transportation margin to in-franchise rate classes. The storage and transportation margin is calculated in Attachment 11.

Attachment 8 Panhandle/St. Clair Transmission Cost Re-Allocation
This schedule provides the re-allocation of Panhandle and St. Clair transmission costs to adjust for the sales service use of the Panhandle and St. Clair transmission systems. Rate classes are allocated a credit in proportion to the allocation of Panhandle/St. Clair costs from the Cost Allocation Study and allocated the sale service charge in proportion to sales service volumes. Please see Exhibit 8, Tab 2, Schedule 2, Section 1.2 for a description of the rate design.

Attachment 9 DSM Budget Allocation by Rate Class
This schedule provides the 2024 DSM budget allocation by rate class and the derivation of DSM unit rates.

Attachment 10 Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers
This schedule provides customer bill impacts for all Enbridge Gas in-franchise rate classes based on typical small and large customers within each rate class.

Attachment 11 Storage and Transportation Margin Summary
This schedule provides the detail of the total revenue and allocated costs for ex-franchise charges that contribute to the storage and transportation margin.

Attachment 12 Derivation of Rate E70 Firm Transportation Demand Charges
This schedule provides the derivation of Rate E70 transportation demand charges for the Dawn Parkway System using the proposed and approved rate design methodology.

Attachment 13 Derivation of Rate E70 Long-term Firm Transportation Demand Charges
This schedule provides the derivation of other Rate E70 long-term firm transportation demand charges.

Attachment 14 Derivation of Rate E80 Charges
This schedule provides the derivation of the Rate E80 monthly fixed charges per customer station, the RNG sampling charge and the Rate E80/Rate E72 transmission commodity charge using the proposed rate design methodology.

Attachment 15 Derivation of Rate E72 Charges
This schedule provides the derivation of the Rate E72 monthly fixed charge and the East of Dawn demand charge.

Attachment 16 Derivation of Rate E60/Rate E70 Wholesale Transportation Charges
This schedule provides the derivation of the Rate E60/Rate E70 monthly fixed charge and demand charges for wholesale transportation.

Attachment 17 Calculation of Non-Utility Cross Charge Revenue
This schedule provides the derivation of the current and proposed non-utility cross charge revenue.

Summary of Proposed Revenue Change by Rate Class
Total Revenue

		Revenue Before Recovery		Proposed Revenue Requirement			Revenue After Recovery				
Line No.	Particulars	Current Approved Revenue (1) ($000s)	Revenue (Deficiency) / Sufficiency (2) ($000s)	Allocated Cost (3) ($000s)	Panhandle/ St. Clair Reallocation (4) ($000s)	Proposed Revenue Requirement ($000s)	S&T Margin (5) ($000s)	Delivery Revenue Adjustments ($000s)	Proposed Revenue (6) ($000s)	Revenue-to-Cost Ratio	Revenue Change (%)
		(a)	(b) = (a - e)	(c)	(d)	(e) = (c + d)	(f)	(g)	(h) = (e + f + g)	(i) = (h / e)	(j) = (h - a) / (a)
	In-franchise										
1	Rate E01	3,968,036	(130,489)	4,098,525	1,549	4,100,074	(9,434)	-	4,090,640	0.998	3%
2	Rate E02	1,483,159	(104,649)	1,587,807	389	1,588,197	(6,338)	-	1,581,859	0.996	7%
3	Rate E10	181,067	(37,219)	218,285	(221)	218,064	(1,786)	-	216,279	0.992	19%
4	Rate E20	70,767	(10,585)	81,352	(1,040)	80,312	(1,197)	-	79,115	0.985	12%
5	Rate E22	22,664	11,114	11,550	-	11,550	-	(96)	11,454	0.992	(0)
6	Rate E24	57,109	2,399	54,710	(562)	54,147	(647)	(143)	53,357	0.985	(7%)
7	Rate E30	10,614	(1,795)	12,410	5	12,414	(0)	900	13,314	1.072	25%
8	Rate E34	2,826	(1,654)	4,480	2	4,482	(2)	(900)	3,580	0.799	27%
9	Rate E38	5,453	679	4,774	-	4,774	(35)	239	4,978	1.043	(9%)
10	Rate E62	44,047	132	43,916	26	43,942	(178)	-	43,764	0.996	(1%)
11	Rate E64	8,183	(2,416)	10,599	(147)	10,451	(169)	-	10,282	0.984	26%
12	Total In-franchise	5,853,925	(274,483)	6,128,408	-	6,128,408	(19,786)	-	6,108,622	0.997	4%
	Ex-franchise										
13	Rate E60	529	259	271	-	271	25	-	296	1.094	(44%)
14	Rate E70	160,442	5,628	154,814	-	154,814	13,286	-	168,100	1.086	5%
15	Rate E72	638	183	455	-	455	425	-	880	1.935	38%
16	Rate E80	424	299	125	-	125	771	-	896	7.151	111%
17	Rate E82	3,561	3,561	-	-	-	3,561	-	3,561	-	0%
18	Total Ex-franchise	165,595	9,930	155,665	-	155,665	18,068	-	173,733	1.116	5%
19	Non-Utility Cross Charge	1,197	1,197	-	-	-	1,718	-	1,718	-	44%
20	Total	6,020,717	(263,356)	6,284,073	-	6,284,073	-	-	6,284,073	1.000	4%

Notes:
(1) Attachment 2, column (b).
(2) Exhibit 7, Tab 1, Schedule 1, Attachment 1.
(3) Exhibit 7, Tab 3, Schedule 1, Attachments 8, line 35.
(4) Attachment 8, column (e).
(5) Attachment 7, column (b).
(6) Attachment 2, column (g).

Summary of Proposed Revenue Change by Rate Class
Delivery Revenue

		Revenue Before Recovery		Proposed Revenue Requirement			Revenue After Recovery				
Line No.	Particulars	Current Approved Revenue (1) ($000s)	Revenue (Deficiency) / Sufficiency (2) ($000s)	Allocated Cost (3) ($000s)	Panhandle/ St. Clair Reallocation (4) ($000s)	Proposed Revenue Requirement ($000s)	S&T Margin (5) ($000s)	Delivery Revenue Adjustments ($000s)	Proposed Revenue (6) ($000s)	Revenue-to-Cost Ratio	Revenue Change (%)
		(a)	(b) = (a - e)	(c)	(d)	(e) = (c + d)	(f)	(g)	(h) = (e + f + g)	(i) = (h / e)	(j) = (h - a) / (a)
	In-franchise										
1	Rate E01	1,894,055	(170,473)	2,064,528	1,549	2,066,077	(9,434)	-	2,056,643	0.995	9%
2	Rate E02	483,938	(104,635)	588,573	389	588,963	(6,338)	-	582,625	0.989	20%
3	Rate E10	111,655	(6,945)	118,601	(221)	118,380	(1,786)	-	116,594	0.985	4%
4	Rate E20	67,069	(3,407)	70,476	(1,040)	69,435	(1,197)	-	68,239	0.983	2%
5	Rate E22	22,618	12,368	10,250	-	10,250	-	(96)	10,154	0.991	(55%)
6	Rate E24	56,291	6,890	49,401	(562)	48,839	(647)	(143)	48,049	0.984	(15%)
7	Rate E30	9,377	5,406	3,971	5	3,976	(0)	900	4,876	1.226	(48%)
8	Rate E34	1,485	(981)	2,466	2	2,468	(2)	(900)	1,567	0.635	5%
9	Rate E38	2,663	844	1,819	-	1,819	(35)	239	2,022	1.112	(24%)
10	Rate E62	6,961	516	6,445	26	6,472	(178)	-	6,294	0.973	(10%)
11	Rate E64	7,804	(1,493)	9,297	(147)	9,150	(169)	-	8,980	0.981	15%
12	Total In-franchise	2,663,917	(261,911)	2,925,828	-	2,925,828	(19,786)	-	2,906,042	0.993	9%
	Ex-franchise										
21	Rate E60	529	270	260	-	260	25	-	285	1.098	(46%)
22	Rate E70	138,190	14,488	123,702	-	123,702	13,285	-	136,987	1.107	(1%)
23	Rate E72	428	423	5	-	5	425	-	430	86.287	1%
24	Rate E80	381	379	2	-	2	771	-	773	352.130	103%
25	Rate E82	3,561	3,561	-	-	-	3,561	-	3,561	-	0%
26	Total Ex-franchise	143,089	19,121	123,969	-	123,969	18,068	-	142,036	1.146	(1%)
27	Non-Utility Cross Charge	1,197	1,197	-	-	-	1,718	-	1,718	-	44%
28	Total	2,808,204	(241,593)	3,049,797	-	3,049,797	-	-	3,049,796	1.000	9%

Notes:
(1) Attachment 2, column (b).
(2) Exhibit 7, Tab 1, Schedule 1, Attachment 1.
(3) Exhibit 7, Tab 3, Schedule 1, Attachments 9, line 35.
(4) Attachment 8, column (e).
(5) Attachment 7, column (b).
(6) Attachment 2, column (g).

Summary of Proposed Revenue Change by Rate Class
Gas Supply Revenue

		Revenue Before Recovery		Proposed Revenue Requirement			Revenue After Recovery				
Line No.	Particulars	Current Approved Revenue (1) ($000s)	Revenue (Deficiency) / Sufficiency (2) ($000s)	Allocated Cost (3) ($000s)	Panhandle/ St. Clair Reallocation (4) ($000s)	Proposed Revenue Requirement ($000s)	S&T Margin (5) ($000s)	Delivery Revenue Adjustments ($000s)	Proposed Revenue (6) ($000s)	Revenue-to-Cost Ratio	Revenue Change (%)
		(a)	(b) = (a - e)	(c)	(d)	(e) = (c + d)	(f)	(g)	(h) = (e + f + g)	(i) = (h / e)	(j) = (h - a) / (a)
	In-franchise										
1	Rate E01	2,073,982	39,985	2,033,997	-	2,033,997	-	-	2,033,997	1.000	(2%)
2	Rate E02	999,221	(13)	999,234	-	999,234	-	-	999,234	1.000	0%
3	Rate E10	69,412	(30,273)	99,685	-	99,685	-	-	99,685	1.000	44%
4	Rate E20	3,698	(7,179)	10,877	-	10,877	-	-	10,877	1.000	194%
5	Rate E22	45	(1,254)	1,300	-	1,300	-	-	1,300	1.000	2759%
6	Rate E24	817	(4,491)	5,309	-	5,309	-	-	5,309	1.000	549%
7	Rate E30	1,237	(7,202)	8,438	-	8,438	-	-	8,438	1.000	582%
8	Rate E34	1,341	(673)	2,013	-	2,013	-	-	2,013	1.000	50%
9	Rate E38	2,790	(166)	2,956	-	2,956	-	-	2,956	1.000	6%
10	Rate E62	37,086	(385)	37,471	-	37,471	-	-	37,471	1.000	1%
11	Rate E64	379	(923)	1,301	-	1,301	-	-	1,301	1.000	244%
12	Total In-franchise	3,190,007	(12,573)	3,202,580	-	3,202,580	-	-	3,202,580	1.000	0%
	Ex-franchise										
13	Rate E60	-	(11)	11	-	11	-	-	11	1.000	-
14	Rate E70	22,252	(8,860)	31,113	-	31,113	-	-	31,113	1.000	40%
15	Rate E72	210	(240)	450	-	450	-	-	450	1.000	114%
16	Rate E80	43	(80)	123	-	123	-	-	123	1.000	185%
17	Rate E82	-	-	-	-	-	-	-	-	-	-
18	Total Ex-franchise	22,506	(9,191)	31,697	-	31,697	-	-	31,697	1.000	41%
19	Non-Utility Cross Charge	-	-	-	-	-	-	-	-	-	-
20	Total	3,212,513	(21,763)	3,234,276	-	3,234,276	-	-	3,234,276	1.000	1%

Notes:
(1) Attachment 2, column (b).
(2) Exhibit 7, Tab 1, Schedule 1, Attachment 1.
(3) Exhibit 7, Tab 3, Schedule 1, Attachment 10, line 35.
(4) Attachment 8, column (e).
(5) Attachment 7, column (b) and Attachment 11, column (c).
(6) Attachment 2, column (g).

Derivation of Proposed Rates and Revenue by Rate Class
In-franchise

Line No.	Particulars	Billing Units	2024 Forecast Usage	Current Approved Revenue ($000s)	Current Approved Rates (cents/m^3)	Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue Requirement (1) ($000s)	Proposed 2024 Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue ($000s)	Proposed 2024 Rates (cents/m^3)	Proposed 2024 Revenue-to-Cost Ratios	Proposed 2024 Rate Change (%)
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f) = (g - e)	(g)	(h)	(i) = (g / e)	(j) = (h - c) / (c)
	Rate E01											
1	Monthly Customer Charge	bills	45,917,581				1,302,883	-	1,302,883	$28.37	1.000	
2	Delivery Commodity Charge	10³m³	9,184,422				36,158	-	36,158	0.3937	1.000	
3	Delivery Demand Charge	10³m³/d	1,112,159				769,466	(9,434)	760,032	68.3385	0.988	
4	Total Delivery		9,184,422				2,108,508	(9,434)	2,099,074	22.8547	0.996	
	Gas Supply Transportation Charge											
5	Transportation	10³m³	9,139,633				171,910	-	171,910	1.8809	-	
6	Transportation - Western	10³m³	44,789				1,676	-	1,676	3.7429	-	
7	Gas Supply Transportation Charge		9,184,422				173,586	-	173,586	1.8900	1.000	
8	Gas Supply Commodity	10³m³	8,697,052				1,817,980	-	1,817,980	20.9034	1.000	
9	Total Rate E01		9,184,422	3,968,036	43.2040	(132,037)	4,100,074	(9,434)	4,090,640	44.5389	0.998	3%
	Rate E02											
10	Monthly Customer Charge	bills	1,046,624				119,717	(90,020)	29,697	$28.37	0.248	
11	Delivery Commodity Charge	10³m³	6,503,785				24,993	-	24,993	0.3843	1.000	
12	Delivery Demand Charge	10³m³/d	747,567				476,101	83,682	559,782	74.8806	1.176	
13	Total Delivery		6,503,785				620,811	(6,338)	614,473	9.4479	0.990	
	Gas Supply Transportation Charge											
14	Transportation	10³m³	6,304,258				114,226	-	114,226	1.8119	-	
15	Transportation - Western	10³m³	195,646				7,188	-	7,188	3.6739	-	
16	Gas Supply Transportation Charge		6,499,904				121,414	-	121,414	1.8679	1.000	
17	Gas Supply Commodity	10³m³	4,047,053				845,972	-	845,972	20.9034	1.000	
18	Total Rate E02		6,503,785	1,483,159	22.8045	(105,038)	1,588,197	(6,338)	1,581,859	24.3221	0.996	7%
	Rate E10											
19	Monthly Customer Charge	bills	9,180				19,212	(14,622)	4,590	$500.00	0.239	
20	Delivery Commodity Charge	10³m³	2,924,503				9,351	-	9,351	0.3198	1.000	
	Delivery Contract Demand Charge											
21	up to 20,000 m^3	10³m³/d	111,875				61,247	7,702	68,949	61.6303		
22	over 20,000 m^3	10³m³/d	110,428				41,128	5,135	46,262	41.8936		
23	Delivery Contract Demand Charge		222,303				102,375	12,836	115,211	51.8262	1.125	
24	Total Delivery		2,924,503				130,938	(1,786)	129,153	4.4162	0.986	
	Gas Supply Transportation Charge											
25	Transportation	10³m³	2,884,097				38,314	-	38,314	1.3285		
26	Transportation - Western	10³m³	40,406				1,289	-	1,289	3.1904		
27	Gas Supply Transportation Charge		2,924,503				39,603	-	39,603	1.3542	1.000	
28	Gas Supply Commodity	10³m³	227,346				47,523	-	47,523	20.9034	1.000	
29	Total Rate E10		2,924,503	181,067	6.1914	(36,997)	218,064	(1,786)	216,279	7.3954	0.992	19%

Derivation of Proposed Rates and Revenue by Rate Class
In-franchise (Continued)

Line No.	Particulars	Billing Units	2024 Forecast Usage	Current Approved Revenue ($000s)	Current Approved Rates (cents/m^3)	Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue Requirement (1) ($000s)	Revenue (Deficiency) / Sufficiency ($000s)	Revenue ($000s)	Rates (cents/m^3)	Revenue-to-Cost Ratios	Rate Change (%)
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f) = (g - e)	(g)	(h)	(i) = (g / e)	(j) = (h - c) / (c)
	Rate E20											
	Transportation											
30	Monthly Customer Charge	bills	960				5,709	(2,829)	2,880	$3,000.00	0.504	
31	Transportation Commodity	10³m³	3,996,534				-	-	-	-		
32	Customer Supplied Fuel - Transportation						6,677	-	6,677	0.803%	1.000	
	Transportation Demand Charge - Firm											
33	up to 30,000 m^3	10³m³/d	26,927				11,712	(237)	11,474	42.6126		
34	next 120,000 m^3	10³m³/d	50,942				14,774	(343)	14,431	28.3272		
35	over 150,000 m^3	10³m³/d	136,172				32,690	(821)	31,869	23.4037		
36	Transportation Demand Charge - Firm		214,042				59,175	(1,401)	57,774	26.9921	0.976	
37	Transportation Demand Charge - IT	10³m³/d	34,997				421	-	421	1.2038		
38	Pre-authorized Interruptible Service	10³m³	13,096				-	5	5	0.0396		
39	Central Transportation Charge	10³m³	-				-	-	-	1.2553		
40	Total Transportation		4,009,630				71,982	(4,225)	67,758	1.6899	0.941	
	Storage ($/GJ)											
41	Space Demand	GJ/d/mo.	102,195,366				1,665	9	1,674	0.016		
	Firm Injection/Withdrawal Right											
42	Union provides deliverability inventory	GJ/d/mo.	2,690,346				4,220	2,420	6,639	2.468		
43	Customer provides deliverability inventory	GJ/d/mo.	910,476				1,428	591	2,019	2.218		
44	Firm incremental injection	GJ/d/mo.	12,000				19	8	27	2.218		
45	Injection/Withdrawal Commodity	GJ	22,553,385				-	-	-	-		
46	Customer Supplied Fuel - Storage						998	-	998	0.834%	1.000	
47	Total Storage		4,009,630				8,330	3,028	11,358	0.2833	1.364	
48	Total Rate E20		4,009,630	70,767	1.7649	(9,545)	80,312	(1,197)	79,115	1.9731	0.985	12%
	Rate E22 - Unbundled											
49	Monthly Customer Charge	bills	588				1,524	(642)	882	$1,500.00	0.579	
50	Transportation Commodity	10³m³	981,552				1,049	-	1,049	0.515%	1.000	
	Transportation Demand Charge - Firm											
51	up to 30,000 m^3	10³m³/d	13,313				2,837	191	3,028	22.7451		
52	over 30,000 m^3	10³m³/d	49,393				5,367	355	5,722	11.5843		
53	Transportation Demand Charge - Firm		62,706				8,204	546	8,750	13.9538	1.067	
54	Transportation Demand Charge - IT	10³m³/d	67,936				773	-	773	1.1374	1.000	
55	Pre-authorized Interruptible Service	10³m³	-				-	-	-	0.0374		
56	South Transportation Demand	10³m³/d	-				-	-	-	13.2789		
57	South Transportation - Customer Supplied Fuel	10³m³	-				-	-	-	0.287%		
58	Total Rate E22		981,552	22,664	2.3090	11,114	11,550	(96)	11,454	1.1669	0.992	(49%)

Derivation of Proposed Rates and Revenue by Rate Class
In-franchise (Continued)

Line No.	Particulars	Billing Units	2024 Forecast Usage	Current Approved Revenue ($000s)	Current Approved Rates (cents/m^3)	Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue Requirement (1) ($000s)	Revenue (Deficiency) / Sufficiency ($000s)	Revenue ($000s)	Rates (cents/m^3)	Revenue-to-Cost Ratios	Rate Change (%)
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f) = (g - e)	(g)	(h)	(i) = (g / e)	(j) = (h - c) / (c)
	Rate E24											
59	Monthly Customer Charge	bills	168				2,525	-	2,525	$15,031.46	1.000	
60	Transportation Commodity	10³m³	3,262,003				251	-	251	0.0077	1.000	
61	Customer Supplied Fuel - Transportation						2,691		2,691	0.471%	1.000	
62	Transportation Demand (Firm)	10³m³/d	294,856				29,529	(790)	28,739	9.7469	0.973	
63	Transportation Demand (IT)	10³m³/d	224,617				2,204	-	2,204	0.9813	1.000	
64	Pre-authorized Interruptible Service	10³m³	-				-	-	-	0.0399		
65	South Transportation Demand	10³m³/d	121,211				16,096	-	16,096	13.2789	1.000	
66	South Transportation - Customer Supplied Fuel		1,427,303				851	-	851	0.287%	1.000	
67	Total Rate E24		3,262,003	57,109	1.7507	2,961	54,147	(790)	53,357	1.6357	0.985	(7%)
	Rate E30											
68	Monthly Customer Charge	bills	624				1,654	(1,342)	312	$500.00	0.189	
69	Delivery Commodity	10³m³	474,030				1,236	-	1,236	0.2607	1.000	
70	Delivery Demand (Interruptible)	10³m³/d	60,959				2,491	2,233	4,724	7.7500	1.897	
71	Delivery Demand (Firm)	10³m³/d	17				4	9	13	74.8806	3.497	
72	Pre-authorized Interruptible Service	10³m³	-				-	-	-	0.5155		
73	Total Delivery		474,030				5,385	900	6,285	1.3258	1.167	
	Gas Supply Transportation Charge											
73	Transportation	10³m³	474,030				4,208	-	4,208	0.8877		
74	Transportation - Western	10³m³	-				-	-	-	2.7497		
75	Gas Supply Transportation Charge		474,030				4,208	-	4,208	0.8877	1.000	
76	System Commodity	10³m³	13,497				2,821	-	2,821	20.9034	1.000	
77	Total Rate E30		474,030	10,614	2.2391	(1,800)	12,414	900	13,314	2.8087	1.072	25%
	Rate E34											
78	Monthly Customer Charge	bills	492				1,139	(893)	246	$500.00	0.216	
79	Delivery Commodity	10³m³	54,821				143	-	143	0.2607	1.000	
80	Delivery Demand	10³m³/d	12,006				1,341	(9)	1,332	11.0953	0.993	
81	Total Delivery		54,821				2,623	(902)	1,721	3.1394	0.656	
	Gas Supply Transportation Charge											
81	Transportation	10³m³	54,821				487	-	487	0.8875		
82	Transportation - Western	10³m³	-				-	-	-	2.7495		
83	Gas Supply Transportation Charge		54,821				487	-	487	0.8875	1.000	
84	System Commodity	10³m³	6,566				1,372	-	1,372	20.9034	1.000	
85	Total Rate E34		54,821	2,826	5.1554	(1,656)	4,482	(902)	3,580	6.5304	0.799	27%

Derivation of Proposed Rates and Revenue by Rate Class
In-franchise (Continued)

Line No.	Particulars	Billing Units	2024 Forecast Usage	Current Approved Revenue ($000s)	Current Approved Rates (cents/m^3)	Revenue (Deficiency) / Sufficiency ($000s)	Proposed 2024 Revenue Requirement (1) ($000s)	Revenue (Deficiency) / Sufficiency ($000s)	Revenue ($000s)	Rates (cents/m^3)	Revenue-to-Cost Ratios	Rate Change (%)
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f) = (g - e)	(g)	(h)	(i) = (g / e)	(j) = (h - c) / (c)
	Rate E38											
	Storage ($/GJ)											
86	Space Demand	GJ/d/mo.	41,011,680				685	(13)	672	0.016		
	Firm Injection/Withdrawal Right											
87	Union provides deliverability inventory	GJ/d/mo.	523,392				1,161	131	1,292	2.468		
88	Customer provides deliverability inventory	GJ/d/mo.	-				-	-	-	2.218		
89	Firm incremental injection	GJ/d/mo.	-				-	-	-	2.218		
90	Injection/Withdrawal Commodity	GJ	12,157,001				-	-	-	-		
91	Customer Supplied Fuel - Storage						538	-	538	0.834%	1.000	
92	Transportation Demand	GJ/d/mo.	141,504				2,357	86	2,444	17.269		
93	Transportation Commodity	GJ	522,359				33	-	33	0.063		
94	Total Rate E38		12,157,001	5,453	0.4486	679	4,774	204	4,978	0.4095	1.043	(9%)
	Rate E62											
95	Monthly Customer Charge	bills	60				175	(145)	30	$500.00	0.171	
96	Delivery Commodity	10^3m^3	278,926				905	-	905	0.3245	1.000	
97	Delivery Demand	$10^3m^3/d$	21,066				6,427	(33)	6,394	30.3526	0.995	
98	Total Delivery		278,926				7,507	(178)	7,329	2.6276	0.976	
	Gas Supply Transportation Charge											
99	Transportation	10^3m^3	278,924				3,805	-	3,805	1.3641		
100	Transportation - Western	10^3m^3	2				0	-	0	3.2261		
101	Gas Supply Transportation Charge		278,926				3,805	-	3,805	1.3641	1.000	
102	System Commodity	10^3m^3	156,101				32,630	-	32,630	20.9034	1.000	
103	Total Rate E62		278,926	44,047	15.7918	105	43,942	(178)	43,764	15.6904	0.996	(1%)
	Rate E64											
	Transportation											
104	Monthly Customer Charge	bills	12				383	-	383	$31,938.65		
105	Transportation Commodity	10^3m^3	249,200				-	-	-	-		
106	Customer Supplied Fuel - Transportation						415	-	415	0.803%	1.000	
107	Transportation Demand Charge - Firm	$10^3m^3/d$	28,200				7,297	(169)	7,128	25.2755		
108	Total Transportation		249,200				8,095	(169)	7,926	3.1805	0.979	
	Storage ($/GJ)											
109	Space Demand	GJ/d/mo.	38,472,252				630	0	630	0.016		
	Firm Injection/Withdrawal Right											
110	Union provides deliverability inventory	GJ/d/mo.	-				-	-	-	2.468		
111	Customer provides deliverability inventory	GJ/d/mo.	649,668				1,441	(0)	1,441	2.218		
112	Firm incremental injection	GJ/d/mo.	-				-	-	-	2.218		
113	Injection/Withdrawal Commodity	GJ	6,433,274				-	-	-	-		
114	Customer Supplied Fuel - Storage		-				285	-	285	0.834%	1.000	
115	Total Storage		249,200				2,356	(0)	2,356	0.9454	1.000	
116	Total Rate E64		249,200	8,183	3.2836	(2,269)	10,451	(169)	10,282	4.1259	0.984	26%
117	Total In-franchise (2) (3)			5,853,925		(274,483)	6,128,408	(19,786)	6,108,622			

Notes:
(1) Attachment 1, column (e).
(2) 2024 total revenue deficiency can be found at Exhibit 7, Tab 1, Schedule 1, Attachment 1, column (i), line 15.
(3) Revenue requirement by rate class can be found at Exhibit 7, Tab 3, Schedule 1, Attachment 2, line 20.

Derivation of Proposed Rates and Revenue by Rate Class
Ex-franchise

				Current Approved			Proposed 2024					
Line No.	Particulars	Billing Units	2024 Forecast Usage (1)	Revenue ($000s)	Rates (2) ($/GJ)	Revenue (Deficiency) / Sufficiency ($000s)	Revenue Requirement (1) ($000s)	Revenue (Deficiency) / Sufficiency ($000s)	Revenue ($000s)	Rates ($/GJ)	Revenue-to-Cost Ratios	Rate Change (%)
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f)	(g)	(h)	(i) = (g / e)	(j) = (h - c) / (c)
	Rate E60											
1	Monthly Fixed Charge	bills	12				-	25	25	$2,112.14		
	Demand:											
2	Transportation	GJ/d/mo	8,863				271	-	271	2.544	1.000	
3	Total Rate E60		8,863	529	5.9699	259	271	25	296	3.3390	1.094	(44.1%)
	Rate E70											
	Demand:											
	Firm Transportation - Easterly Dawn Parkway											
4	Dawn to Parkway	GJ/d/mo	1,867,861				89,821	(12,133)	77,688	3.466	0.865	
5	- F24-T	GJ/d/mo	451,429				276	-	276	0.051	1.000	
6	Dawn to Kirkwall	GJ/d/mo	49,500				1,725	(234)	1,492	2.511	0.865	
7	- F24-T	GJ/d/mo	49,500				30	-	30	0.051	1.000	
8	Kirkwall to Parkway	GJ/d/mo	383,739				7,239	(851)	6,387	1.387	0.882	
9	Dawn to Owen Sound Line	GJ/d/mo	8,863				228	-	228	2.140	1.000	
	Firm Transportation - Westerly Dawn Parkway											
10	Parkway to Dawn/Kirkwall	GJ/d/mo	1,047,191				-	11,933	11,933	0.950		
11	Kirkwall to Dawn	GJ/d/mo	63,329				-	1,018	1,018	1.340		
12	E70-X (between Dawn, Kirkwall and Parkway)	GJ/d/mo	54,513				2,621	267	2,888	4.416	1.102	
	Firm Transportation - Other Paths											
13	To Dawn from St.Clair, Bluewater, and Ojibway	GJ/d/mo	36,927				-	806	806	1.819		
14	From Dawn to St.Clair, Bluewater, and Ojibway	GJ/d/mo	-				-	-	-	6.640		
15	Parkway to Albion King's North	GJ/d/mo	1,210,000				21,668	-	21,668	1.492	1.000	
16	Dawn to Dawn-Vector	GJ/d/mo	203,626				-	39	39	0.016		
17	- F24-T	GJ/d/mo	110,781				68	-	68	0.051	1.000	
18	Dawn to Dawn-TCPL	GJ/d/mo	500,000				-	159	159	0.024		
19	Short-term Transportation	GJ	45,665,000				21	12,118	12,139	-	580.339	
20	Corunna (ANR) to Dawn	GJ/d/mo	91,095				6	163	169	0.155	30.342	
21	Total Demand		51,793,354	138,190	0.2668	14,488	123,702	13,285	136,987	0.2645	1.107	(0.9%)
	Commodity											
22	Easterly - Shipper Supplied Fuel	GJ	402,163,120				21,687	4	21,690	-	1.000	
23	Westerly - Shipper Supplied Fuel	GJ	222,367,416				6,356	7	6,363	-	1.001	
24	Short-term Transportation - Utility Supplied Fuel	GJ					3,070	(10)	3,060	-	0.997	
25	Total Commodity		624,530,536	22,252	0.0036	(8,860)	31,112	0	31,113	0.0050	1.000	39.8%
26	Total Rate E70		676,323,890	160,442	0.0237	5,628	154,814	13,286	168,100	0.0249	1.086	4.8%

Detailed Current & Proposed Revenue Calculation by Rate Class
Ex-franchise (Continued)

				Current Approved			Proposed 2024					
Line No.	Particulars	Billing Units	2024 Forecast Usage	Revenue ($000s)	Rates ($/GJ)	Revenue (Deficiency) / Sufficiency ($000s)	Revenue Requirement (1) ($000s)	Revenue (Deficiency) / Sufficiency ($000s)	Revenue ($000s)	Rates ($/GJ)	Revenue-to-Cost Ratios	Rate Change (%)
			(a)	(b)	(c)	(d) = (b - e)	(e)	(f)	(g)	(h)	(i) = (g / e)	(j) = (h - c) / (c)
	Rate E72											
27	Monthly Fixed Charge	bills	24				0	40	40	$1,669.10	11,198.071	
28	Transmission Commodity Charge	GJ	5,198,227				-	230	230	0.044		
29	Charges West of Dawn:											
30	Firm Demand Charge	GJ/d	7,333				5	155	160	1.819	32.120	
31	Utility Supplied Fuel to Dawn	GJ	655,236				17	(0)	17	0.026	1.000	
32	Utility Supplied Fuel to Pool	GJ	642,043				36	(0)	36	0.056	1.000	
33	Shipper Supplied Fuel to Dawn	GJ	4,542,991				117	(0)	117	0.026	1.000	
34	Shipper Supplied Fuel to Pool	GJ	5,048,909				281	(0)	281	0.056	1.000	
35	Charges East of Dawn:							-				
36	Firm Demand Charge	GJ/d	-				-	-	-	1.078		
37	Utility Supplied Fuel to Dawn	GJ	-				-	-	-	0.026		
38	Utility Supplied Fuel to Pool	GJ	-				-	-	-	0.026		
39	Commodity Charge - To Dawn	GJ	-				-	-		-		
40	Commodity Charge - To Pool	GJ	-				-	-		-		
41	Total Rate E72		10,889,179	638	0.0059	183	455	425	880	0.0081	1.935	37.9%
	Rate E80											
42	Monthly Fixed Charge - Typical Station	bills	792				0	371	372	$469.19	910.152	
43	Monthly Fixed Charge - Large Station	bills	105				2	110	111	$1,061.58	62.402	
44	RNG Sampling Charge	per use	8				-	78	78	$10,000.00		
45	Transmission Commodity Charge	GJ	4,791,112				-	212	212	0.044		
46	Commodity - Shipper Supplied Fuel	GJ	-				-	-	-	-		
47	Commodity - Utility Supplied Fuel	GJ	4,791,112				123	(0)	123	0.026	1.000	
48	Total Rate E80		9,582,224	424	0.0044	299	125	771	896	0.0093	7.151	111.3%
	Rate E82											
49	Service Fee		-					3,561	3,561			
50	Total Rate E82		-	3,561	-	3,561	-	3,561	3,561	-	-	-
51	Non-Utility Cross Charge		-	1,197		1,197		1,718	1,718			
52	Total Ex-franchise			166,792		11,127	155,665	19,786	175,451			
53	Total (2) (3)			166,792	-	11,127	155,665	19,786	175,451			

Notes:
(1) Attachment 1, column (e).
(2) 2024 total revenue deficiency can be found at Exhibit 7, Tab 1, Schedule 1, Attachment 1, column (i), line 15.
(3) Revenue requirement by rate class can be found at Exhibit 7, Tab 3, Schedule 1, Attachment 2, line 20.

Derivation of Gas Supply Transportation and Commodity Charges by Rate Class

Line No.	Particulars	Total Bundled In-franchise	Rate E01	Rate E02	Rate E10	Rate E30	Rate E34	Rate E62
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Gas Supply Transportation Charges							
	Allocated Costs - Delivery ($000s) (1)							
1	Load Balancing - Transportation	(7,886)	(4,346)	(2,862)	(614)	(0)	-	(63)
2	Transportation Demand	(7,325)	(3,465)	(2,452)	(1,103)	(179)	(21)	(105)
3	Transportation Commodity	-	-	-	-	-	-	-
4	Total	(15,211)	(7,811)	(5,314)	(1,718)	(179)	(21)	(169)
	Allocated Costs - Gas Supply ($000s) (2)							
5	Load Balancing - Transportation	173,438	95,587	62,947	13,510	1	-	1,393
6	Transportation Demand	161,093	74,561	55,820	24,228	3,805	440	2,239
7	Transportation Commodity	23,783	11,250	7,962	3,582	581	67	342
8	Total	358,314	181,397	126,729	41,321	4,387	507	3,973
9	Empress-Dawn Differential (cents/m^3) (3)	1.8620						
10	Western Incremental Revenue ($000s) (4)	5,229	834	3,643	752	-	-	0
11	Revenue Recovered From All	353,085	180,564	123,086	40,568	4,387	507	3,973
12	Total	358,314	181,397	126,729	41,321	4,387	507	3,973
	Billing Units (10^3m^3) (5)							
13	Transportation	19,135,763	9,139,633	6,304,258	2,884,097	474,030	54,821	278,924
14	Western Transportation	280,843	44,789	195,646	40,406	-	-	2
15	Total	19,416,606	9,184,422	6,499,904	2,924,503	474,030	54,821	278,926
	Unit Rates - Delivery (cents/m^3)							
16	Gas Supply Transportation Charge (line 4 / line 13)		(0.0850)	(0.0818)	(0.0587)	(0.0377)	(0.0377)	(0.0604)
17	Gas Supply Western Transportation Charge (line 18)		(0.0850)	(0.0818)	(0.0587)	(0.0377)	(0.0377)	(0.0604)
	Unit Rates - Gas Supply (cents/m^3)							
18	Gas Supply Transportation Charge (line 11 / line 13)		1.9660	1.8937	1.3872	0.9255	0.9252	1.4245
19	Gas Supply Western Transportation Charge (line 18 + line 9)		3.8279	3.7556	3.2491	2.7874	2.7872	3.2865
	Unit Rates - Total (cents/m^3)							
20	Gas Supply Transportation Charge		1.8809	1.8119	1.3285	0.8877	0.8875	1.3641
21	Gas Supply Western Transportation Charge		3.7429	3.6739	3.1904	2.7497	2.7495	3.2261

Derivation of Gas Supply Transportation and Commodity Charges by Rate Class (Continued)

Line No.	Particulars	Total Bundled In-franchise	Rate E01	Rate E02	Rate E10	Rate E30	Rate E34	Rate E62
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Gas Supply Commodity Charges							
	Allocated Costs - Delivery ($000s) (1)							
22	Gas Supply Commodity (Reference Price)	-	-	-	-	-	-	-
23	Gas Supply Administration	15,492	10,248	4,769	268	16	8	184
24	Panhandle/St. Clair Transportation	4,766	3,153	1,467	82	5	2	57
25	Total	20,258	13,401	6,236	350	21	10	241
	Allocated Costs - Gas Supply ($000s) (2)							
26	Gas Supply Commodity (Reference Price)	2,728,041	1,804,579	839,736	47,173	2,800	1,362	32,390
27	Gas Supply Administration	-	-	-	-	-	-	-
28	Panhandle/St. Clair Transportation	-	-	-	-	-	-	-
29	Total	2,728,041	1,804,579	839,736	47,173	2,800	1,362	32,390
30	Billing Units (10^3m^3) (6)	13,147,614	8,697,052	4,047,053	227,346	13,497	6,566	156,101
31	Gas Supply Commodity Charge - Delivery (cents/m^3)		0.1541	0.1541	0.1541	0.1541	0.1541	0.1541
32	Gas Supply Commodity Charge - Gas Supply (cents/m^3)		20.7493	20.7493	20.7493	20.7493	20.7493	20.7493
33	Gas Supply Commodity Charge - Total (cents/m^3)		20.9034	20.9034	20.9034	20.9034	20.9034	20.9034

Notes:

(1) Exhibit 7, Tab 3, Schedule 1, Attachment 9.
(2) Exhibit 7, Tab 3, Schedule 1, Attachment 10.
(3) Difference between the Dawn supply price of $5.267/GJ and the Empress supply price of $4.539/GJ based on the April 2022 QRAM, converted to cents/m^3.
(4) Western incremental revenue calculated as line 9 x line 14 / 100.
(5) Transportation billing units per Attachment 2, column (a), sum of transportation billing units.
Western transportation billing units per Attachment 2, column (a), sum of transportation - Western billing units.
(6) Attachment 2, column (a), sum of gas supply commodity billing units.

Summary of Proposed Rate Changes and Unit Rate Component by Rate Class
In-franchise Rate Classes

Line No.	Rate Class	Particulars	Units	Current Rates (1)	Rate Change	Proposed Rates (2)	Proposed Unit Rate Components Delivery	Proposed Unit Rate Components Gas Cost
				(a)	(b) = (c - a)	(c)	(d)	(e)
	Rate E01							
1		Monthly Customer Charge	$			$28.37	$28.37	-
2		Delivery Charge - Commodity	cents/m³			0.3937	-	0.3937
3		Delivery Charge - Contract Demand	cents/m³/d			68.3385	67.2719	1.0666
4		Gas Supply Transportation Charge	cents/m³			1.8809	(0.0850)	1.9660
5		Gas Supply Western Transportation Charge	cents/m³			3.7429	(0.0850)	3.8279
6		Gas Supply Commodity Charge	cents/m³			20.9034	0.1541	20.7493
	Rate E02							
7		Monthly Customer Charge	$			$28.37	$28.37	-
8		Delivery Charge - Commodity	cents/m³			0.3843	-	0.3843
9		Delivery Charge - Contract Demand	cents/m³/d			74.8806	73.8403	1.0402
10		Gas Supply Transportation Charge	cents/m³			1.8119	(0.0818)	1.8937
11		Gas Supply Western Transportation Charge	cents/m³			3.6739	(0.0818)	3.7556
12		Gas Supply Commodity Charge	cents/m³			20.9034	0.1541	20.7493
	Rate E10							
13		Monthly Customer Charge	$			$500.00	$500.00	-
14		Delivery Charge - Commodity	cents/m³			0.3198	-	0.3198
		Delivery Charge - Contract Demand						
15		up to 20,000 m^3	cents/m³/d			61.6303	60.8026	0.8277
16		over 20,000 m^3	cents/m³/d			41.8936	41.0660	0.8277
17		Gas Supply Transportation Charge	cents/m³			1.3285	(0.0587)	1.3872
18		Gas Supply Western Transportation Charge	cents/m³			3.1904	(0.0587)	3.2491
19		Gas Supply Commodity Charge	cents/m³			20.9034	0.1541	20.7493
	Rate E20							
20		Monthly Customer Charge	$			$3,000.00	$3,000.00	-
		Transportation						
21		Transportation Commodity (Firm & IT)	cents/m³			-	-	-
22		Transportation - Customer Supplied Fuel	%			0.803%	-	0.803%
		Transportation Demand (Firm)						
23		up to 30,000 m^3	cents/m³/d			42.6126	42.1064	0.5063
24		next 120,000 m^3	cents/m³/d			28.3272	27.8210	0.5063
25		over 150,000 m^3	cents/m³/d			23.4037	22.8974	0.5063
26		Transportation Demand (IT)	cents/m³/d			1.2038	1.1756	0.0283
27		Pre-authorized Interruptible Service	cents/m³			0.0396	0.0386	0.0009
28		Central Transportation Charge	cents/m³			1.2553	(0.1352)	1.3905
		Storage						
29		Space Demand	$/GJ/mo			0.016	0.015	0.001
		Firm Injection/Withdrawal Right						
30		Utility provides deliverability inventory	$/GJ/mo			2.468	1.920	0.548
31		Customer provides deliverability inventory	$/GJ/mo			2.218	1.670	0.548
32		Firm incremental injection	$/GJ/mo			2.218	1.670	0.548
33		Injection/Withdrawal Commodity	$/GJ			-	-	-
34		Customer Supplied Fuel - Storage	%			0.834%	-	0.834%
	Rate E22							
35		Monthly Customer Charge	$			$1,500.00	$1,500.00	-
36		Transportation Commodity	cents/m³			-	-	-
		Transportation Demand (Firm)						
37		up to 30,000 m^3	cents/m³/d			22.7451	22.3461	0.3990
38		over 30,000 m^3	cents/m³/d			11.5843	11.1853	0.3990
39		Transportation Demand (IT)	cents/m³/d			1.1374	1.1374	-
40		Pre-authorized Interruptible Service	cents/m³			0.0374	0.0374	-
41		South Transportation Demand	cents/m³/d			13.2789	13.0068	0.2721
42		South Transportation - Customer Supplied Fuel	%			0.287%	-	0.287%

Summary of Proposed Rate Changes and Unit Rate Component by Rate Class
In-franchise Rate Classes (Continued)

Line No.	Rate Class	Particulars	Units	Current Rates (1)	Rate Change	Proposed Rates (2)	Proposed Unit Rate Components Delivery	Proposed Unit Rate Components Gas Cost
				(a)	(b) = (c - a)	(c)	(d)	(e)
	Rate E24							
43		Monthly Customer Charge	$			$15,031.46	$15,031.46	-
44		Transportation Commodity	cents/m³			0.0077	-	0.0077
45		Transportation - Customer Supplied Fuel	%			0.471%	-	0.471%
46		Transportation Demand (Firm)	cents/m³/d			9.7469	9.3447	0.4022
47		Transportation Demand (IT)	cents/m³/d			0.9813	0.9813	-
48		Pre-authorized Interruptible Service	cents/m³			0.0399	0.0323	0.0077
49		South Transportation Demand	cents/m³/d			13.2789	13.0068	0.2721
50		South Transportation - Customer Supplied Fuel	%			0.287%	-	0.287%
	Rate E30							
51		Monthly Customer Charge	$			$500.00	$500.00	-
52		Delivery Charge - Commodity	cents/m³			0.2607	-	0.2607
53		Delivery Charge - Contract Demand (Interruptible)	cents/m³/d			7.7500	7.7260	0.0240
54		Delivery Charge - Contract Demand (Firm)	cents/m³/d			74.8806	73.8403	1.0402
55		Pre-authorized Interruptible Service	cents/m³			0.5155	0.2540	0.2615
56		Gas Supply Transportation Charge	cents/m³			0.8877	(0.0377)	0.9255
57		Gas Supply Western Transportation Charge	cents/m³			2.7497	(0.0377)	2.7874
58		Gas Supply Commodity Charge	cents/m³			20.9034	0.1541	20.7493
	Rate E34							
59		Monthly Customer Charge	$			$500.00	$500.00	-
60		Delivery Charge - Commodity	cents/m³			0.2607	-	0.2607
61		Delivery Charge - Contract Demand	cents/m³/d			11.0953	11.0869	0.0083
62		Gas Supply Transportation Charge	cents/m³			0.8875	(0.0377)	0.9252
63		Gas Supply Western Transportation Charge	cents/m³			2.7495	(0.0377)	2.7872
64		Gas Supply Commodity Charge	cents/m³			20.9034	0.1541	20.7493
	Rate E38							
65		Space Demand	$/GJ/mo			0.016	0.015	0.001
		Firm Injection/Withdrawal Right						
66		Utility provides deliverability inventory	$/GJ/mo			2.468	1.920	0.548
67		Customer provides deliverability inventory	$/GJ/mo			2.218	1.670	0.548
68		Firm incremental injection	$/GJ/mo			2.218	1.670	0.548
69		Transportation Demand	$/GJ/mo			17.269	2.808	14.460
70		Transportation Commodity	$/GJ			0.063	-	0.063
71		Injection/Withdrawal Commodity	$/GJ			-	-	-
72		Customer Supplied Fuel - Storage	%			0.834%	-	0.834%
	Rate E62							
73		Monthly Customer Charge	$			$500.00	$500.00	-
74		Delivery Charge - Commodity	cents/m³			0.3245	-	0.3245
75		Delivery Charge - Contract Demand	cents/m³/d			30.3526	29.3932	0.9593
76		Gas Supply Transportation Charge	cents/m³			1.3641	(0.0604)	1.4245
77		Gas Supply Western Transportation Charge	cents/m³			3.2261	(0.0604)	3.2865
78		Gas Supply Commodity Charge	cents/m³			20.9034	0.1541	20.7493
	Rate E64							
79		Monthly Customer Charge	$			$31,938.65	$31,938.65	-
		Transportation						
80		Transportation Commodity (Firm & IT)	cents/m³			-	-	-
81		Transportation - Customer Supplied Fuel	%			0.803%	-	0.803%
82		Transportation Demand (Firm)	cents/m³/d			25.2755	24.5761	0.6994
		Storage						
83		Space Demand	$/GJ/mo			0.016	0.015	0.001
		Firm Injection/Withdrawal Right						
84		Utility provides deliverability inventory	$/GJ/mo			2.468	1.920	0.548
85		Customer provides deliverability inventory	$/GJ/mo			2.218	1.670	0.548
86		Firm incremental injection	$/GJ/mo			2.218	1.670	0.548
87		Injection/Withdrawal Commodity	$/GJ			-	-	-
88		Customer Supplied Fuel - Storage	%			0.834%	-	0.834%

Notes:
(1) There are no comparable current rates at harmonized rate classes.
(2) Attachment 2, column (h).

Summary of Proposed Rate Changes and Unit Rate Component by Rate Class
Ex-franchise Rate Classes

Line No.	Rate Class	Particulars	Units	Current Rates (1)	Rate Change	Proposed Rates (2)	Proposed Unit Rate Components Delivery	Proposed Unit Rate Components Gas Cost
				(a)	(b) = (c - a)	(c)	(d)	(e)
	Rate E60							
1		Monthly Customer Charge	$			$2,112.14	$2,112.14	-
		Firm Transportation						
2		Transportation Demand Charge	$/GJ/d			2.544	2.544	-
3		Authorized Overrun	$/GJ/d			0.084	0.084	-
	Rate E70							
		Firm Transportation						
		Monthly Demand Charges:						
4		Dawn to Parkway	$/GJ/d			3.466	3.466	-
5		Dawn to Kirkwall	$/GJ/d			2.511	2.511	-
6		Kirkwall to Parkway	$/GJ/d			1.387	1.387	-
7		Parkway to Dawn	$/GJ/d			0.950	0.950	-
8		Parkway to Kirkwall	$/GJ/d			0.950	0.950	
9		Kirkwall to Dawn	$/GJ/d			1.340	1.340	-
10		Dawn to Owen Sound Line	$/GJ/d			2.140	2.140	-
11		Parkway to Owen Sound Line or Dawn	$/GJ/d			0.950	0.950	-
12		Kirkwall to Owen Sound Line or Dawn	$/GJ/d			0.950	0.950	
13		Dawn to St. Clair, Bluewater, and Ojibway	$/GJ/d			6.640	6.640	-
14		St. Clair, Bluewater, and Ojibway to Dawn	$/GJ/d			1.819	1.819	-
15		Parkway to Albion King's North	$/GJ/d			1.492	1.492	-
16		F24-T	$/GJ/d			0.051	0.051	-
17		E70-X - Between Dawn, Kirkwall and Parkway	$/GJ/d			4.416	4.416	-
		Between two points within Dawn						
18		Dawn to Dawn-Vector	$/GJ/d			0.016	0.016	-
19		Dawn to Dawn-TCPL	$/GJ/d			0.024	0.024	-
20		Corunna (ANR) to Dawn	$/GJ/d			0.155	0.155	-
		Commodity Charges - Shipper Supplied Fuel						
21		Dawn to Parkway	$/GJ			Note (3)	-	Note (3)
22		Dawn to Kirkwall	$/GJ			Note (3)	-	Note (3)
23		Kirkwall to Parkway	$/GJ			Note (3)	-	Note (3)
24		Parkway to Dawn	$/GJ			Note (3)	-	Note (3)
25		Parkway to Kirkwall	$/GJ			Note (3)	-	Note (3)
26		Parkway to Kirkwall	$/GJ			Note (3)	-	Note (3)
27		Kirkwall to Dawn	$/GJ			Note (3)	-	Note (3)
28		Dawn to Owen Sound Line	$/GJ			Note (3)	-	Note (3)
29		Kirkwall to Owen Sound Line or Dawn	$/GJ			Note (3)	-	Note (3)
30		Parkway to Owen Sound Line or Dawn	$/GJ			Note (3)	-	Note (3)
31		Dawn to St. Clair, Bluewater, and Ojibway	$/GJ			Note (4)	-	Note (4)
32		St. Clair, Bluewater, and Ojibway To Dawn	$/GJ			Note (4)	-	Note (4)
33		Dawn to Dawn-Vector	$/GJ			Note (4)	-	Note (4)
34		Dawn to Dawn-TCPL	$/GJ			Note (4)	-	Note (4)
35		Parkway to Albion King's North	$/GJ			Note (3)	-	Note (3)
36		Corunna (ANR) to Dawn	$/GJ			-		-
37		E70-X - Between Dawn, Kirkwall and Parkway	$/GJ			Note (3)	-	Note (3)
		Limited Firm Interruptible						
		Monthly Demand Charges						
38		Maximum	$/GJ/d			8.318	8.318	-

Summary of Proposed Rate Changes and Unit Rate Component by Rate Class
Ex-franchise Rate Classes (Continued)

Line No.	Rate Class	Particulars	Units	Current Rates (1)	Rate Change	Proposed Rates (2)	Proposed Unit Rate Components Delivery	Proposed Unit Rate Components Gas Cost
				(a)	(b) = (c - a)	(c)	(d)	(e)
	Rate E70 (Continued)							
		Authorized Overrun						
		Commodity Charges - Shipper Supplied Fuel						
39		Dawn to Parkway	$/GJ			0.114 (3)	0.114	Note (3)
40		Dawn to Kirkwall	$/GJ			0.083 (3)	0.083	Note (3)
41		Kirkwall to Parkway	$/GJ			0.046 (3)	0.046	Note (3)
42		Parkway to Dawn/Kirkwall	$/GJ			0.114 (3)	0.114	Note (3)
43		Parkway to Kirkwall	$/GJ			0.114 (3)	0.114	Note (3)
44		Kirkwall to Dawn	$/GJ			0.044 (3)	0.044	Note (3)
45		Dawn to Owen Sound Line	$/GJ			0.070 (3)	0.070	Note (3)
46		Kirkwall to Owen Sound Line or Dawn	$/GJ			0.031 (3)	0.031	Note (3)
47		Parkway to Owen Sound Line or Dawn	$/GJ			0.031 (3)	0.031	Note (3)
48		Dawn to St. Clair, Bluewater, & Ojibway	$/GJ			0.218 (4)	0.218	Note (4)
49		St. Clair, Bluewater, & Ojibway to Dawn	$/GJ			0.060 (4)	0.060	Note (4)
50		Dawn to Dawn-Vector	$/GJ			0.001 (4)	0.001	Note (4)
51		Dawn to Dawn-TCPL	$/GJ			0.001 (4)	0.001	Note (4)
52		Parkway to Albion King's North	$/GJ			0.059 (3)	0.059	Note (3)
53		E70-X - Between Dawn, Kirkwall and Parkway	$/GJ			0.145 (3)	0.145	Note (3)
	Rate E72							
54		Monthly Customer Charge	$			$1,669.10	$1,669.10	-
		Monthly demand charges:						
55		East of Dawn	$/GJ/d			1.078	1.078	-
56		West of Dawn	$/GJ/d			1.819	1.819	-
57		Transmission commodity charge to Dawn	$/GJ			0.044	0.044	-
		Transportation Fuel Charges to Dawn:						
58		East of Dawn - Utility Supplied Fuel	$/GJ			0.026	-	0.026
59		West of Dawn - Utility Supplied Fuel	$/GJ			0.026	-	0.026
60		East of Dawn - Shipper Supplied Fuel	$/GJ			Note (4)	-	Note (4)
61		West of Dawn - Shipper Supplied Fuel	$/GJ			Note (4)	-	Note (4)
		Transportation Fuel Charges to Pools:						
62		East of Dawn - Utility Supplied Fuel	$/GJ			0.026	-	0.026
63		West of Dawn - Utility Supplied Fuel	$/GJ			0.056	-	0.056
64		East of Dawn - Shipper Supplied Fuel	$/GJ			Note (4)	-	Note (4)
65		West of Dawn - Shipper Supplied Fuel	$/GJ			Note (4)	-	Note (4)
		Authorized Overrun						
		Transportation Fuel Charges to Dawn:						
66		East of Dawn - Utility Supplied Fuel	$/GJ			0.105	-	0.105
67		West of Dawn - Utility Supplied Fuel	$/GJ			0.130	-	0.130
68		East of Dawn - Shipper Supplied Fuel	$/GJ			0.080 (4)	-	Note (4)
69		West of Dawn - Shipper Supplied Fuel	$/GJ			0.104 (4)	-	Note (4)
		Transportation Fuel Charges to Pools:						
70		East of Dawn - Utility Supplied Fuel	$/GJ			0.061	-	0.061
71		West of Dawn - Utility Supplied Fuel	$/GJ			0.115	-	0.115
72		East of Dawn - Shipper Supplied Fuel	$/GJ			0.035 (4)	-	Note (4)
73		West of Dawn - Shipper Supplied Fuel	$/GJ			0.060 (4)	-	Note (4)
	Rate E80							
74		Monthly Fixed Charge - Typical	$			$469.19	$469.19	-
75		Monthly Fixed Charge - Large	$			$1,061.58	$1,061.58	-
76		Transmission commodity charge to Dawn	$/GJ			0.044	0.044	-
77		Commodity charge - Utility Supplied Fuel	$/GJ			0.026	-	0.026
78		Commodity charge - Shipper Supplied Fuel	$/GJ			Note (4)	-	Note (4)
79		Authorized Overrun - Utility Supplied Fuel	$/GJ			0.130	0.104	0.026
80		Authorized Overrun - Shipper Supplied Fuel	$/GJ			0.104 (4)	0.104	Note (4)

Notes:
(1) EB-2022-0133, Exhibit D, Tab 1, Appendix A for the EGD rate zone; and Exhibit D, Tab 2, Appendix A for the Union rate zones.
(2) Attachment 2, column (h).
(3) Monthly fuel rates and fuel and commodity ratios per Rate E70 Schedule B.
(4) Plus shipper supplied fuel per rate schedule.

Storage Rate Detail

Line No.	Particulars	Costs ($000s) Gas Cost (a)	Distribution (b)	Total (c)	Allocation Units (5) (GJ) (d)	Rate (6) ($/GJ) Gas Cost (e)	Distribution (f)	Total (g)	Fuel Ratio (%) (h)
	Storage Demand								
1	Space (1)	3,294	78,641	81,935					
2	Working Capital Adjustment (2)	-	(39,130)	(39,130)					
3	Firm Space	3,294	39,511	42,805	217,749,495	0.001	0.015	0.016	
4	Deliverability (1)	9,952	102,270	112,222					
5	Load Balancing Commodity (3)	23,591	-	23,591					
6	Customer Provides Deliverability Inventory	33,543	102,270	135,812	5,103,104	0.548	1.670	2.218	
7	Inventory Carrying Costs (4)	-	15,306	15,306					
8	Utility Provides Deliverability Inventory	33,543	117,576	151,119	5,103,104	0.548	1.920	2.468	
9	Total Storage Demand	36,837	157,087	193,924	5,103,104	0.602	2.565	3.167	
	Storage Commodity								
10	Storage Commodity (1)	21,451	-	21,451	484,613,886	0.044	-	0.044	0.834%

Notes:

(1) Exhibit 7, Tab 3, Schedule 1, Attachment 10, Attachment 9 and Attachment 8, column (a), line 9, line 8 and line 11, respectively.
(2) Exhibit 7, Tab 3, Schedule 1, Attachment 5, line 52, column (g) multiplied by ICC% of 6.62%.
(3) Exhibit 7, Tab 3, Schedule 1, Attachment 10 and Attachment 8, line 3, column (a), respectively.
(4) Inventory carrying cost derived as the cost of 20% of total firm space units multiplied the ICC% of 6.62%.
(5) Firm space and deliverability allocation units per Exhibit 7, Tab 3, Schedule 1, Attachment 12, STORAGEXCESS and NETFROMSTOR allocation factors, respectively. Commodity allocation units per the total forecasted storage activity.
(6) Rate derived as costs in columns (a), (b) and (c) divided by allocation units in column (d), respectively. Demand unit rates divided by 12 months.

Calculation of Supplemental Service Charges

Line No.	Particulars			cents / m³ (a)
	Gas Supply Administration Charge			
1	Gas Supply Administration Cost ($000s) (1)		15,492	
2	Forecast Sales Volumes (10^3m^3) (2)		13,147,614	
3	Gas Supply Admin Charge Unit Rate (line 1 / line 2)		0.1178	0.1178
	Transportation Charges			
	Rate E20 Central Transportation Charge	Rate E10	Rate E20	
4	Transportation Demand Cost ($000s) (1)	25,180	29,461	
5	Demand Billing Units (10^3m^3/d) (3)	222,303	214,042	
6	Demand Rate (line 5 / line 4 x 100)	11.3267	13.7643	
7	Demand Rate - Commoditized at 100% Load Factor (line 6 x 12 / 365)	0.3724	0.4525	
8	Difference		(0.0801)	
9	Transportation Commodity Cost ($000s) (1)	41,145	2,811	
10	Transportation Billing Units (10^3m^3) (3)	2,924,503	3,930,332	
11	Commodity Unit Rate (line 9 / line 10 x 100)	1.4069	0.0715	
12	Difference		1.3354	
13	Rate E20 - Central Transportation Charge (line 8 + line 12)		1.2553	1.2553
	Rate E22 & E24 South Transportation Demand Charge			
14	Transportation Demand Cost ($000s) (1)		16,096	
15	Demand Billing Units (10^3m^3/d) (3)		121,211	
16	Rate E22 & E24 South Transportation Demand Charge (line 14 / line 15 x 100)		13.2789	13.2789
	Transportation Fuel Ratios			
	Rate E20 Transportation Fuel Ratio			
17	Transportation Fuel Cost ($000s) (1)		6,677	
18	Transportation Billing Units (10^3m^3) (3)		4,009,630	
19	Transportation Unit Rate (line 17 / line 18 x 100)		0.1665	
20	Weighted Average Reference Price (cents/m^3) (4)		20.7493	
21	Rate E20 Transportation Fuel Ratio (line 19 / line 20)		0.803%	0.803%
	Rate E22 Transportation Fuel Ratio			
22	Transportation Fuel Cost ($000s) (1)		1,049	
23	Transportation Billing Units (10^3m^3) (3)		981,552	
24	Transportation Unit Rate (line 22 / line 23 x 100)		0.1069	
25	Weighted Average Reference Price (cents/m^3) (4)		20.7493	
26	Rate E22 Transportation Fuel Ratio (line 24 / line 25)		0.515%	0.515%
	Rate E24 South Transportation Fuel Ratio			
27	Transportation Fuel Cost ($000s) (1)		851	
28	Transportation Billing Units (10^3m^3) (3)		1,427,303	
29	Transportation Unit Rate (line 27 / line 28 x 100)		0.0596	
30	Weighted Average Reference Price (cents/m^3) (4)		20.7493	
31	Rate E24 Transportation Fuel Ratio (line 29 / line 30)		0.287%	0.287%
	Rate E64 Transportation Fuel Ratio			
32	Transportation Fuel Cost ($000s) (1)		415	
33	Transportation Billing Units (10^3m^3) (3)		249,200	
34	Transportation Unit Rate (line 32 / line 33 x 100)		0.1665	
35	Weighted Average Reference Price (cents/m^3) (4)		20.7493	
36	Rate E64 Transportation Fuel Ratio		0.803%	0.803%

Calculation of Supplemental Service Charges (Continued)

Line No.	Particulars		cents / m³ (a)
	Authorized Overrun Charges		
	Rate E10		
37	Delivery Demand Charge (Tier 1) - Commoditized @ 100% Load Factor (5)	2.0262	
38	Delivery Commodity Charge	0.3198	
39	Rate E10 Authorized Overrun Charge	2.3460	2.3460
	Rate E20 Firm		
40	Firm Transportation Demand Charge (Tier 1), Commoditized @ 100%	1.4010	
41	Transportation Commodity Charge	-	
42	Rate E20 Firm Authorized Overrun Charge	1.4010	1.4010
	Rate E20 Firm - Central		
43	Rate E20 Firm Authorized Overrun Charge	1.4010	
44	Rate E20 Central Transportation Charge	1.2553	
45	Rate E20 Firm Authorized Overrun Charge - Central	2.6562	2.6562
	Rate E20 IT		
46	IT Transportation Demand Charge - Commoditized @ 100% Load Factor (5)	0.0396	
47	Transportation Commodity Charge	-	
48	Rate E20 IT Authorized Overrun Charge	0.0396	0.0396
	Rate E22 Firm		
49	Firm Transportation Demand Charge (Tier 1) - Commoditized @ 100% Load Factor (5)	0.7478	
50	Transportation Commodity Charge	-	
51	Rate E22 Firm Authorized Overrun Charge	0.7478	0.7478
	Rate E22 Firm - South		
52	Rate E22 Firm Authorized Overrun Charge	0.7478	
53	Rate E22 South Transportation Demand Charge - Commoditized @ 100% Load Factor (5)	0.4366	
54	Rate E22 Firm Authorized Overrun Charge - South	1.1844	1.1844
	Rate E22 IT		
55	IT Transportation Demand Charge - Commoditized @ 100% Load Factor (5)	0.0374	
56	Transportation Commodity Charge	-	
57	Rate E22 IT Authorized Overrun Charge	0.0374	0.0374
	Rate E24 Firm		
58	Firm Transportation Demand Charge (Tier 1) - Commoditized @ 100% Load Factor (5)	0.3204	
59	Transportation Commodity Charge	0.0077	
60	Rate E24 Firm Authorized Overrun Charge	0.3281	0.3281
	Rate E24 Firm - South		
61	Rate E24 Firm Authorized Overrun Charge	0.3281	
62	Rate E24 South Transportation Demand Charge - Commoditized @ 100% Load Factor (5)	0.4366	
63	Rate E20 Firm Authorized Overrun Charge - South	0.7647	0.7647
	Rate E24 IT		
64	IT Transportation Demand Charge - Commoditized @ 100% Load Factor (5)	0.0323	
65	Transportation Commodity Charge	0.0077	
66	Rate E24 IT Authorized Overrun Charge	0.0400	0.0400

Calculation of Supplemental Service Charges (Continued)

Line No.	Particulars		cents / m³ (a)
	Authorized Overrun Charges (Continued)		
	Rate E30		
67	Delivery Demand Charge - Commoditized @ 100% Load Factor (5)	0.2548	
68	Delivery Commodity Charge	0.2607	
69	Rate E30 Authorized Overrun Charge	0.5155	0.5155
	Rate E34		
70	Delivery Demand Charge - Commoditized @ 100% Load Factor (8)	0.2553	
71	Delivery Commodity Charge	0.2607	
72	Rate E34 Authorized Overrun Charge	0.5160	0.5160
	Rate E62		
73	Delivery Demand Charge - Commoditized @ 100% Load Factor (5)	0.9979	
74	Delivery Commodity Charge	0.3245	
75	Rate E62 Authorized Overrun Charge	1.3224	1.3224
	Rate E64		
76	Transportation Demand Charge - Commoditized @ 100% Load Factor (5)	0.8310	
77	Transportation Commodity Charge	-	
78	Rate E64 Authorized Overrun Charge	0.8310	0.8310
	Authorized Injection/Withdrawal Overrun (Rates E20, E38, E64)		
79	Injection/Withdrawal Rights Demand Charge - Commoditized @ 100% Load Factor (5)	0.081	
80	Injection/Withdrawal Commodity Charge	-	
81	Injection/Withdrawal Authorized Overrun Charge ($/GJ)	0.081	0.081
	Unauthorized Overrun Charges		
	Rate E34 Unauthorized Overrun - Winter		
82	Delivery Demand Charge - Commoditized @ 100% Load Factor x 121 days x 120% (5)	37.0759	
83	Delivery Commodity Charge	0.2607	
84	Rate E34 Unauthorized Overrun Charge - Winter	37.3366	37.3366
	Unauthorized Overrun Non-Compliance		
85	Rate ($/GJ) (6)	60.000	
86	Heat Value Conversion (GJ/10³m³)	39.08	
87	Unauthorized Overrun Non-Compliance Charge (cents/m^3) (line 85 x line 86 / 10)	234.4800	234.4800

Calculation of Supplemental Service Charges (Continued)

Line No.	Particulars		cents / m³ (a)
	Balancing Charges		
	IFT and EFT Storage Withdrawal Charge ($/GJ)		
	Bundled Direct Purchase		
88	Rate E38 Storage Withdrawal Fuel Ratio	0.834%	
89	Weighted Average Reference Price ($/GJ) (4)	5.309	
90	Storage Withdrawal Charge (line 88 x line 89)	0.044	0.044
	IFT and EFT Transportation Charge ($/GJ)		
	Western Bundled Direct Purchase to Dawn Bundled		
91	Western Transportation Price Differential (cents/m³) (7)	1.8620	
92	Heat Value Conversion (GJ/10³m³)	39.08	
93	Transportation Charge (line 91 / line 92 x 10)	0.476	0.476
	Western Bundled Direct Purchase to Ex-Franchise		
94	Rate E70 Parkway to Dawn average annual fuel ratio	0.532%	
95	Weighted Average Reference Price ($/GJ) (4)	5.309	
96	Parkway to Dawn Commodity (line 94 x line 95)	0.028	
97	Empress to Union Parkway Belt - Commoditized at 100% Load Factor (6)	1.325	
98	Transportation Charge (line 96 + line 97)	1.353	1.353
	Unbundled Balancing Service (UBS) Daily Commodity Charge		
99	North Storage Demand Charge - Commoditized at 100% Load Factor (6)	0.672	
100	North Storage Commodity Charge	0.108	
101	UBS Daily Commodity Charge	0.780	0.780
102	UBS Net Usage (15%) (line 101 x 15%)	0.117	0.117
	Parkway Delivery Commitment Incentive (PDCI)		
103	Rate E70 Dawn to Parkway Demand ($/GJ)	3.466	
104	Rate E70 Dawn to Parkway Demand - Commoditized at 100% Load Factor (line 105 x 12 / 365) (6)	0.114	
105	Rate E70 Average Dawn to Parkway Fuel Charge ($/GJ)	0.056	
106	Rate E70 Dawn to Parkway Facility Carbon Charge ($/GJ)	0.004	
107	Total PDCI Rate ($/GJ) (line 104 + line 105 + line 106) x (-1)	(0.174)	(0.174)

Notes:

(1) Exhibit 7, Tab 3, Schedule 1, Attachment 8.
(2) Ibid, Attachment 12.
(3) Attachment 2, column (a).
(4) Exhibit 4, Tab 2, Schedule 2, paragraph 2.
(5) Commoditized demand charge at 100% load factor is equal to the respective demand charge multiplied by 12 and divided by 365.
(6) Exhibit 8, Tab 4, Schedule 2, Section 3.2.
(7) Difference between the Dawn supply price of $5.267/GJ and the Empress supply price of $4.539/GJ based on the April 2022 QRAM, converted to cents/m^3.
(8) Rate E34 demand charge at 100% load factor is commoditized at 100% demand charge for 8 months and 10% demand charge for 4 months multiplied by 12 and divided by 365.

Storage and Transportation (S&T) Margin Allocation

Line No.	Rate Class	D-PTRANS Allocation Units (10^3m^3/day) (1) (a)	S&T Margin Allocation ($000s) (2) (b)	
	In-franchise			
1	Rate E01	13,987	9,434	
2	Rate E02	9,397	6,338	
3	Rate E10	2,648	1,786	
4	Rate E20	1,774	1,197	
5	Rate E22	-	-	
6	Rate E24	959	647	
7	Rate E30	0	0	
8	Rate E34	3	2	
9	Rate E38	53	35	
10	Rate E62	264	178	
11	Rate E64	251	169	
12	Total	29,336	19,786	(3)

Notes:
(1) Exhibit 7, Tab 3, Schedule 1, Attachment 12, pp.11-13, line 19.
(2) Allocated in proportion to column (a).
(3) Attachment 11, column (c).

Panhandle/St. Clair Transmission Cost Re-Allocation

Line No.	Rate Class	Allocation Units: PAN_STCLAIR (1) (10^3m^3/day)	Allocation Units: SUPPLY_VOL (2) (10^3m^3)	Panhandle/St. Clair Transmission Credit (3) ($000s)	Sales Service Charge (4) ($000s)	Panhandle/ St. Clair Re-Allocation ($000s)
		(a)	(b)	(c)	(d)	(e) = (c + d)
	In-franchise					
1	Rate E01	28,327	8,697,052	(1,604)	3,153	1,549
2	Rate E02	19,032	4,047,053	(1,078)	1,467	389
3	Rate E10	5,362	227,346	(304)	82	(221)
4	Rate E20	18,373	-	(1,040)	-	(1,040)
5	Rate E22	-	-	-	-	-
6	Rate E24	9,932	-	(562)	-	(562)
7	Rate E30	0	13,497	(0)	5	5
8	Rate E34	6	6,566	(0)	2	2
9	Rate E38	-	-	-	-	-
10	Rate E62	534	156,101	(30)	57	26
11	Rate E64	2,601	-	(147)	-	(147)
12	Total (5)	84,168	13,147,614	(4,766)	4,766	-

Notes:
(1) Exhibit 7, Tab 3, Schedule 1, Attachment 12, pp.14-16, line 41.
(2) Ibid, line 51.
(3) Allocated in proportion to column (a).
(4) Allocated in proportion to column (b).
(5) Exhibit 8, Tab 2, Schedule 2, Table 2, line 5 provides the calculation of the total sales service annual cost for use of the Panhandle and St. Clair systems.

DSM Budget Allocation by Rate Class

Line No.	Particulars ($000s)	2024 DSM Budget (1) (b)
	In-franchise	
1	Rate E01	95,180
2	Rate E02	31,579
3	Rate E10	13,394
4	Rate E20	3,803
5	Rate E22	1,589
6	Rate E24	875
7	Rate E30	1,277
8	Rate E34	956
9	Rate E38	-
10	Rate E62	59
11	Rate E64	109
12	Total	148,822

Note:
(1) Exhibit 7, Tab 3, Schedule 1, Attachment 12, pp.11-13, lines 21 and 23.

Derivation of DSM Unit Rates

Line No.	Particulars	2024 Forecast Usage (1) (10^3m^3)	2024 DSM Budget (2) ($000s)	2024 DSM Rate (cents / m^3)
		(a)	(b)	(c)
	Rate E01			
1	Delivery Demand Charge	1,112,159	95,180	8.5582
	Rate E02			
2	Delivery Demand Charge	747,567	31,579	4.2243
	Rate E10			
	Delivery Contract Demand Charge			
3	up to 20,000 m^3	111,875	8,036	7.1833
4	over 20,000 m^3	110,428	5,358	4.8516
5	Total Rate E10	222,303	13,394	6.0250
	Rate E20			
	Transportation Demand Charge - Firm			
6	up to 30,000 m^3	26,927	761	2.8246
7	next 120,000 m^3	50,942	951	1.8663
8	over 150,000 m^3	136,172	2,092	1.5360
9	Total Rate E20	214,042	3,803	1.7767
	Rate E22			
	Transportation Demand (Firm)			
10	up to 30,000 m^3	13,313	556	4.1782
11	over 30,000 m^3	49,393	1,033	2.0914
12	Total Rate E22	62,706	1,589	2.5344
	Rate E24			
13	Transportation Demand (Firm)	294,856	875	0.2969
	Rate E30			
14	Delivery Demand (Interruptible)	60,959	1,277	2.0952
	Rate E34			
15	Delivery Demand	12,006	956	7.9638
	Rate E62			
16	Delivery Demand	21,066	59	0.2786
	Rate E64			
17	Transportation Demand (Firm)	28,200	109	0.3868
18	Total		148,822	

Notes:
(1) Attachment 2, column (a).
(2) Attachment 9, p.1, column (a).

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers
EGD Rate Zone

Line No.	Particulars	EB-2022-0133 - Current Approved (2) Total Bill ($)	Unit Rate (cents/m^3)	EB-2022-0200 - 2024 Proposed Total Bill ($)	Unit Rate (cents/m^3)	Total Bill Change ($)	Bill Impact Including Federal Carbon Charge (%)	Bill Impact Excluding Federal Carbon Charge (%)
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)
	Small Rate 1 to Rate E01	Contract Demand 24 m^3 Annual Volume 2,400 m^3						
1	Delivery Charges	523	21.8085	550	22.9093	26	5.0%	5.0%
2	Federal Carbon Charge	235	9.7900	235	9.7900	-	0.0%	0.0%
3	Gas Supply Transportation	94	3.9267	45	1.8809	(49)	(52.1%)	(52.1%)
4	Gas Supply Commodity	441	18.3775	502	20.9034	61	13.7%	13.7%
5	Total Bill - Sales Service	1,294	53.9027	1,332	55.4836	38	2.9%	3.6%
6	Total Bill - Bundled Direct Purchase WTS	1,354	56.4286	1,376	57.3456	22	1.6%	2.0%
7	Bundled Direct Purchase Impact WTS						2.6%	3.6%
8	Total Bill - Bundled Direct Purchase DTS	1,283	53.4716	1,332	55.4836	48	3.8%	4.6%
9	Bundled Direct Purchase Impact DTS						6.2%	8.8%
	Large Rate 1 to Rate E01	Contract Demand 51 m^3 Annual Volume 5,048 m^3						
10	Delivery Charges	799	15.8339	781	15.4684	(18)	(2.3%)	(2.3%)
11	Federal Carbon Charge	494	9.7900	494	9.7900	-	0.0%	0.0%
12	Gas Supply Transportation	198	3.9267	95	1.8809	(103)	(52.1%)	(52.1%)
13	Gas Supply Commodity	928	18.3775	1,055	20.9034	128	13.7%	13.7%
14	Total Bill - Sales Service	2,419	47.9282	2,425	48.0427	6	0.2%	0.3%
15	Total Bill - Bundled Direct Purchase WTS	2,547	50.4541	2,519	49.9047	(28)	(1.1%)	(1.4%)
16	Bundled Direct Purchase Impact WTS						(1.9%)	(2.8%)
17	Total Bill - Bundled Direct Purchase DTS	2,398	47.4971	2,425	48.0427	28	1.1%	1.4%
18	Bundled Direct Purchase Impact DTS						2.1%	3.2%
	Small Rate 6 to Rate E01	Contract Demand 51 m^3 Annual Volume 5,048 m^3						
19	Delivery Charges	1,473	29.1886	781	15.4684	(693)	(47.0%)	(47.0%)
20	Federal Carbon Charge	494	9.7900	494	9.7900	-	0.0%	0.0%
21	Gas Supply Transportation	198	3.9267	95	1.8800	(103)	(52.1%)	(52.1%)
22	Gas Supply Commodity	929	18.4008	1,055	20.9034	126	13.6%	13.6%
23	Total Bill - Sales Service	3,095	61.3061	2,425	48.0427	(670)	(21.6%)	(25.7%)
24	Total Bill - Bundled Direct Purchase WTS	3,221	63.8087	2,519	49.9047	(702)	(21.8%)	(25.7%)
25	Bundled Direct Purchase Impact WTS						(32.4%)	(42.0%)
26	Total Bill - Bundled Direct Purchase DTS	3,072	60.8517	2,425	48.0427	(647)	(21.0%)	(25.1%)
27	Bundled Direct Purchase Impact DTS						(32.1%)	(42.5%)
	Average Rate 6 to Rate E02	Contract Demand 206 m^3 Annual Volume 22,606 m^3						
28	Delivery Charges	2,907	12.8584	2,284	10.1034	(623)	(21.4%)	(21.4%)
29	Federal Carbon Charge	2,213	9.7900	2,213	9.7900	-	0.0%	0.0%
30	Gas Supply Transportation	888	3.9267	410	1.8100	(478)	(53.9%)	(53.9%)
31	Gas Supply Commodity	4,160	18.4008	4,725	20.9034	566	13.6%	13.6%
32	Total Bill - Sales Service	10,167	44.9760	9,632	42.6087	(535)	(5.3%)	(6.7%)
33	Total Bill - Bundled Direct Purchase WTS	10,733	47.4786	10,053	199.1489	(680)	(6.3%)	(8.0%)
34	Bundled Direct Purchase Impact WTS						(11.3%)	(17.9%)
35	Total Bill - Bundled Direct Purchase DTS	10,065	44.5215	9,632	190.8105	(432)	(4.3%)	(5.5%)
36	Bundled Direct Purchase Impact DTS						(8.1%)	(13.8%)
	Large Rate 6 to Rate E02	Contract Demand 3,097 m^3 Annual Volume 339,124 m^3						
37	Delivery Charges	22,069	6.5076	29,496	8.6978	7,428	33.7%	33.7%
38	Federal Carbon Charge	33,200	9.7900	33,200	9.7900	-	0.0%	0.0%
39	Gas Supply Transportation	13,317	3.9267	6,145	1.8119	(7,172)	(53.9%)	(53.9%)
40	Gas Supply Commodity	62,402	18.4008	70,888	20.9034	8,487	13.6%	13.6%
41	Total Bill - Sales Service	130,987	38.6251	139,730	41.2031	8,742	6.7%	8.9%
42	Total Bill - Bundled Direct Purchase WTS	139,474	41.1277	146,044	43.0651	6,570	4.7%	6.2%
43	Bundled Direct Purchase Impact WTS						9.6%	18.6%
44	Total Bill - Bundled Direct Purchase DTS	129,446	38.1707	139,730	41.2031	10,284	7.9%	10.7%
45	Bundled Direct Purchase Impact DTS						17.6%	40.6%
	Small Rate 100 to Rate E10	Contract Demand 2,993 m^3 Annual Volume 339,188 m^3						
46	Delivery Charges	20,572	6.0649	29,244	8.6217	8,672	42.2%	42.2%
47	Federal Carbon Charge	33,207	9.7900	33,207	9.7900	-	0.0%	0.0%
48	Gas Supply Transportation	13,319	3.9267	4,506	1.3285	(8,813)	(66.2%)	(66.2%)
49	Gas Supply Commodity	62,413	18.4008	70,902	20.9034	8,488	13.6%	13.6%
50	Total Bill - Sales Service	129,510	38.1825	137,858	40.6436	8,348	6.4%	8.7%
51	Total Bill - Bundled Direct Purchase WTS	137,999	40.6851	144,173	42.5055	6,174	4.5%	5.9%
52	Bundled Direct Purchase Impact WTS						9.2%	18.2%
53	Total Bill - Bundled Direct Purchase DTS	127,969	37.7280	137,858	40.6436	9,889	7.7%	10.4%
54	Bundled Direct Purchase Impact DTS						17.3%	41.4%

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers
EGD Rate Zone (Continued)

Line No.	Particulars	EB-2022-0133 - Current Approved (2) Total Bill ($)	Unit Rate (cents/m^3)	EB-2022-0200 - 2024 Proposed Total Bill ($)	Unit Rate (cents/m^3)	Total Bill Change ($)	Bill Impact Including Federal Carbon Charge (%)	Bill Impact Excluding Federal Carbon Charge (%)
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)
	Average Rate 100 to Rate E10	Contract Demand 15,000 m^3 Annual Volume 598,567 m^3						
55	Delivery Charges	81,274	13.5781	118,891	19.8625	37,617	46.3%	46.3%
56	Federal Carbon Charge	58,600	9.7900	58,600	9.7900	-	0.0%	0.0%
57	Gas Supply Transportation	23,504	3.9267	7,952	1.3285	(15,552)	(66.2%)	(66.2%)
58	Gas Supply Commodity	110,141	18.4008	125,121	20.9034	14,980	13.6%	13.6%
59	Total Bill - Sales Service	273,519	45.6957	310,563	51.8844	37,044	13.5%	17.2%
60	Total Bill - Bundled Direct Purchase WTS	288,499	48.1982	321,708	53.7463	33,209	11.5%	14.4%
61	Bundled Direct Purchase Impact WTS						20.3%	31.7%
62	Total Bill - Bundled Direct Purchase DTS	270,799	45.2412	310,563	51.8844	39,764	14.7%	18.7%
63	Bundled Direct Purchase Impact DTS						27.3%	45.7%
	Large Rate 100 to Rate E10	Contract Demand 30,000 m^3 Annual Volume 1,500,000 m^3						
64	Delivery Charges	165,181	11.0121	209,087	13.9391	43,906	26.6%	26.6%
65	Federal Carbon Charge	146,850	9.7900	146,850	9.7900	-	0.0%	0.0%
66	Gas Supply Transportation	58,901	3.9267	19,928	1.3285	(38,974)	(66.2%)	(66.2%)
67	Gas Supply Commodity	276,012	18.4008	313,551	20.9034	37,539	13.6%	13.6%
68	Total Bill - Sales Service	646,944	43.1296	689,416	45.9610	42,471	6.6%	8.5%
69	Total Bill - Bundled Direct Purchase WTS	684,483	45.6322	717,344	47.8229	32,861	4.8%	6.1%
70	Bundled Direct Purchase Impact WTS						8.9%	14.7%
71	Total Bill - Bundled Direct Purchase DTS	640,128	42.6752	689,416	45.9610	49,288	7.7%	10.0%
72	Bundled Direct Purchase Impact DTS						15.1%	27.4%
	Small Rate 110 to Rate E10	Contract Demand 3,292 m^3 Annual Volume 598,568 m^3						
64	Delivery Charges	25,475	4.2560	32,303	5.3966	6,827	26.8%	26.8%
65	Federal Carbon Charge	58,600	9.7900	58,600	9.7900	-	0.0%	0.0%
66	Gas Supply Transportation	23,504	3.9267	7,952	1.3285	(15,552)	(66.2%)	(66.2%)
67	Gas Supply Commodity	109,774	18.3394	125,121	20.9034	15,347	14.0%	14.0%
68	Total Bill - Sales Service	217,353	36.3122	223,975	37.4185	6,622	3.0%	4.2%
69	Total Bill - Bundled Direct Purchase WTS	232,700	38.8762	235,120	39.2804	2,420	1.0%	1.4%
70	Bundled Direct Purchase Impact WTS						2.2%	4.9%
71	Total Bill - Bundled Direct Purchase DTS	215,000	35.9191	223,975	37.4185	8,975	4.2%	5.7%
72	Bundled Direct Purchase Impact DTS						10.0%	28.7%
	Average Rate 110 to Rate E10	Contract Demand 36,413 m^3 Annual Volume 9,976,120 m^3						
73	Delivery Charges	247,553	2.4815	269,027	2.6967	21,473	8.7%	8.7%
74	Federal Carbon Charge	976,662	9.7900	976,662	9.7900	-	0.0%	0.0%
75	Gas Supply Transportation	391,737	3.9267	132,533	1.3285	(259,204)	(66.2%)	(66.2%)
76	Gas Supply Commodity	1,829,564	18.3394	2,085,348	20.9034	255,785	14.0%	14.0%
77	Total Bill - Sales Service	3,445,516	34.5376	3,463,570	34.7186	18,054	0.5%	0.7%
78	Total Bill - Bundled Direct Purchase WTS	3,701,300	37.1016	3,649,315	36.5805	(51,985)	(1.4%)	(1.9%)
79	Bundled Direct Purchase Impact WTS						(3.2%)	(8.1%)
80	Total Bill - Bundled Direct Purchase DTS	3,406,304	34.1446	3,463,570	34.7186	57,266	1.7%	2.4%
81	Bundled Direct Purchase Impact DTS						4.3%	16.6%
	Large Rate 110 to Rate E10	Contract Demand 53,871 m^3 Annual Volume 9,976,121 m^3						
82	Delivery Charges	299,591	3.0031	356,792	3.5765	57,202	19.1%	19.1%
83	Federal Carbon Charge	976,662	9.7900	976,662	9.7900	-	0.0%	0.0%
84	Gas Supply Transportation	391,737	3.9267	132,533	1.3285	(259,204)	(66.2%)	(66.2%)
85	Gas Supply Commodity	1,829,564	18.3394	2,085,348	20.9034	255,785	14.0%	14.0%
86	Total Bill - Sales Service	3,497,553	35.0593	3,551,336	35.5984	53,782	1.5%	2.1%
87	Total Bill - Bundled Direct Purchase WTS	3,753,338	37.6232	3,737,081	37.4603	(16,257)	(0.4%)	(0.6%)
88	Bundled Direct Purchase Impact WTS						(1.0%)	(2.4%)
89	Total Bill - Bundled Direct Purchase DTS	3,458,342	34.6662	3,551,336	35.5984	92,994	2.7%	3.7%
90	Bundled Direct Purchase Impact DTS						6.8%	23.5%
	Small Rate 115 to Rate E10	Annual Volume 4,471,609 m^3						
91	Delivery Charges	92,520	2.0690	133,766	2.9915	41,247	44.6%	44.6%
92	Federal Carbon Charge	437,771	9.7900	437,771	9.7900	-	0.0%	0.0%
93	Gas Supply Transportation	175,589	3.9267	59,405	1.3285	(116,183)	(66.2%)	(66.2%)
94	Gas Supply Commodity	820,068	18.3394	934,718	20.9034	114,651	14.0%	14.0%
95	Total Bill - Sales Service	1,525,947	34.1252	1,565,661	35.0134	39,714	2.6%	3.6%
96	Total Bill - Bundled Direct Purchase WTS	1,640,597	36.6892	1,648,917	36.8753	8,320	0.5%	0.7%
97	Bundled Direct Purchase Impact WTS						1.2%	3.1%
98	Total Bill - Bundled Direct Purchase DTS	1,508,371	33.7322	1,565,661	35.0134	57,290	3.8%	5.4%
99	Bundled Direct Purchase Impact DTS						10.0%	42.2%

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers
EGD Rate Zone (Continued)

Line No.	Particulars	EB-2022-0133 - Current Approved (2) Total Bill ($) (a)	Unit Rate (cents/m^3) (b)	EB-2022-0200 - 2024 Proposed Total Bill ($) (c)	Unit Rate (cents/m^3) (d)	Total Bill Change ($) (e) = (c - a)	Bill Impact Including Federal Carbon Charge (%) (f) = (e / a)	Bill Impact Excluding Federal Carbon Charge (%) (g)
	Large Rate 115 to Rate E10	Contract Demand 238,928 m^3 Annual Volume 69,832,850 m^3						
100	Delivery Charges	1,266,100	1.8130	1,482,728	2.1233	216,628	17.1%	17.1%
101	Federal Carbon Charge	6,836,636	9.7900	6,836,636	9.7900	-	0.0%	0.0%
102	Gas Supply Transportation	2,742,158	3.9267	927,729	1.3285	(1,814,429)	(66.2%)	(66.2%)
103	Gas Supply Commodity	12,806,948	18.3394	14,597,440	20.9034	1,790,492	14.0%	14.0%
104	Total Bill - Sales Service	23,651,842	33.8692	23,844,534	34.1452	192,692	0.8%	1.1%
105	Total Bill - Bundled Direct Purchase WTS	25,442,334	36.4332	25,144,752	36.0071	(297,583)	(1.2%)	(1.6%)
106	Bundled Direct Purchase Impact WTS						(2.7%)	(7.4%)
107	Total Bill - Bundled Direct Purchase DTS	23,377,360	33.4762	23,844,534	34.1452	467,174	2.0%	2.8%
108	Bundled Direct Purchase Impact DTS						5.3%	24.0%
	Average Rate 125 to Rate E24	Contract Demand 2,315,000 m^3 Annual Volume 206,000,000 m^3						
109	Delivery Charges	3,135,864	1.5223	2,918,348	1.4167	(217,516)	(6.9%)	(6.9%)
110	Federal Carbon Charge	20,167,400	9.7900	20,167,400	9.7900	-	0.0%	0.0%
111	Gas Supply Commodity	37,779,229	18.3394	43,061,004	20.9034	5,281,775	14.0%	14.0%
112	Total Bill - Sales Service	61,082,493	29.6517	66,146,752	32.1101	5,064,259	8.3%	12.4%
113	Total Bill - Bundled Direct Purchase	66,364,268	32.2157	66,146,752	32.1101	(217,516)	(0.3%)	(0.5%)
114	Bundled Direct Purchase Impact						0.0%	0.0%
	Average Rate 135 to Rate E34	Contract Demand 8,180 m^3 Annual Volume 598,567 m^3						
115	Delivery Charges	14,844	2.4799	13,934	2.3279	(910)	(6.1%)	(6.1%)
116	Federal Carbon Charge	58,600	9.7900	58,600	9.7900	-	0.0%	0.0%
117	Gas Supply Transportation	18,461	3.0843	5,312	0.8875	(13,149)	(71.2%)	(71.2%)
118	Gas Supply Commodity	109,797	18.3434	125,121	20.9034	15,323	14.0%	14.0%
119	Total Bill - Sales Service	201,702	33.6975	202,967	33.9088	1,265	0.6%	0.9%
120	Total Bill - Bundled Direct Purchase WTS	217,026	36.2576	214,112	35.7708	(2,913)	(1.3%)	(1.8%)
121	Bundled Direct Purchase Impact WTS						(3.2%)	(8.7%)
122	Total Bill - Bundled Direct Purchase DTS	199,326	33.3005	202,967	33.9088	3,641	1.8%	2.6%
123	Bundled Direct Purchase Impact DTS						4.9%	23.3%
	Small Rate 145 to Rate E30	Contract Demand 2,993 m^3 Annual Volume 339,188 m^3						
124	Delivery Charges	29,478	8.6906	9,691	2.8573	(19,786)	(67.1%)	(67.1%)
125	Federal Carbon Charge	33,207	9.7900	33,207	9.7900	-	0.0%	0.0%
126	Gas Supply Transportation	11,460	3.3788	3,011	0.8877	(8,450)	(73.7%)	(73.7%)
127	Gas Supply Commodity	62,219	18.3434	70,902	20.9034	8,683	14.0%	14.0%
128	Total Bill - Sales Service	136,363	40.2028	116,811	34.4384	(19,552)	(14.3%)	(19.0%)
129	Total Bill - Bundled Direct Purchase WTS	145,046	42.7628	123,126	36.3004	(21,920)	(15.1%)	(19.6%)
130	Bundled Direct Purchase Impact WTS						(29.6%)	(53.5%)
131	Total Bill - Bundled Direct Purchase DTS	135,017	39.8058	116,811	34.4384	(18,206)	(13.5%)	(17.9%)
132	Bundled Direct Purchase Impact DTS						(28.4%)	(58.9%)
	Large Rate 145 to Rate E30	Contract Demand 4,489 m^3 Annual Volume 598,567 m^3						
133	Delivery Charges	47,616	7.9550	11,777	1.9676	(35,839)	(75.3%)	(75.3%)
134	Federal Carbon Charge	58,600	9.7900	58,600	9.7900	-	0.0%	0.0%
135	Gas Supply Transportation	20,224	3.3788	5,313	0.8877	(14,911)	(73.7%)	(73.7%)
136	Gas Supply Commodity	109,797	18.3434	125,121	20.9034	15,323	14.0%	14.0%
137	Total Bill - Sales Service	236,238	39.4672	200,811	33.5487	(35,426)	(15.0%)	(19.9%)
138	Total Bill - Bundled Direct Purchase WTS	251,561	42.0272	211,956	35.4107	(39,604)	(15.7%)	(20.5%)
139	Bundled Direct Purchase Impact WTS						(31.3%)	(58.4%)
140	Total Bill - Bundled Direct Purchase DTS	233,861	39.0702	200,811	33.5487	(33,050)	(14.1%)	(18.9%)
141	Bundled Direct Purchase Impact DTS						(30.4%)	(65.9%)
	Small Rate 170 to Rate E30	Contract Demand 36,413 m^3 Annual Volume 9,976,120 m^3						
142	Delivery Charges	108,254	1.0851	66,570	0.6673	(41,684)	(38.5%)	(38.5%)
143	Federal Carbon Charge	976,662	9.7900	976,662	9.7900	-	0.0%	0.0%
144	Gas Supply Transportation	271,477	2.7213	88,558	0.8877	(182,919)	(67.4%)	(67.4%)
145	Gas Supply Commodity	1,829,564	18.3394	2,085,348	20.9034	255,785	14.0%	14.0%
146	Total Bill - Sales Service	3,185,956	31.9358	3,217,139	32.2484	31,182	1.0%	1.4%
147	Total Bill - Bundled Direct Purchase WTS	3,441,741	34.4998	3,402,894	34.1104	(38,847)	(1.1%)	(1.6%)
148	Bundled Direct Purchase Impact WTS						(2.9%)	(10.2%)
149	Total Bill - Bundled Direct Purchase DTS	3,146,745	31.5428	3,217,139	32.2484	70,394	2.2%	3.2%
150	Bundled Direct Purchase Impact DTS						6.6%	83.1%

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers
EGD Rate Zone (Continued)

Line No.	Particulars	EB-2022-0133 - Current Approved (2) Total Bill ($) (a)	Unit Rate (cents/m^3) (b)	EB-2022-0200 - 2024 Proposed Total Bill ($) (c)	Unit Rate (cents/m^3) (d)	Total Bill Change ($) (e) = (c - a)	Bill Impact Including Federal Carbon Charge (%) (f) = (e / a)	Bill Impact Excluding Federal Carbon Charge (%) (g)
	Large Rate 170 to Rate E30	Contract Demand 53,871 m^3 Annual Volume 9,976,121 m^3						
151	Delivery Charges	116,258	1.1654	82,806	0.8300	(33,452)	(28.8%)	(28.8%)
152	Federal Carbon Charge	976,662	9.7900	976,662	9.7900	-	0.0%	0.0%
153	Gas Supply Transportation	271,477	2.7213	88,558	0.8877	(182,919)	(67.4%)	(67.4%)
154	Gas Supply Commodity	1,829,564	18.3394	2,085,348	20.9034	255,785	14.0%	14.0%
155	Total Bill - Sales Service	3,193,961	32.0161	3,233,375	32.4111	39,414	1.2%	1.8%
156	Total Bill - Bundled Direct Purchase WTS	3,449,746	34.5800	3,419,130	34.2731	(30,615)	(0.9%)	(1.2%)
157	Bundled Direct Purchase Impact WTS						(2.2%)	(7.9%)
158	Total Bill - Bundled Direct Purchase DTS	3,154,749	31.6230	3,764,723	37.7373	609,974	19.3%	28.0%
159	Bundled Direct Purchase Impact DTS						57.0%	657.7%
	Large Rate 170 to Rate E30	Contract Demand 255,089 m^3 Annual Volume 69,832,850 m^3						
160	Delivery Charges	617,886	0.8848	430,175	0.6160	(187,711)	(30.4%)	(30.4%)
161	Federal Carbon Charge	6,836,636	9.7900	6,836,636	9.7900	-	0.0%	0.0%
162	Gas Supply Transportation	1,900,337	2.7213	619,906	0.8877	(1,280,431)	(67.4%)	(67.4%)
163	Gas Supply Commodity	12,806,947	18.3394	14,597,440	20.9034	1,790,492	14.0%	14.0%
164	Total Bill - Sales Service	22,161,806	31.7355	22,484,158	32.1971	322,351	1.5%	2.1%
165	Total Bill - Bundled Direct Purchase WTS	23,952,299	34.2995	23,784,445	34.0591	(167,854)	(0.7%)	(1.0%)
166	Bundled Direct Purchase Impact WTS						(1.8%)	(6.7%)
167	Total Bill - Bundled Direct Purchase DTS	21,887,325	31.3424	22,484,158	32.1971	596,833	2.7%	4.0%
168	Bundled Direct Purchase Impact DTS						8.2%	131.7%
	Average Rate 200 to Rate E62 (1)	Contract Demand 1,252,000 m^3 Annual Volume 140,305,600 m^3						
169	Delivery Charges	5,954,982	4.2443	5,031,288	3.5859	(923,694)		(15.5%)
170	Gas Supply Transportation	5,248,930	3.7411	1,913,909	1.3641	(3,335,021)		(63.5%)
171	Gas Supply Commodity	25,731,108	18.3393	29,328,641	20.9034	3,597,533		14.0%
172	Total Bill - Sales Service	36,935,019	26.3247	36,273,837	25.8534	(661,182)		(1.8%)
173	Total Bill - Bundled Direct Purchase WTS	40,532,552	28.8888	38,886,327	27.7154	(1,646,225)		(4.1%)
174	Bundled Direct Purchase Impact WTS							(14.7%)
175	Total Bill - Bundled Direct Purchase DTS	36,383,682	25.9317	36,273,837	25.8534	(109,845)		(0.3%)
176	Bundled Direct Purchase Impact DTS							(1.6%)

Notes:
(1) Rate 200 customers are not charged the Federal Carbon Charge.
(2) EB-2022-0133, Exhibit D, Tab 1, Appendix A.

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers
Union North Rate Zone

Line No.	Particulars	EB-2022-0133 - Current Approved (2) Total Bill ($)	Unit Rate (cents/m^3)	EB-2022-0200 - 2024 Proposed Total Bill ($)	Unit Rate (cents/m^3)	Total Bill Change ($)	Bill Impact Including Federal Carbon Charge (%)	Bill Impact Excluding Federal Carbon Charge (%)
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)
	Small Rate 01 to Rate E01	Contract Demand 20 m^3 Annual Volume 2,200 m^3						
1	Delivery Charges	517	23.4947	514	23.3561	(3.05)	(0.6%)	(0.6%)
2	Federal Carbon Charge	215	9.7900	215	9.7900	-	0.0%	0.0%
3	Gas Supply Transportation	188	8.5573	41	1.8809	(146.88)	(78.0%)	(78.0%)
4	Gas Supply Commodity	491	22.3151	460	20.9034	(31.06)	(6.3%)	(6.3%)
5	Total Bill - Sales Service	1,411	64.1572	1,230	55.9304	(180.99)	(12.8%)	(3.4%)
6	Total Bill - Bundled Direct Purchase	1,380	62.7454	1,230	55.9304	(150)	(10.9%)	(12.9%)
7	Bundled Direct Purchase Impact						(16.3%)	(21.3%)
	Large Rate 01 to Rate E02	Contract Demand 365 m^3 Annual Volume 40,000 m^3						
8	Delivery Charges	4,238	10.5960	3,775	9.4387	(462.93)	(10.9%)	(10.9%)
9	Federal Carbon Charge	3,916	9.7900	3,916	9.7900	-	0.0%	0.0%
10	Gas Supply Transportation	3,423	8.5573	725	1.8119	(2,698.16)	(78.8%)	(78.8%)
11	Gas Supply Commodity	8,926	22.3151	8,361	20.9034	(564.69)	(6.3%)	(6.3%)
12	Total Bill - Sales Service	20,503	51.2585	16,778	41.9440	(3,725.78)	(18.2%)	(7.8%)
13	Total Bill - Bundled Direct Purchase	19,939	49.8467	16,778	41.9440	(3,161)	(15.9%)	(19.7%)
14	Bundled Direct Purchase Impact						(27.3%)	(41.3%)
	Small Rate 10 to E02	Contract Demand 548 m^3 Annual Volume 60,000 m^3						
15	Delivery Charges	6,143	10.2385	5,507	9.1785	(636.00)	(10.4%)	(10.4%)
16	Federal Carbon Charge	5,874	9.7900	5,874	9.7900	-	0.0%	0.0%
17	Gas Supply Transportation	4,074	6.7895	1,087	1.8119	(2,986.56)	(73.3%)	(73.3%)
18	Gas Supply Commodity	13,389	22.3151	12,542	20.9034	(847.04)	(6.3%)	(6.3%)
19	Total Bill - Sales Service	29,480	49.1331	25,010	41.6838	(4,469.60)	(15.2%)	(7.6%)
20	Total Bill - Bundled Direct Purchase	28,633	47.7214	25,010	41.6838	(3,623)	(12.7%)	(15.9%)
21	Bundled Direct Purchase Impact						(22.5%)	(35.5%)
	Average Rate 10 to E02	Contract Demand 850 m^3 Annual Volume 93,000 m^3						
29	Delivery Charges	8,765	9.4252	8,349	8.9772	(416.62)	(4.8%)	(4.8%)
30	Federal Carbon Charge	9,105	9.7900	9,105	9.7900	-	0.0%	0.0%
31	Gas Supply Transportation	6,314	6.7895	1,685	1.8119	(4,629.17)	(73.3%)	(73.3%)
32	Gas Supply Commodity	20,753	22.3151	19,440	20.9034	(1,312.91)	(6.3%)	(6.3%)
33	Total Bill	44,937	48.3198	38,579	41.4825	(6,358.70)	(14.2%)	(5.9%)
34	Sales Service Impact	43,624	46.9081	38,579	41.4825	(5,046)	(11.6%)	(14.6%)
35	Bundled-T (Direct Purchase) Impact						(17.7%)	(29.4%)
	Large Rate 10 to E02	Contract Demand 2,285 m^3 Annual Volume 250,000 m^3						
22	Delivery Charges	20,397	8.1587	21,868	8.7473	1,471.44	7.2%	7.2%
23	Federal Carbon Charge	24,475	9.7900	24,475	9.7900	-	0.0%	0.0%
24	Gas Supply Transportation	16,974	6.7895	4,530	1.8119	(12,444.00)	(73.3%)	(73.3%)
25	Gas Supply Commodity	55,788	22.3151	52,259	20.9034	(3,529.31)	(6.3%)	(6.3%)
26	Total Bill	117,633	47.0533	103,131	41.2526	(14,501.87)	(12.3%)	(2.7%)
27	Sales Service Impact	114,104	45.6416	103,131	41.2526	(10,973)	(9.6%)	(12.2%)
28	Bundled-T (Direct Purchase) Impact						(17.7%)	(29.4%)
	Small Rate 20 to E10	Contract Demand 14,000 m^3 Annual Volume 3,000,000 m^3						
36	Delivery Charges	95,251	3.1750	119,556	3.9852	24,305.16	25.5%	25.5%
37	Federal Carbon Charge	293,700	9.7900	293,700	9.7900	-	0.0%	0.0%
38	Gas Supply Transportation	75,893	2.5298	39,855	1.3285	(36,038.00)	(47.5%)	(47.5%)
39	Gas Supply Commodity	650,011	21.6670	627,102	20.9034	(22,908.78)	(3.5%)	(3.5%)
40	Total Bill - Sales Service	1,114,855	37.1618	1,080,213	36.0071	(34,641.62)	(3.1%)	0.2%
41	Total Bill - Bundled Direct Purchase	1,091,946	36.3982	1,080,213	36.0071	(11,733)	(1.1%)	(1.5%)
42	Bundled Direct Purchase Impact						(2.5%)	(6.9%)
	Large Rate 20 to E10	Contract Demand 60,000 m^3 Annual Volume 15,000,000 m^3						
43	Delivery Charges	372,040	2.4803	405,087	2.7006	33,047.16	8.9%	8.9%
44	Federal Carbon Charge	1,468,500	9.7900	1,468,500	9.7900	-	0.0%	0.0%
45	Gas Supply Transportation	325,256	2.1684	199,275	1.3285	(125,980.73)	(38.7%)	(38.7%)
46	Gas Supply Commodity	3,250,054	21.6670	3,135,510	20.9034	(114,543.88)	(3.5%)	(3.5%)
47	Total Bill - Sales Service	5,415,849	36.1057	5,208,372	34.7225	(207,477.45)	(3.8%)	(2.2%)
48	Total Bill - Bundled Direct Purchase	5,301,306	35.3420	5,208,372	34.7225	(92,934)	(1.8%)	(2.4%)
49	Bundled Direct Purchase Impact						(4.3%)	(13.3%)

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers
Union North Rate Zone (Continued)

Line No.	Particulars	EB-2022-0133 - Current Approved (2) Total Bill ($) (a)	Unit Rate (cents/m^3) (b)	EB-2022-0200 - 2024 Proposed Total Bill ($) (c)	Unit Rate (cents/m^3) (d)	Total Bill Change ($) (e) = (c - a)	Bill Impact Including Federal Carbon Charge (%) (f) = (e / a)	Bill Impact Excluding Federal Carbon Charge (%) (g)
	Small Rate 20 to E22	Contract Demand 14,000 m^3 Annual Volume 3,000,000 m^3						
50	Delivery Charges	95,251	3.1750	59,842	1.9947	(35,408.98)	(37.2%)	(37.2%)
51	Federal Carbon Charge	293,700	9.7900	293,700	9.7900	-	0.0%	0.0%
52	Gas Supply Transportation	75,893	2.5298	0	0.0000	(75,893.00)	(100.0%)	(100.0%)
53	Gas Supply Commodity	650,011	21.6670	627,102	20.9034	(22,908.78)	(3.5%)	(3.5%)
54	Total Bill - Sales Service	1,114,855	37.1618	980,644	32.6881	(134,210.76)	(12.0%)	(7.8%)
55	Total Bill - Bundled Direct Purchase	1,091,946	36.3982	980,644	32.6881	(111,302)	(10.2%)	(13.9%)
56	Bundled Direct Purchase Impact						(23.9%)	(65.0%)
	Large Rate 20 to E22	Contract Demand 60,000 m^3 Annual Volume 15,000,000 m^3						
57	Delivery Charges	372,040	2.4803	159,736	1.0649	(212,304.00)	(57.1%)	(57.1%)
58	Federal Carbon Charge	1,468,500	9.7900	1,468,500	9.7900	-	0.0%	0.0%
59	Gas Supply Transportation	325,256	2.1684	0	0.0000	(325,255.73)	(100.0%)	(100.0%)
60	Gas Supply Commodity	3,250,054	21.6670	3,135,510	20.9034	(114,543.88)	(3.5%)	(3.5%)
61	Total Bill - Sales Service	5,415,849	36.1057	4,763,746	31.7583	(652,103.61)	(12.0%)	(9.0%)
62	Total Bill - Bundled Direct Purchase	5,301,306	35.3420	4,763,746	31.7583	(537,560)	(10.1%)	(14.0%)
63	Bundled Direct Purchase Impact						(24.8%)	(77.1%)
	Small Rate 20 to E24	Contract Demand 14,000 m^3 Annual Volume 3,000,000 m^3						
64	Delivery Charges	95,251	3.1750	197,406	6.5802	102,155.57	107.2%	107.2%
65	Federal Carbon Charge	293,700	9.7900	293,700	9.7900	-	0.0%	0.0%
66	Gas Supply Transportation	75,893	2.5298	0	0.0000	(75,893.00)	(100.0%)	(100.0%)
67	Gas Supply Commodity	650,011	21.6670	627,102	20.9034	(22,908.78)	(3.5%)	(3.5%)
68	Total Bill - Sales Service	1,114,855	37.1618	1,118,208	37.2736	3,353.79	0.3%	10.6%
69	Total Bill - Bundled Direct Purchase	1,091,946	36.3982	1,118,208	37.2736	26,263	2.4%	3.3%
70	Bundled Direct Purchase Impact						5.6%	15.3%
	Large Rate 20 to E24	Contract Demand 60,000 m^3 Annual Volume 15,000,000 m^3						
71	Delivery Charges	372,040	2.4803	253,825	1.6922	(118,214.64)	(31.8%)	(31.8%)
72	Federal Carbon Charge	1,468,500	9.7900	1,468,500	9.7900	-	0.0%	0.0%
73	Gas Supply Transportation	325,256	2.1684	0	0.0000	(325,255.73)	(100.0%)	(100.0%)
74	Gas Supply Commodity	3,250,054	21.6670	3,135,510	20.9034	(114,543.88)	(3.5%)	(3.5%)
75	Total Bill - Sales Service	5,415,849	36.1057	4,857,835	32.3856	(558,014.25)	(10.3%)	(6.4%)
76	Total Bill - Bundled Direct Purchase	5,301,306	35.3420	4,857,835	32.3856	(443,470)	(8.4%)	(11.6%)
77	Bundled Direct Purchase Impact						(20.5%)	(63.6%)
	Average Rate 25 to E30	Contract Demand 20,776 m^3 Annual Volume 2,275,000 m^3						
78	Delivery Charges	78,233	3.4388	31,574	1.3879	(46,659)	(59.6%)	(59.6%)
79	Federal Carbon Charge	222,723	9.7900	222,723	9.7900	-	0.0%	0.0%
80	Gas Supply Transportation	25,810	1.1345	20,195	0.8877	(5,615)	(21.8%)	(21.8%)
81	Gas Supply Commodity	497,922	21.8867	475,552	20.9034	(22,370)	(4.5%)	(4.5%)
82	Total Bill - Sales Service	824,687	36.2500	750,044	32.9690	(74,644)	(9.1%)	(12.0%)
83	Total Bill - Bundled Direct Purchase	802,318	35.2667	750,044	32.9690	(52,274)	(6.5%)	(9.0%)
84	Bundled Direct Purchase Impact						(16.0%)	(50.2%)
	Small Rate 100 to E22	Contract Demand 100,000 m^3 Annual Volume 27,000,000 m^3						
85	Delivery Charges	340,126	1.2597	229,860	0.8513	(110,266)	(32.4%)	(32.4%)
86	Federal Carbon Charge	2,643,300	9.7900	2,643,300	9.7900	-	0.0%	0.0%
87	Gas Supply Transportation	1,428,392	5.2903	1,368,551	5.0687	(59,841)	(4.2%)	(4.2%)
88	Gas Supply Commodity	5,850,097	21.6670	5,643,918	20.9034	(206,179)	(3.5%)	(3.5%)
89	Total Bill - Sales Service	10,261,915	38.0071	9,885,629	36.6134	(376,286)	(3.7%)	(5.1%)
90	Total Bill - Bundled Direct Purchase	10,055,736	37.2435	9,885,629	36.6134	(170,107)	(1.7%)	(2.3%)
91	Bundled Direct Purchase Impact						(3.9%)	(9.6%)
92	Total Bill - Unbundled Direct Purchase	9,995,895	37.0218	9,885,629	36.6134	(110,266)	(1.1%)	(1.5%)
93	Unbundled Direct Purchase Impact						(3.7%)	(32.4%)
	Large Rate 100 to E22	Contract Demand 850,000 m^3 Annual Volume 240,000,000 m^3						
94	Delivery Charges	2,776,822	1.1570	1,530,177	0.6376	(1,246,645)	(44.9%)	(44.9%)
95	Federal Carbon Charge	23,496,000	9.7900	23,496,000	9.7900	-	0.0%	0.0%
96	Gas Supply Transportation	12,141,330	5.0589	11,632,682	4.8470	(508,649)	(4.2%)	(4.2%)
97	Gas Supply Commodity	52,000,862	21.6670	50,168,160	20.9034	(1,832,702)	(3.5%)	(3.5%)
98	Total Bill - Sales Service	90,415,015	37.6729	86,827,019	36.1779	(3,587,995)	(4.0%)	(5.6%)
99	Total Bill - Bundled Direct Purchase	88,582,313	36.9093	86,827,019	36.1779	(1,755,293)	(2.0%)	(2.7%)
100	Bundled Direct Purchase Impact						(4.6%)	(11.8%)
101	Total Bill - Unbundled Direct Purchase	88,073,664	36.6974	86,827,019	36.1779	(1,246,645)	(1.4%)	(1.9%)
102	Unbundled Direct Purchase Impact						(4.7%)	(44.9%)

Notes:
(1) Gas Supply charges based on Union North East rate zone.
(2) EB-2022-0133, Exhibit D, Tab 2, Appendix A.

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers
Union South Rate Zone

Line No.	Particulars	EB-2022-0133 - Current Approved (2) Total Bill ($)	Unit Rate (cents/m^3)	EB-2022-0200 - 2024 Proposed Total Bill ($)	Unit Rate (cents/m^3)	Total Bill Change ($)	Bill Impact Including Federal Carbon Charge (%)	Bill Impact Excluding Federal Carbon Charge (%)
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)
	Small Rate M1 to Rate E01	Contract Demand 20m^3 Annual Volume 2,200 m^3						
1	Delivery Charges	433	19.6623	514	23.3561	81	18.8%	18.8%
2	Federal Carbon Charge	215	9.7900	215	9.7900	-	0.0%	0.0%
3	Gas Supply Transportation	0	0.0000	41	1.8809	41	100.0%	100.0%
4	Gas Supply Charges	490	22.2906	460	20.9034	(31)	(6.2%)	(6.2%)
5	Total Bill - Sales Service	1,138	51.7429	1,230	55.9304	92	8.1%	10.0%
6	Total Bill - Bundled Direct Purchase	1,108	50.3557	1,230	55.9304	123	11.1%	13.7%
7	Bundled Direct Purchase Impact						18.9%	28.4%
	Large Rate M1 to Rate E02	Contract Demand 365m^3 Annual Volume 40,000 m^3						
8	Delivery Charges	2,834	7.0851	3,775	9.4387	941	33.2%	33.2%
9	Federal Carbon Charge	3,916	9.7900	3,916	9.7900	-	0.0%	0.0%
10	Gas Supply Transportation	0	0.0000	725	1.8119	725	100.0%	100.0%
11	Gas Supply Charges	8,916	22.2906	8,361	20.9034	(555)	(6.2%)	(6.2%)
12	Total Bill - Sales Service	15,666	39.1657	16,778	41.9440	1,111	7.1%	9.5%
13	Total Bill - Bundled Direct Purchase	15,111	37.7785	16,778	41.9440	1,666	11.0%	14.9%
14	Bundled Direct Purchase Impact						24.7%	58.8%
	Small Rate M2 to Rate E02	Contract Demand 613m^3 Annual Volume 60,000 m^3						
15	Delivery Charges	5,093	8.4889	6,091	10.1525	998	19.6%	19.6%
16	Federal Carbon Charge	5,874	9.7900	5,874	9.7900	-	0.0%	0.0%
17	Gas Supply Transportation	0	0.0000	1,087	1.8119	1,087	100.0%	100.0%
18	Gas Supply Charges	13,374	22.2906	12,542	20.9034	(832)	(6.2%)	(6.2%)
19	Total Bill - Sales Service	24,342	40.5695	25,595	42.6578	1,253	5.1%	6.8%
20	Total Bill - Bundled Direct Purchase	23,509	39.1823	25,595	42.6578	2,085	8.9%	11.8%
21	Bundled Direct Purchase Impact						19.0%	40.9%
	Average Rate M2 to Rate E02	Contract Demand 746m^3 Annual Volume 73,000 m^3						
29	Delivery Charges	5,351	7.3300	7,338	10.0514	1,987	37.1%	37.1%
30	Federal Carbon Charge	7,147	9.7900	7,147	9.7900	-	0.0%	0.0%
31	Gas Supply Transportation	0	0.0000	1,323	1.8119	1,323	100.0%	100.0%
32	Gas Supply Charges	16,272	22.2906	15,259	20.9034	(1,013)	(6.2%)	(6.2%)
33	Total Bill - Sales Service	28,770	39.4107	31,066	42.5567	2,297	8.0%	10.6%
34	Total Bill - Bundled Direct Purchase	27,757	38.0234	31,066	42.5567	3,309	11.9%	16.1%
35	Bundled Direct Purchase Impact						26.5%	61.8%
	Large Rate M2 to Rate E02	Contract Demand 2,556m^3 Annual Volume 250,000 m^3						
22	Delivery Charges	17,465	6.9862	24,303	9.7213	6,838	39.1%	39.1%
23	Federal Carbon Charge	24,475	9.7900	24,475	9.7900	-	0.0%	0.0%
24	Gas Supply Transportation	0	0.0000	4,530	1.8119	4,530	100.0%	100.0%
25	Gas Supply Charges	55,727	22.2906	52,259	20.9034	(3,468)	(6.2%)	(6.2%)
26	Total Bill - Sales Service	97,667	39.0668	105,566	42.2266	7,899	8.1%	10.8%
27	Total Bill - Bundled Direct Purchase	94,199	37.6796	105,566	42.2266	11,367	12.1%	16.3%
28	Bundled Direct Purchase Impact						27.1%	65.1%
	Small Rate M4 to Rate E10	Contract Demand 4,800m^3 Annual Volume 875,000 m^3						
36	Delivery Charges	57,891	6.6161	44,421	5.0766	(13,471)	(23.3%)	(23.3%)
37	Federal Carbon Charge	85,663	9.7900	85,663	9.7900	-	0.0%	0.0%
38	Gas Supply Transportation	0	0.0000	11,624	1.3285	11,624	100.0%	100.0%
39	Gas Supply Charges	195,043	22.2906	182,905	20.9034	(12,138)	(6.2%)	(6.2%)
40	Total Bill - Sales Service	338,597	38.6968	324,612	37.0985	(13,985)	(4.1%)	(5.5%)
41	Total Bill - Bundled Direct Purchase	326,459	37.3095	324,612	37.0985	(1,846)	(0.6%)	(0.8%)
42	Bundled Direct Purchase Impact						(1.3%)	(3.2%)
	Large Rate M4 to Rate E10	Contract Demand 50,000m^3 Annual Volume 12,000,000 m^3						
43	Delivery Charges	468,572	3.9048	344,798	2.8733	(123,774)	(26.4%)	(26.4%)
44	Federal Carbon Charge	1,174,800	9.7900	1,174,800	9.7900	-	0.0%	0.0%
45	Gas Supply Transportation	-	0.0000	159,420	1.3285	159,420	100.0%	100.0%
46	Gas Supply Charges	2,674,877	22.2906	2,508,408	20.9034	(166,469)	(6.2%)	(6.2%)
47	Total Bill - Sales Service	4,318,248	35.9854	4,187,426	34.8952	(130,823)	(3.0%)	(4.2%)
48	Total Bill - Bundled Direct Purchase	4,151,780	34.5982	4,187,426	34.8952	35,646	0.9%	1.2%
49	Bundled Direct Purchase Impact						2.2%	7.6%

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers
Union South Rate Zone (Continued)

Line No.	Particulars	EB-2022-0133 - Current Approved (2) Total Bill ($) (a)	Unit Rate (cents/m^3) (b)	EB-2022-0200 - 2024 Proposed Total Bill ($) (c)	Unit Rate (cents/m^3) (d)	Total Bill Change ($) (e) = (c - a)	Bill Impact Including Federal Carbon Charge (%) (f) = (e / a)	Bill Impact Excluding Federal Carbon Charge (%) (g)
	Small Rate M5 to Rate E30	Contract Demand 7,500m^3 Annual Volume 825,000 m^3						
50	Delivery Charges	38,793	4.7022	15,242	1.8475	(23,551)	(60.7%)	(60.7%)
51	Federal Carbon Charge	80,768	9.7900	80,768	9.7900	-	0.0%	0.0%
52	Gas Supply Transportation	-	0.0000	7,324	0.8877	7,324	100.0%	100.0%
53	Gas Supply Charges	183,898	22.2906	172,453	20.9034	(11,445)	(6.2%)	(6.2%)
54	Total Bill - Sales Service	303,458	36.7828	275,786	33.4286	(27,672)	(9.1%)	(12.4%)
55	Total Bill - Bundled Direct Purchase	292,013	35.3956	275,786	33.4286	(16,227)	(5.6%)	(7.7%)
56	Bundled Direct Purchase Impact						(13.6%)	(41.8%)
	Large Rate M5 to Rate E30	Contract Demand 70,000m^3 Annual Volume 6,500,000 m^3						
57	Delivery Charges	227,250	3.4961	88,962	1.3686	(138,288)	(60.9%)	(60.9%)
58	Federal Carbon Charge	636,350	9.7900	636,350	9.7900	-	0.0%	0.0%
59	Gas Supply Transportation	-	0.0000	57,701	0.8877	57,701	100.0%	100.0%
60	Gas Supply Charges	1,448,892	22.2906	1,358,721	20.9034	(90,171)	(6.2%)	(6.2%)
61	Total Bill - Sales Service	2,312,491	35.5768	2,141,734	32.9497	(170,758)	(7.4%)	(10.2%)
62	Total Bill - Bundled Direct Purchase	2,222,321	34.1895	2,141,734	32.9497	(80,587)	(3.6%)	(5.1%)
63	Bundled Direct Purchase Impact						(9.3%)	(35.5%)
	Small Rate M7 to Rate E10	Contract Demand 165,000m^3 Annual Volume 36,000,000 m^3						
64	Delivery Charges	842,327	2.3398	1,003,065	2.7863	160,738	19.1%	19.1%
65	Federal Carbon Charge	3,524,400	9.7900	3,524,400	9.7900	-	0.0%	0.0%
66	Gas Supply Transportation	-	0.0000	478,260	1.3285	478,260	100.0%	100.0%
67	Gas Supply Charges	8,024,630	22.2906	7,525,224	20.9034	(499,406)	(6.2%)	(6.2%)
68	Total Bill - Sales Service	12,391,357	34.4204	12,530,949	34.8082	139,592	1.1%	1.6%
69	Total Bill - Bundled Direct Purchase	11,891,951	33.0332	12,530,949	34.8082	638,998	5.4%	7.6%
70	Bundled Direct Purchase Impact						14.6%	75.9%
	Large Rate M7 to Rate E10	Contract Demand 720,000m^3 Annual Volume 52,000,000 m^3						
71	Delivery Charges	3,183,889	6.1229	3,846,603	7.3973	662,714	20.8%	20.8%
72	Federal Carbon Charge	5,090,800	9.7900	5,090,800	9.7900	-	0.0%	0.0%
73	Gas Supply Transportation	-	0.0000	690,820	1.3285	690,820	100.0%	100.0%
74	Gas Supply Charges	11,591,133	22.2906	10,869,768	20.9034	(721,365)	(6.2%)	(6.2%)
75	Total Bill - Sales Service	19,865,821	38.2035	20,497,991	39.4192	632,170	3.2%	4.3%
76	Total Bill - Bundled Direct Purchase	19,144,457	36.8163	20,497,991	39.4192	1,353,534	7.1%	9.6%
77	Bundled Direct Purchase Impact						16.4%	42.5%
	Small Rate M9 to Rate E62 (1)	Contract Demand 56,439m^3 Annual Volume 6,950,000 m^3						
78	Delivery Charges	206,517	2.9715	235,101	3.3828	28,584		13.8%
80	Gas Supply Transportation	-	0.0000	94,805	1.3641	94,805		100.0%
79	Gas Supply Charges	1,549,199	22.2906	1,452,786	20.9034	(96,413)		(6.2%)
81	Total Bill - Sales Service	1,755,717	25.2621	1,782,692	25.6503	26,976		1.5%
82	Total Bill - Bundled Direct Purchase	1,659,303	23.8749	1,782,692	25.6503	123,389		7.4%
83	Bundled Direct Purchase Impact							59.7%
	Large Rate M9 to Rate E62 (1)	Contract Demand 168,100m^3 Annual Volume 20,178,000 m^3						
84	Delivery Charges	613,438	3.0401	686,595	3.4027	73,158		11.9%
86	Gas Supply Transportation	-	0.0000	275,248	1.3641	275,248		100.0%
85	Gas Supply Charges	4,497,805	22.2906	4,217,888	20.9034	(279,917)		(6.2%)
87	Total Bill - Sales Service	5,111,243	25.3308	5,179,732	25.6702	68,489		0.0%
88	Total Bill - Bundled Direct Purchase	4,831,326	23.9435	5,179,732	25.6702	348,406		7.2%
89	Bundled Direct Purchase Impact							56.8%
	Small Rate T1 to Rate E20	Contract Demand 25,750m^3 Annual Volume 7,537,000 m^3						
90	Delivery Charges	175,282	2.3256	168,736	2.2388	(6,546)	(3.7%)	(3.7%)
91	Federal Carbon Charge	737,872	9.7900	737,872	9.7900	-	0.0%	0.0%
92	Gas Supply Charges	1,680,046	22.2906	1,575,489	20.9034	(104,556)	(6.2%)	(6.2%)
93	Total Bill - Sales Service	2,593,199	34.4063	2,482,097	32.9322	(111,102)	(4.3%)	(6.0%)
94	Total Bill - Bundled Direct Purchase	2,488,643	33.0190	2,482,097	32.9322	(6,546)	(0.3%)	(0.4%)
95	Bundled Direct Purchase Impact						(0.7%)	(3.7%)
	Average Rate T1 to Rate E20	Contract Demand 48,750m^3 Annual Volume 11,565,938 m^3						
96	Delivery Charges	272,638	2.3572	254,772	2.2028	(17,865)	(6.6%)	(6.6%)
97	Federal Carbon Charge	1,132,305	9.7900	1,132,305	9.7900	-	0.0%	0.0%
98	Gas Supply Charges	2,578,122	22.2906	2,417,674	20.9034	(160,447)	(6.2%)	(6.2%)
99	Total Bill - Sales Service	3,983,064	34.4379	3,804,752	32.8962	(178,312)	(4.5%)	(6.3%)
100	Total Bill - Bundled Direct Purchase	3,822,617	33.0506	3,804,752	32.8962	(17,865)	(0.5%)	(0.7%)
101	Bundled Direct Purchase Impact						(1.3%)	(6.6%)

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers
Union South Rate Zone (Continued)

Line No.	Particulars	EB-2022-0133 - Current Approved (2) Total Bill ($)	Unit Rate (cents/m³)	EB-2022-0200 - 2024 Proposed Total Bill ($)	Unit Rate (cents/m³)	Total Bill Change ($)	Bill Impact Including Federal Carbon Charge (%)	Excluding Federal Carbon Charge (%)
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)
	Large Rate T1 to Rate E20	Annual Volume 25,624,080 m³						
102	Delivery Charges	614,548	2.3983	543,143	2.1197	(71,406)	(11.6%)	(11.6%)
103	Federal Carbon Charge	2,508,597	9.7900	2,508,597	9.7900	-	0.0%	0.0%
104	Gas Supply Charges	5,711,771	22.2906	5,356,304	20.9034	(355,467)	(6.2%)	(6.2%)
105	Total Bill - Sales Service	8,834,917	34.4790	8,408,044	32.8131	(426,873)	(4.8%)	(6.7%)
106	Total Bill - Bundled Direct Purchase	8,479,450	33.0917	8,408,044	32.8131	(71,406)	(0.8%)	(1.2%)
107	Bundled Direct Purchase Impact						(2.3%)	(11.6%)
	Small Rate T2 to Rate E20	Contract Demand 190,000m³ Annual Volume 59,256,000 m³						
108	Delivery Charges	777,629	1.3123	718,010	1.2117	(59,619)	(7.7%)	(7.7%)
109	Federal Carbon Charge	5,801,162	9.7900	5,801,162	9.7900	-	0.0%	0.0%
110	Gas Supply Charges	13,208,541	22.2906	12,386,519	20.9034	(822,023)	(6.2%)	(6.2%)
111	Total Bill - Sales Service	19,787,332	33.3930	18,905,691	31.9051	(881,641)	(4.5%)	(6.3%)
112	Total Bill - Bundled Direct Purchase	18,965,310	32.0057	18,905,691	31.9051	(59,619)	(0.3%)	(0.5%)
113	Bundled Direct Purchase Impact						(0.9%)	(7.7%)
	Average Rate T2 to Rate E20	Contract Demand 669,000m³ Annual Volume 197,789,850 m³						
114	Delivery Charges	1,901,634	0.9614	2,082,788	1.0530	181,154	9.5%	9.5%
115	Federal Carbon Charge	19,363,626	9.7900	19,363,626	9.7900	-	0.0%	0.0%
116	Gas Supply Charges	44,088,623	22.2906	41,344,804	20.9034	(2,743,819)	(6.2%)	(6.2%)
117	Total Bill - Sales Service	65,353,883	33.0421	62,791,218	31.7464	(2,562,665)	(3.9%)	(5.6%)
118	Total Bill - Bundled Direct Purchase	62,610,064	31.6548	62,791,218	31.7464	181,154	0.3%	0.4%
119	Bundled Direct Purchase Impact						0.9%	9.5%
	Large Rate T2 to Rate E20	Contract Demand 1,200,000m³ Annual Volume 370,089,000 m³						
120	Delivery Charges	3,156,032	0.8528	3,598,366	0.9723	442,334	14.0%	14.0%
121	Federal Carbon Charge	36,231,713	9.7900	36,231,713	9.7900	-	0.0%	0.0%
122	Gas Supply Charges	82,495,205	22.2906	77,361,184	20.9034	(5,134,021)	(6.2%)	(6.2%)
123	Total Bill - Sales Service	121,882,950	32.9334	117,191,263	31.6657	(4,691,687)	(3.8%)	(5.5%)
124	Total Bill - Bundled Direct Purchase	116,748,929	31.5462	117,191,263	31.6657	442,334	0.4%	0.5%
125	Bundled Direct Purchase Impact						1.1%	14.0%
	Small Rate T2 to Rate E24	Contract Demand 190,000m³ Annual Volume 59,256,000 m³						
126	Delivery Charges	777,629	1.3123	491,492	0.8294	(286,137)	(36.8%)	(36.8%)
127	Federal Carbon Charge	5,801,162	9.7900	5,801,162	9.7900	-	0.0%	0.0%
128	Gas Supply Charges	13,208,541	22.2906	12,386,519	20.9034	(822,023)	(6.2%)	(6.2%)
129	Total Bill - Sales Service	19,787,332	33.3930	18,679,173	31.5228	(1,108,160)	(5.6%)	(7.9%)
130	Total Bill - Bundled Direct Purchase	18,965,310	32.0057	18,679,173	31.5228	(286,137)	(1.5%)	(2.2%)
131	Bundled Direct Purchase Impact						(4.3%)	(36.8%)
	Average Rate T2 to Rate E24	Contract Demand 669,000m³ Annual Volume 197,789,850 m³						
132	Delivery Charges	1,901,634	0.9614	1,274,296	0.6443	(627,338)	(33.0%)	(33.0%)
133	Federal Carbon Charge	19,363,626	9.7900	19,363,626	9.7900	-	0.0%	0.0%
134	Gas Supply Charges	44,088,623	22.2906	41,344,804	20.9034	(2,743,819)	(6.2%)	(6.2%)
135	Total Bill - Sales Service	65,353,883	33.0421	61,982,726	31.3377	(3,371,157)	(5.2%)	(7.3%)
136	Total Bill - Bundled Direct Purchase	62,610,064	31.6548	61,982,726	31.3377	(627,338)	(1.0%)	(1.5%)
137	Bundled Direct Purchase Impact						(3.0%)	(33.0%)
	Large Rate T2 to Rate E24	Contract Demand 1,200,000m³ Annual Volume 370,089,000 m³						
138	Delivery Charges	3,156,032	0.8528	2,144,722	0.5795	(1,011,310)	(32.0%)	(32.0%)
139	Federal Carbon Charge	36,231,713	9.7900	36,231,713	9.7900	-	0.0%	0.0%
140	Gas Supply Charges	82,495,205	22.2906	77,361,184	20.9034	(5,134,021)	(6.2%)	(6.2%)
141	Total Bill - Sales Service	121,882,950	32.9334	115,737,619	31.2729	(6,145,331)	(5.0%)	(7.2%)
142	Total Bill - Bundled Direct Purchase	116,748,929	31.5462	115,737,619	31.2729	(1,011,310)	(0.9%)	(1.3%)
143	Bundled Direct Purchase Impact						(2.6%)	(32.0%)
	Large Rate T3 to Rate E64 (1)	Contract Demand 2,350,000m³ Annual Volume 272,712,000 m³						
144	Delivery Charges	6,375,944	2.3380	7,549,407	2.7683	1,173,463		18.4%
145	Gas Supply Charges	60,789,249	22.2906	57,006,080	20.9034	(3,783,169)		(6.2%)
146	Total Bill - Sales Service	67,165,193	24.6286	64,555,487	23.6717	(2,609,706)		(3.9%)
147	Total Bill - Bundled Direct Purchase	63,382,025	23.2414	64,555,487	23.6717	1,173,463		1.9%
148	Bundled Direct Purchase Impact							18.4%

Notes:
(1) Rate M9 and Rate T3 customers are not charged the Federal Carbon Charge.
(2) EB-2022-0133, Exhibit D, Tab 2, Appendix A.

Storage and Transportation (S&T) Margin Summary

Line No.	Particulars ($000s)	Total Revenue (1) (a)	Allocated Costs (1) (b)	Total Margin (1) (c) = (a - b)
	Firm Transportation Charges			
1	Rate E70 - Corunna (ANR) to Dawn	169	6	163
2	Rate E70 - St. Clair & Ojibway to Dawn	806	-	806
3	Rate E70 - Dawn to Dawn-Vector	39	-	39
4	Rate E70 - Dawn to Dawn-TCPL	159	-	159
5	Rate E80 - Transmission Commodity Charge	212	-	212
6	Rate E72 - Transportation Demand and Commodity Charges	390	5	385
7	Total Firm Transportation Charges	1,776	11	1,765
8	Short-Term Transportation	12,139	21	12,118
	Other Charges			
9	Monthly Charges			
10	Rate E82	3,561	-	3,561
11	Rate E80	483	2	481
12	Rate E72	40	0	40
13	Rate E60	25	-	25
14	Rate E80 - RNG Sampling Charge	78	-	78
15	Total Other Charges	4,187	2	4,185
16	Non-Utility Cross Charge Revenue	1,718	-	1,718
17	Total S&T Margin (sum lines 7, 8, 16, 17)	19,819	34	19,786

Note:
(1) Attachment 2, pp.5-6, columns (g), (e), and (f), respectively.

Derivation of Rate E70 Dawn Parkway Firm Transportation Demand Charges
Proposed Rate Design Methodology

Line No.	Particulars	Notes	Dawn Parkway Easterly: Dawn to Parkway	Dawn Parkway Easterly: Dawn to Kirkwall	Dawn Parkway Easterly: Kirkwall to Parkway	Total Dawn Parkway	Station Costs: Dawn Station	Station Costs: Parkway Station	Station Costs: Kirkwall Station
			(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Revenue Requirement ($000s)	(1)(2)(3)(4)				64,348	11,687	24,151	1,221
	Allocation Units (GJ)								
2	Easterly Demands	(5)(6)(7)	1,922,374	49,500	383,739	2,355,613			
3	Distance (km)		229	189	40				
4	Distance weighted TJ/km (line 2 x line 3 / 1000)		440,108	9,339	15,453	464,901			
5	Revenue Requirement ($000s) (line 1 allocated using line 4)		60,916	1,293	2,139	64,348			
	Annual Billing Units								
6	Dawn Parkway Easterly Demands (line 2 x 12)		23,068,488	594,000	4,604,866	28,267,354			
7	Station Specific Demands (from line 6)						23,662,488	27,673,354	5,198,866
8	Easterly Dawn Parkway Demand Charge ($/GJ) (line 5 x 1000 / line 6)		2.641	2.176	0.464				
9	Adjusted Westerly Demands Recovered over 100 days	(8)	3,428,884	72,761	120,396	3,622,041	3,830,245	3,622,041	
10	Adjusted Westerly Demands Recovered over 214 days	(9)	347,604	7,376	12,205	367,186			445,559
11	Total Demands (line 6 + line 7 + line 9 + line 10)		26,844,976	674,138	4,737,467	32,256,580	27,492,733	31,295,395	5,644,425
12	Dawn, Parkway and Kirkwall Station Demand Charges ($/GJ) (line 1 x 1000 / line 11)						0.425	0.772	0.216
13	Adjusted Easterly Demand Charge ($/GJ) (line 5 x 1000 / line 11)		2.269						
14	Westerly Revenue Adjustment ($000s) ((line 9 + line 10) x line 13 / 1000)		8,570	182	301				
15	Demand Charges ($/GJ) ((line 5 - line 14) x 1000 / line 6)			1.870	0.399				
	Monthly Demand Charge ($/GJ)								
	Easterly Demand Charge								
16	Dawn Parkway (line 13 or line 15)		2.269	1.870	0.399				
17	Station Charge (line 12)								
18	Dawn Station		0.425	0.425	-				
19	Kirkwall Station		-	0.216	0.216				
20	Parkway Station		0.772	-	0.772				
21	Total Easterly Demand Charge		3.466	2.511	1.387				
22	Westerly Demand Charges (line 21 x 100 / 365; or line 22)		0.950		0.950				
23	Westerly Demand Charge ((lines 16+9) x 214/365 + (line 18) x 100/365)			1.340					

Notes:
(1) Dawn Parkway revenue requirement per Exhibit 7, Tab 2, Schedule 1, Attachment 8, columns (an) and (ap), line 10 + line 16, less F24-T revenue.
(2) Dawn Station revenue requirement per Exhibit 7, Tab 2, Schedule 1, Attachment 8, columns (an) and (ap), line 13.
(3) Kirkwall Station revenue requirement per Exhibit 7, Tab 2, Schedule 1, Attachment 8, columns (an) and (ap), line 14.
(4) Parkway Station revenue requirement per Exhibit 7, Tab 2, Schedule 1, Attachment 8, columns (an) and (ap), line 15.
(5) Dawn to Parkway easterly demands per Attachment 2, p. 4, column (a), line 4 + line 12.
(6) Dawn to Kirkwall easterly demands per Attachment 2, p. 5, column (a), line 6.
(7) Kirkwall to Parkway easterly demands per Attachment 2, p. 5, column (a), line 8.
(8) Parkway to Dawn westerly demands in column (d) per Attachment 2, p. 5, column (a), line 10 + line 12 x 12 / 365 x 100 days.
(9) Kirkwall to Dawn westerly demands in column (d) per Attachment 2, p. 5, column (a), line 11 x 12 / 365 x 214 days, distance weighted.

Derivation of Rate M12/Rate C1 Transportation Demand Charges
Approved Rate Design Methodology

Line No.	Particulars	Notes	Dawn Parkway Easterly: Dawn to Parkway	Dawn Parkway Easterly: Dawn to Kirkwall	Dawn Parkway Easterly: Kirkwall to Parkway	Total Dawn Parkway	Total Dawn Station
			(a)	(b)	(c)	(d)	(e)
1	Revenue Requirement ($000s)	(1)(2)				89,720	11,687
	Allocation Units (GJ)						
2	Easterly Demands (from p.1, line 2)		1,922,374	49,500	383,739	2,355,613	
3	Distance (km)		229	189	40		
4	Distance weighted TJ/km (line 2 x line 3 / 1000)		440,108	9,339	15,453	464,901	
5	Revenue Requirement ($000s) (line 1 allocated using line 4)		84,935	1,802	2,982	89,720	
	Annual Billing Units						
6	Dawn Parkway Easterly Demands (line 2 x 12)		23,068,488	594,000	4,604,866	28,267,354	
7	Station Specific Demands (from line 6)						23,662,488
8	Easterly Dawn Parkway Demand Charge ($/GJ) (line 5 x 1000 / line 6)		3.682	3.034	0.648		
9	Adjusted Westerly Demands Recovered over 100 days (from p.1, line 9)		3,428,884	72,761	120,396	3,622,041	3,622,041
10	Adjusted Westerly Demands Recovered over 214 days (from p.1, line 10)		347,604	7,376	12,205	367,186	445,559
11	Total Demands (line 6 + line 7 + line 9 + line 10)		26,844,976	674,138	4,737,467	32,256,580	27,730,087
12	Dawn Station Demand Charges ($/GJ) (line 1 x 1000 / line 11)						0.421
13	Adjusted Dawn to Parkway Easterly Demand Charge ($/GJ) (line 5 / line 9)		3.164				
14	Westerly Revenue Adjustment ($000s) ((line 9 + line 10) x line 13 / 1000)		11,948	254	420		
15	Demand Charges ($/GJ) ((line 5 - line 14) x 1000 / line 6)			2.607	0.557		
	Monthly Demand Charge ($/GJ)						
	Easterly Demand Charge						
16	Dawn Parkway (line 13 or line 15)		3.164	2.607	0.557		
17	Dawn Station (line 12)		0.421	0.421	-		
18	Total Easterly Demand Charge (lines 16+17)		3.585	3.029	0.557		
19	Westerly Demand Charge (line 18 x 100 / 365, or line 19)		0.982		0.982		
20	Westerly Demand Charge (line 18 x 214 / 365)			1.776			

Notes:
(1) Dawn Parkway revenue requirement includes Dawn Parkway, Kirkwall Station and Parkway Station. Total revenue requirement from p.1, line 1.
(2) Dawn Station includes measuring and regulating costs as proposed at Exhibit 7, Tab 1, Schedule 4. Dawn Station revenue requirement from p. 1, line 1.

Derivation of Rate E70-X and F24-T Firm Transportation Demand Charges

Line No.	Particulars ($/GJ)	Rate E70 Charges (a)
	Rate E70-X Monthly Firm Demand Charge	
1	Rate E70 Dawn to Parkway Firm Demand Charge (from p.1, column (a), line 21)	3.466
2	Rate E70 Parkway to Dawn Firm Demand Charge (from p.1, column (a), line 22)	0.950
3	E70-X Firm Demand Charge (line 1 + line 2)	4.416
	F24-T Firm All Day Demand Charge	
	Revenue Requirement	
4	Operating & Maintenance Costs ($000s) (1)	374
5	F24-T Demand (GJ/d) (2)	611,710
6	F24-T Firm Demand Charge (line 5 x 1000 / (line 6 x 12))	0.051

Notes:
(1) Assumes two full time staff and $100,000 in additional compressor fuel and maintenance costs.
(2) Attachment 2, p.5, column (a), line 5 + line 7 + line 17.

Derivation of Rate E70 Long-Term Firm Transportation Demand Charges

Line No.	Particulars	Rate E70 Charges (a)
	Rate E70 - St. Clair, Bluewater, Ojibway and Dawn Demand Rate	
	Panhandle/St. Clair Revenue Requirement ($000s) (1)	
1	Total Rate Base	704,215
2	Return on Rate Base	41,369
3	Operating and Maintenance Costs	13,711
4	Depreciation	20,356
5	Taxes	8,726
6	Total Revenue Requirement (sum of lines 2 to 5)	84,162
7	Maximum Day Demand (GJ) (2)	1,056,228
8	From Dawn to St. Clair, Bluewater and Ojibway Demand Charge ($/GJ/mo) (line 6 x 1000 / (line 7 x12))	6.640
9	To Dawn from St. Clair, Bluewater and Ojibway Demand Charge ($/GJ/mo) (line 8 x 100/365)	1.819
	Rate E70 - Dawn to Dawn-Vector and Dawn to Dawn-TCPL Demand Charge	
10	Dawn Compression Revenue Requirement ($000s) (3)	1,227
11	Maximum Day Demand (GJ) (2)	1,056,228
12	Monthly Demand per Unit ($/GJ) (line 10 x 1000 / (line 11 x 12))	0.097
13	Dawn to Dawn-Vector Demand Charge ($/GJ/mo) (line 12 x 60/365)	0.016
14	Dawn to Dawn-TCPL Demand Charge ($/GJ/mo) (line 12 x 90/365)	0.024

Notes:
(1) Exhibit 7, Tab 3, Schedule 1, Attachment 1, p. 4, column (g).
(2) Panhandle System and St. Clair System maximum design capacity.
(3) Dawn transmission compression-related costs related to the Panhandle transmission system.

Derivation of Rate E80 Charges

Line No.	Particulars	Rate E80 Charges (a)
	Monthly Fixed Charges	
	Typical Producer Station	
1	Operating and Maintenance Costs ($000s) (1)	372
2	Number of Typical Customer Stations (2)	66
3	Monthly Fixed Charge Per Typical Customer Station ($/mo) (line 1 / line 2 x 12 x 1000)	$ 469.19
	Large Producer Station	
4	Operating and Maintenance Costs ($000s) (3)	111
5	Number of Large Customer Stations	9
6	Monthly Fixed Charge Per Large Customer Station ($/mo) (line 4 / line 5 x 12 x 1000)	$ 1,061.58
	RNG Sampling Charge	
7	Operating and Maintenance Costs ($000s) (4)	78
8	Number of RNG Sampling Tests	8
9	RNG Sampling Charge ($/test) (line 7 / line 8 x 1000)	$ 10,000.00
	Rate E80/Rate E72 Transmission Commodity Charge	
10	Dawn to Parkway Easterly Demand Charge ($/GJ/mo) (5)	3.466
11	Parkway Station Demand Charge ($/GJ/mo) (6)	0.772
12	Dawn to Parkway Demand Charge less Parkway Station ($/GJ/mo) (lines 10 - 11)	2.694
13	Rate E80/Rate E72 Transmission Commodity Charge ($/GJ) (line 13 x 12/365 x 50%)	0.044

Notes:
(1) Operating and maintenance costs of typical producer stations.
(2) Typical customer station count includes gas purchase agreement stations.
(3) Operating and maintenance costs of large producer stations.
(4) Operating and maintenance costs of RNG sampling at $10,000/test.
(5) Attachment 12, p.1, column (a), line 21.
(6) Ibid, line 20.

Derivation of Rate E72 Charges

Line No.	Particulars	Rate E72 Charges (a)
	Monthly Fixed Charge	
1	Revenue Requirement ($000s) (1)	40
2	Number of Customer Stations	2
3	Monthly Fixed Charge Per Customer Station ($/mo) (line 1 / (line 2 x 12) x 1000)	$ 1,669.10
	East of Dawn Demand Charge	
4	Dawn-Parkway Easterly Demand Charge ($/GJ) (2)	3.466
5	Distance - Dawn to Stratford lateral (km)	121.45
6	Distance - Dawn to Parkway (km)	228.94
7	Distance adjusted Dawn to Parkway Demand Charge ($/GJ) (line 4 x (line 5 / line 6))	1.839
8	East of Dawn Demand Charge - Adjusted for Easterly Flow ($/GJ) (line 7 x 214 / 365)	1.078

Notes:
(1) Revenue requirement of Rate E72 stations (previously Rate M16).
(2) Attachment 12, p.1, column (a), line 21.

Derivation of Rate E60/Rate E70 Wholesale Transportation Charges

Line No.	Particulars	Wholesale Transportation Charges (a)
	Rate E60	
	Monthly Fixed Charge	
1	Operating and Maintenance Costs ($000s) (1)	25
2	Monthly Fixed Charge per Station ($/mo) (line 1 / 12)	$ 2,112.14
	Transportation Demand Charge	
3	Storage Deliverability Demand costs ($000s) (2)	1
4	Distribution Demand costs ($000s) (3)	269
5	Total Demand costs ($000s) (line 3 + line 4)	271
6	Annual demands (GJ) (4)	106,356
7	Transportation Demand Charge ($/GJ) (line 5 x 1000 / line 6)	2.544
	Rate E70 - Owen Sound Line Demand Charges	
	Dawn to Owen Sound Line Demand Charge	
8	Transmission Demand costs ($000s) (5)	228
9	Annual demands (GJ) (4)	106,356
10	Total Dawn to Owen Sound Line Demand Charge ($/GJ/mo) (line 8 / line 9 x 1000)	2.140
	Parkway/Kirkwall to Owen Sound Line or Dawn Demand Charge	
11	Rate M12/C1 Westerly Parkway to Dawn firm demand charge ($/GJ) (6)	0.950
12	Total Parkway/Kirkwall to Owen Sound Line Demand Charge ($/GJ/mo) (line 10)	0.950

Notes:
(1) Operating and maintenance costs for Rate E60 station (previously Rate M17).
(2) Exhibit 7, Tab 2, Schedule 1, Attachment 8, column (as), line 10.
(3) Ibid, line 21.
(4) Attachment 2, p.5, column (a), line 2 x 12 months.
(5) Exhibit 7, Tab 2, Schedule 1, Attachment 8, column (as), line 13 + line 16.
(6) Attachment 12, column (a), p. 1, line 22.

Calculation of Non-Utility Cross Charge Revenue
Current Approved Revenue

Line No.	Particulars	Forecast	Unit Rate (1)	Costs
		(a)	(b)	(c)
	Heritage Pool Transportation Charges (GJ; $/GJ)			
1	Transmission commodity charge to Dawn	738,612	0.038	28,067
2	Fuel & UFG to Dawn	738,612	0.009	6,648
3	Fuel & UFG to Pool	738,612	0.026	19,204
4	Total Heritage Pool			53,919
	Tipperary Pool Transportation Charges (GJ; $/GJ)			
5	Transmission commodity charge to Dawn	418,156	0.038	15,890
6	Fuel & UFG to Dawn	418,156	0.009	3,763
7	Fuel & UFG to Pool	418,156	0.011	4,600
8	Total Tipperary Pool			24,253
	Dow Moore Pool Storage Charges (10^3m^3; $/$10^3m^3$)			
9	Annual turnover volume	162,000	0.2265	440,257
10	Maximum daily withdrawal volume	2,835	24.9285	848,069
11	Commodity charge	324,000	1.0641	344,755
12	Operating charges (mo; $/mo) (2)	12	$ 29,117	349,400
13	Total			1,982,481
14	Unregulated allocation			30.0%
15	Total Dow Moore Pool			594,744
	Black Creek Pool Storage Charges (10^3m^3; $/$10^3m^3$)			
16	Annual turnover volume	28,300	0.4404	149,561
17	Maximum daily withdrawal volume	283	48.7102	165,420
18	Commodity charge	56,600	1.2765	72,252
19	Total			387,233
20	Unregulated allocation			42.4%
21	Total Black Creek Pool			164,049
	Storage System Integrity (3)			
22	OBA/LBA			48,080
23	UFG			82,978
24	Hysteresis			228,916
25	Total Long-Term Storage System Integrity			359,974
26	Total Non-Utility Cross Charge			1,196,940

Notes:

(1) EB-2022-0133, 2023 Rates at April 2022 QRAM. Unit rates for Heritage and Tipperary Pool transportation using Rate M16 unit rates and unit rates for Dow Moore and Black Creek pool storage using Rate 325 unit rates.

(2) Monthly operating charge per agreement between EGD and Union.

(3) Storage System Integrity relates to the short-term excess utility storage and long-term storage allocation of storage system integrity per Union's 2013 Cost Allocation Study.

Calculation of Non-Utility Cross Charge Revenue
Proposed Revenue

Line No	Particulars (GJ; $/GJ)	Forecast (GJ)	Unit Rate (1) ($/GJ)	Costs ($)
		(a)	(b)	(c)
	Heritage Pool Transportation Charges (1)			
1	Transmission commodity charge to Dawn	738,612	0.044	32,713
2	Fuel & UFG to Dawn	738,612	0.026	18,973
3	Fuel & UFG to Pool	738,612	0.056	41,076
4	Total Heritage Pool			92,761
	Tipperary Pool Transportation Charges (1)			
5	Transmission commodity charge to Dawn	418,156	0.044	18,520
6	Fuel & UFG to Dawn	418,156	0.026	10,741
7	Fuel & UFG to Pool	418,156	0.026	10,741
8	Total Tipperary Pool			40,002
	Dow Moore Pool Storage Charges (2)			
9	Storage space	6,330,960	0.009	690,499
10	Storage deliverability	110,792	0.967	1,286,008
11	Commodity charge	12,661,920	0.044	560,464
12	Total			2,536,972
13	Unregulated allocation			40.1%
14	Total Dow Moore Pool			1,016,908
	Black Creek Pool Storage Charges (2)			
15	Storage space	1,105,964	0.009	120,624
16	Storage deliverability	11,060	0.967	128,374
17	Commodity charge	2,211,928	0.044	97,908
18	Total			346,907
19	Unregulated allocation			40.1%
20	Total Black Creek Pool			139,052
	Long-Term Storage Operational Contingency (3)			
21	OBA/LBA	210,444	0.458	96,457
22	Hysteresis	726,146	0.458	332,830
23	Total Long-Term Storage Operational Contingency			429,287
24	Total Non-Utility Cross Charge			1,718,011

Notes:

(1) Unit rates for Heritage and Tipperary Pool transportation per Rate E72 charges provided at Attachment 2, p.6, column (h), lines 28, 31 and 32, and lines 28, 37 and 38, respectively.

(2) Unit rates for Dow Moore and Black Creek pool storage space and deliverability calculated as the capital component of storage space and deliverability demand charges provided at Attachment 5. Dow Moore and Black Creek pool storage unit rate charge for commodity per Attachment 5, line 10.

(3) Long-term storage operational contingency per the 2024 Cost Allocation Study.

UNIFORM RESIDENTIAL DSM UNIT RATES

AMY MIKHAILA, MANAGER RATE DESIGN

JACKIE COLLIER, SPECIALIST RATE DESIGN

1. The purpose of this evidence is to request OEB approval of the proposed uniform residential DSM unit rates effective January 1, 2024. The Company is proposing a uniform residential DSM unit rate in response to the OEB's Decision and Order on the Application for Multi-Year Natural Gas Demand Side Management Plan (DSM Plan) Draft Rate Order.[1]

2. The uniform residential DSM unit rate proposal is applicable to customers in the current rate classes effective January 1, 2024. Enbridge Gas's proposal to harmonize general service customers into two new rate classes, Rate E01 and Rate E02, beginning April 1, 2025, will result in the vast majority of residential customers taking service under the same rate class (Rate E01), as provided at Exhibit 8, Tab 2, Schedule 3. As a result, residential customers will pay a uniform residential DSM unit rate under the rate design proposal for the harmonized rate classes.

3. In order to implement by January 1, 2024, the uniform residential DSM unit rate proposal is also limited to existing rate classes and current rate design. Any proposed changes to the current rate classes and rate design would require additional time to implement changes to internal and customer-facing business applications, processes, and to provide notice to customers of changes to their rates. A description of the proposed implementation plan for harmonized general service rate classes is provided at Exhibit 8, Tab 2, Schedule 1, pages 35 to 37.

[1] EB-2021-0002, Decision and Order, March 2, 2023, p.6.

4. The DSM budget included in the 2024 Test Year Forecast is $175 million. This amount was updated on March 8, 2023, to align with the DSM Plan Decision[2]. Enbridge Gas has not yet updated the DSM budget included in the 2024 Test Year Forecast for the 2024 budgetary inflation factor. The DSM budget as approved by the OEB used a 2% proxy for inflation, as the actual inflation factor based on the Consumer Price Index (CPI) was not available at that time. The CPI[3] for the 2024 DSM budget is estimated to be approximately 6.8%, which will increase the DSM budget by approximately $8 million, to a total of approximately $183 million. This increase to the DSM budget is not reflected in this analysis. Given the increase is based on inflation, the impacts presented in the evidence will increase proportionally by approximately 4.8% (6.8% - 2%). Enbridge Gas will update the DSM budget as part of the draft rate order or as part of an evidence update, as applicable.

5. This evidence is organized as follows:
    1. Background
    2. Current Approved DSM Unit Rate Design
    3. Proposed Rate Design for Uniform Residential DSM Unit Rates
    4. Bill Impacts
    5. Rate Implementation

1. Background

6. On December 16, 2022, Enbridge Gas received a revised OEB Decision and Order on its DSM Plan Application[4]. The OEB ordered Enbridge Gas to file a draft rate order reflecting the OEB's Decision and offered parties the opportunity to provide

[2] EB-2021-0002 Decision and Order, December 16, 2022.
[3] The inflation adjustment calculation uses the Statistics Canada Table: 18-10-0004-01 Consumer Price Index, monthly, and is determined as the average of the annual change in the Consumer Price Index for all months in a calendar year.
[4] EB-2021-0002, Decision and Order, December 16, 2022.

comments. OEB Staff and SEC submitted comments indicating the draft rate order[5] did not address the OEB's Decision and Order with respect to "implement the recovery of DSM costs from residential customers across Ontario on a uniform basis during the term of the DSM plan as soon as practical."[6] In the Company's reply, dated January 24, 2023, Enbridge Gas submitted that the "Rebasing proceeding is in fact the earliest opportunity for such harmonization proposals to be considered by all parties and for consideration by the OEB. More specifically, the rate harmonization plan and rate design proposals in Enbridge Gas's Rebasing proceeding include a proposal to harmonize general service customers into two new rate classes, Rate E01 and Rate E02, beginning April 1, 2025."[7]

7. On March 2, 2023, the OEB issued its Decision and Order on the DSM Plan draft rate order ordering Enbridge Gas to propose a methodology with its 2024 Rebasing Application to recover the approved 2024 residential DSM budget amounts equally through a uniform rate for implementation with final 2024 rates.[8]

2. Current Approved DSM Unit Rate Design

8. The current approved approach for recovering the residential DSM budget is different between the EGD and Union rate zones. For the EGD rate zone, Rate 1 is a residential-only rate class. The current approved rate design for DSM budget costs is recovered from Rate 1 customers in the blocked tier delivery unit rates as a common unit rate. A common DSM unit rate is derived by dividing the Rate 1 DSM budget by the Rate 1 delivery volumes. The common DSM unit rate is added to each

[5] EB-2021-0002, Draft Rate Order, January 12, 2023.
[6] EB-2021-0002, Decision and Order, November 15, 2022, p.32.
[7] EB-2021-0002, Reply Submission of Enbridge Gas, January 24, 2023, p.3.
[8] EB-2021-0002, Decision and Order, March 2, 2023.

of the blocked tier delivery unit rates, which results in each residential customer paying a uniform DSM unit rate for all Rate 1 volumes within the EGD rate zone.

9. For the Union North and Union South rate zones, Rate 01 and Rate M1 are not residential-only rate classes, as the applicability for the rate classes is defined by annual consumption and not type of customer. While the majority of customers in these rate classes are residential, there are also some commercial and industrial customers.[9] DSM budget costs are allocated to Rate 01 and Rate M1 based on the customer mix of each rate class and the DSM program offerings. The current approved rate design for DSM budget costs is recovered from customers in the blocked tier delivery unit rates. Unlike the current methodology for the EGD rate zone, the DSM unit rates for the Union rate zones decline for each of the blocked tier unit rates. The DSM unit rate for each blocked tier is derived by dividing the allocation of the DSM budget[10] of each blocked tier by the blocked tier volumes.[11]

10. The Rate 01 and Rate M1 DSM budget is comprised of residential and non-residential DSM program costs. The Rate 01 and Rate M1 DSM unit rates recover the DSM budget costs based on rate class volumes. As a result, the DSM unit rate is a blend of residential and non-residential DSM program costs and the DSM budget cost recovery between residential and non-residential customers in Rate 01 and Rate M1 may not be in the same proportion as the DSM budget costs.

11. Attachment 1, column (a) provides the DSM unit rates based on the current approved rate design for 2024. Attachment 2, lines 1 to 4 provides the 2024 DSM

[9] More than 90% of customers in Rate M1 and Rate 01 are residential customers, and more than 80% of the revenue in Rate M1 and Rate 01 are from residential customers.
[10] The allocation of the DSM budget to blocked tier is determined in proportion to the current approved base revenue.
[11] For example, a Rate M1 or Rate 01 Delivery Rate Tier 1 is calculated as Total DSM Cost allocated to the rate class x (Board Approved Revenue in Tier 1 / Board Approved Revenue of all tiers).

budget costs and proposed revenues for residential and non-residential program costs. Attachment 2, line 4, columns (c) and (f) illustrates that on a forecast basis approximately $6.3 million is shifted from residential cost recovery to the non-residential cost recovery under the current approved rate design. The shift in cost recovery is due to the rate class applicability in the Union rate zones. The revenue reconciliation for the current approved rate design is provided at Attachment 3.

3. Proposed Rate Design for Uniform Residential DSM Unit Rates

12. Enbridge Gas considered three alternatives for a uniform residential DSM unit rate with the goal to recover the DSM residential budget costs from residential customers within Rate 1, Rate 01 and Rate M1. The three alternatives are as follows:

    1. A common monthly customer charge rate design;
    2. A common delivery volumetric charge rate design; or
    3. A combination of a common monthly customer charge and common delivery volumetric charge rate design.

13. Of the three alternatives, Enbridge Gas proposes to recover the 2024 DSM budget costs for Rate 1 in the EGD rate zone and Rate 01 and Rate M1 in the Union rate zones through a combination of a common monthly customer charge and common delivery volumetric charge (Alternative 3). This approach provides for uniform residential rates across each of Enbridge Gas's rate classes applicable to residential customers[12] while also eliminating any difference in recovery of DSM budget costs between residential and non-residential customers in the Union rate zone rate classes.

[12] In the Union South rate zone there are also 30 residential customers in Rate M2. Enbridge Gas does not propose to update the DSM unit rates for Rate M2 given the small number of customers.

14. The proposed DSM monthly customer charge unit rate for 2024 is $2.19 per month and the DSM delivery volumetric charge unit rate applicable to all volumes is 0.1861 cents/m^3. Attachment 1, column (b) provides the DSM unit rates under the proposed uniform residential DSM unit rate methodology and Attachment 1, column (c) provides the unit rate difference between the current approved and proposed methodologies. Attachment 2, lines 5 to 8 provides the 2024 DSM budget costs and proposed revenue for residential and non-residential DSM program costs. The revenue reconciliation for the proposed rate design is provided at Attachment 4.

15. Table 1 provides a comparison of the 2024 uniform residential DSM unit rate proposals and the recovery of the DSM budget costs between residential and non-residential customers. The current approved rate design and the uniform rate design alternatives of a common delivery volumetric charge and a common monthly customer charge alternatives result in a difference in recovery of DSM budget costs between residential and non-residential customers, as shown at Table 1, lines 1, 3 and 4, as compared to the proposed rate design, which eliminates the difference in the recovery of the DSM budget costs between residential and non-residential customers, as shown at Table 1, line 2. The current approved rate design results in residential customers paying less than the residential DSM budget costs by approximately $6.3 million based on the 2024 Test Year Forecast. The common delivery volumetric charge results in residential customers paying less than the residential DSM budget costs by approximately $8.2 million. The common monthly customer charge results in residential customers paying more than the residential DSM budget costs by approximately $1.4 million. The revenue reconciliation for the common delivery volumetric charge and the monthly customer charge alternative is provided at Attachment 5 and Attachment 6, respectively.

Table 1
Comparison of 2024 Uniform DSM Unit Rate Alternatives

Line No.	Particulars ($000s)	Residential			Non-Residential		
		DSM Budget	Revenue	Difference	DSM Budget	Revenue	Difference
		(a)	(b)	(c) = (b-a)	(d)	(e)	(f) = (e-d)
1	Current Approved Rate Design (1)	110,052	103,764	(6,288)	5,059	11,347	6,288
2	Proposed Rate Design	110,052	110,052	-	5,059	5,059	-
3	Common Delivery Volumetric Charge	110,052	101,816	(8,236)	5,059	13,296	8,236
4	Common Monthly Customer Charge	110,052	111,499	1,447	5,059	3,612	(1,447)

Note:
(1) The current approved rate design is not based on a uniform residential DSM unit rate.

16. The proposed rate design recovers the total cost of residential DSM programs on a uniform basis from residential customers in Rate 1, Rate 01 and Rate M1. As a result, there is a shift in cost recovery across the EGD, Union North and Union South rate zones for these rate classes. Specifically, the proposed rate design results in a decrease in the recovery of DSM budget costs from the EGD rate zone (Rate 1) and the Union South rate zone (Rate M1) of approximately $0.5 million and $4.8 million, respectively. This decrease is offset by an increase in the recovery of DSM budget costs from the Union North rate zone (Rate 01) of approximately $5.2 million. The shift in cost recovery across these rate classes is illustrated at Attachment 2, column (i).

4. Bill Impacts

17. The bill impacts in 2024 of the uniform residential DSM unit rate proposal compared

to the current approved rate design are provided in Table 2[13]. The bill impacts for a small customer are illustrative of a typical residential customer, while the large customer bill impacts are illustrative of a large residential customer in Rate 1 and a non-residential customer in Rate 01 and Rate M1. The rate design proposal results in an increase to the annual bill for a typical residential customer in the Union North and Union South rate zones of $15.99 and $0.70, respectively, and a decrease for a typical residential customer in the EGD rate zone of $1.12. The large customer bill impacts also decrease for Rate 1, Rate 01 and Rate M1 in all rate zones.

[13] The bill impacts presented in Table 2 are based on the total DSM budget of $175 million, assuming 2% as a proxy inflation amount. These amounts will increase by approximately 4.8% to reflect the 2024 CPI of 6.8%, as per the DSM Plan. Enbridge Gas will update the DSM budget as part of the draft rate order or as part of an evidence update, as applicable.

Table 2
Uniform Residential DSM Unit Rate Proposal – 2024 Bill Impacts

Line No.	Particulars	DSM Unit Rates: Current Approved Rate Design (1)	DSM Unit Rates: Proposed Rate Design (2)	2024 Bill Impact ($)
		(a)	(b)	(c)
	Rate 1 - EGD Rate Zone			
	Small Customer - Annual Volume 2,400 m^3			
1	Monthly Customer Charge ($/month)	-	2.19	26.28
2	Delivery Charge (cents/m^3)	1.3279	0.1861	(27.40)
3	Total Bill			(1.12)
	Large Customer - Annual Volume 5,048 m^3			
4	Monthly Customer Charge	-	2.19	26.28
5	Delivery Charge	1.3279	0.1861	(57.64)
6	Total Bill			(31.36)
	Rate 01 - Union North Rate Zones			
	Small Customer - Annual Volume 2,200 m^3			
7	Monthly Customer Charge ($/month)	-	2.19	26.28
8	Delivery Charge (cents/m^3)	0.6536	0.1861	(10.29)
9	Total Bill			15.99
	Large Customer - Annual Volume 40,000 m^3			
10	Monthly Customer Charge ($/month)	-	2.19	26.28
11	Delivery Charge (cents/m^3)	0.5904	0.1861	(161.71)
12	Total Bill			(135.43)
	Rate M1 - Union South Rate Zone			
	Small Customer - Annual Volume 2,200 m^3			
13	Monthly Customer Charge ($/month)	-	2.19	26.28
14	Delivery Charge (cents/m^3)	1.3487	0.1861	(25.58)
15	Total Bill			0.70
	Large Customer - Annual Volume 40,000 m^3			
16	Monthly Customer Charge ($/month)	-	2.19	26.28
17	Delivery Charge (cents/m^3)	1.1861	0.1861	(399.99)
18	Total Bill			(373.71)

Notes:

(1) Current approved rate design based on a common unit rate for Rate 1 and a declining blocked tier unit rate for Rate 01 and Rate M1. Delivery volumetric unit rates shown under current approved are representative of the average delivery rate for the delivery blocked tiers.

(2) Updated proposal for uniform residential DSM unit rates based on the OEB's Decision and Order in the DSM Plan (EB-2021-0002) proceeding, March 2, 2023. Delivery charge unit rates are the same for all blocked tiers in the rate class.

5. Proposed Implementation

18. Enbridge Gas proposes to implement the uniform residential DSM unit rates effective January 1, 2024. The Company will continue to track forecast versus actual DSM program costs in its DSM variance account (DSMVA). Enbridge Gas expects to dispose of the 2024 DSMVA balance for Rate 1, Rate 01 and Rate M1 in a manner similar to the uniform DSM unit rate methodology proposed in this Application, subject to OEB approval. Enbridge Gas will propose the disposition of the DSMVA balance as part of a separate DSM deferral disposition application when the 2024 DSMVA balance is proposed to be cleared to customers.

Summary of Proposed 2024 Residential DSM Unit Rate Changes by Rate Class

Line No.	Particulars	Units	Current Approved Rate Design (1)	Proposed Uniform Rate Design (2)	Rate Change
			(a)	(b)	(c) = (b - a)
	Rate 1 - EGD Rate Zone				
1	Monthly Customer Charge	$	-	$2.19	$2.19
	Delivery Charge - Commodity				
2	First 30 m³	cents/m³	1.3279	0.1861	(1.1419)
3	Next 55 m³	cents/m³	1.3279	0.1861	(1.1419)
4	Next 85 m³	cents/m³	1.3279	0.1861	(1.1419)
5	Over 170 m³	cents/m³	1.3279	0.1861	(1.1419)
	Rate 01 - Union North Rate Zone				
6	Monthly Customer Charge	$	-	$2.19	$2.19
	Delivery Charge - Commodity				
7	First 100 m³	cents/m³	0.6653	0.1861	(0.4793)
8	Next 200 m³	cents/m³	0.6486	0.1861	(0.4626)
9	Next 200 m³	cents/m³	0.6222	0.1861	(0.4361)
10	Next 500 m³	cents/m³	0.5979	0.1861	(0.4118)
11	Over 1,000 m³	cents/m³	0.5778	0.1861	(0.3917)
	Rate M1 - Union South Rate Zone				
12	Monthly Customer Charge	$	-	$2.19	$2.19
	Delivery Charge - Commodity				
13	First 100 m³	cents/m³	1.4205	0.1861	(1.2344)
14	Next 150 m³	cents/m³	1.3507	0.1861	(1.1646)
15	All over 250 m³	cents/m³	1.1705	0.1861	(0.9844)

Notes:
(1) Attachment 3, column (d).
(2) Attachment 4, column (d).

Summary of Rate Design Alternatives for 2024 DSM Uniform Residential Unit Rates

Line No.	Particulars ($000s)	Residential DSM Budget	Residential Revenue	Residential Difference	Non-Residential DSM Budget	Non-Residential Revenue	Non-Residential Difference	Total DSM Budget	Total Revenue	Total Difference
		(a)	(b)	(c) = (b-a)	(d)	(e)	(f) = (e-d)	(g) = (a+d)	(h) = (b+e)	(i) = (h-g)
	Current Approved Rate Design (1)									
1	Rate 1 - EGD Rate Zone	66,411	66,411	-	-	-	-	66,411	66,411	-
2	Rate 01 - Union North Rate Zone	5,012	4,685	(327)	1,285	1,612	327	6,296	6,296	-
3	Rate M1 - Union South Rate Zone	38,630	32,669	(5,961)	3,775	9,736	5,961	42,404	42,404	-
4	Total	110,052	103,764	(6,288)	5,059	11,347	6,288	115,111	115,111	-
	Proposed Rate Design (2)									
5	Rate 1 - EGD Rate Zone	66,411	65,956	(455)	-	-	-	66,411	65,956	(455)
6	Rate 01 - Union North Rate Zone	5,012	10,258	5,246	1,285	1,271	(13)	6,296	11,529	5,233
7	Rate M1 - Union South Rate Zone	38,630	33,839	(4,791)	3,775	3,788	13	42,404	37,627	(4,778)
8	Total	110,052	110,052	-	5,059	5,059	-	115,111	115,111	-
	Common Delivery Volumetric Charge Rate Design (3)									
9	Rate 1 - EGD Rate Zone	66,411	62,268	(4,143)	-	-	-	66,411	65,956	(455)
10	Rate 01 - Union North Rate Zone	5,012	9,001	3,989	1,285	3,313	2,029	6,296	11,529	5,233
11	Rate M1 - Union South Rate Zone	38,630	30,547	(8,082)	3,775	9,982	6,208	42,404	37,627	(4,778)
12	Total	110,052	101,816	(8,236)	5,059	13,296	8,236	115,111	115,111	-
	Common Monthly Customer Charge Rate Design (4)									
13	Rate 1 - EGD Rate Zone	66,411	66,604	193	-	-	-	66,411	65,956	(455)
14	Rate 01 - Union North Rate Zone	5,012	10,479	5,467	1,285	912	(372)	6,296	11,529	5,233
15	Rate M1 - Union South Rate Zone	38,630	34,417	(4,213)	3,775	2,700	(1,075)	42,404	37,627	(4,778)
16	Total	110,052	111,499	1,447	5,059	3,612	(1,447)	115,111	115,111	-

Notes:
(1) Attachment 3.
(2) Attachment 4.
(3) Attachment 5.
(4) Attachment 6.

Revenue Reconciliation of 2024 DSM Budget - Current Approved Rate Design

Line No.	Particulars	Billing Units	2024 Forecast Usage Total (1)	2024 Forecast Usage Residential	2024 Forecast Usage Non-Residential	Current Approved Unit Rates (cents / m³)	Residential DSM Budget ($000s)	Residential Revenue ($000s)	Non-Residential DSM Budget ($000s)	Non-Residential Revenue ($000s)
			(a)	(b)	(c)	(d)	(e)	(f) = (b*d)/100	(g)	(h) = (c*d)/100
	Rate 1 - EGD Rate Zone									
1	Monthly Customer Charge	bills	25,902,149	25,902,149	-	-		-		-
	Delivery Commodity Charge									
2	First 30 m³	10³m³	710,957	710,957	-	1.3279		9,441		-
3	Next 55 m³	10³m³	1,020,713	1,020,713	-	1.3279		13,554		-
4	Next 85 m³	10³m³	1,107,395	1,107,395	-	1.3279		14,706		-
5	Over 170 m³	10³m³	2,161,963	2,161,963	-	1.3279		28,710		-
6	Delivery Commodity Charge		5,001,027	5,001,027	-			66,411		-
7	Total Rate 1						66,411	66,411	-	-
	Rate 01 - Union North Rate Zone									
8	Monthly Customer Charge	bills	4,430,024	4,075,248	354,776	-	-	-	-	-
	Delivery Commodity Charge									
9	First 100 m³	10³m³	300,034	274,590	25,444	0.6653		1,827		169
10	Next 200 m³	10³m³	344,054	304,770	39,285	0.6486		1,977		255
11	Next 200 m³	10³m³	129,906	99,647	30,259	0.6222		620		188
12	Next 500 m³	10³m³	88,810	36,918	51,892	0.5979		221		310
13	Over 1,000 m³	10³m³	126,201	6,957	119,244	0.5778		40		689
14	Delivery Commodity Charge		989,005	722,881	266,124			4,685		1,612
15	Total Rate 01						5,012	4,685	1,285	1,612
	Rate M1 - Union South Rate Zone									
16	Monthly Customer Charge	bills	14,434,642	13,384,747	1,049,895	-	-	-	-	-
	Delivery Commodity Charge									
17	First 100 m³	10³m³	1,046,728	969,808	76,920	1.4205		13,776		1,093
18	Next 150 m³	10³m³	936,218	847,493	88,725	1.3507		11,447		1,198
19	All over 250 m³	10³m³	1,272,185	636,120	636,065	1.1705		7,445		7,445
20	Delivery Commodity Charge		3,255,132	2,453,422	801,710			32,669		9,736
21	Total Rate M1						38,630	32,669	3,775	9,736
22	Total						110,052	103,764	5,059	11,347

Note:
(1) Exhibit 8, Tab 2, Schedule 8, Attachment 2, column (a), Updated March 8, 2023.

Revenue Reconciliation of 2024 DSM DSM Budget - Proposed Rate Design

Line No.	Particulars	Billing Units	2024 Forecast Usage Total (1)	Residential	Non-Residential	Proposed Unit Rates (cents / m³)	Residential DSM Budget ($000s)	Residential Revenue ($000s)	Non-Residential DSM Budget ($000s)	Non-Residential Revenue ($000s)
			(a)	(b)	(c)	(d)	(e)	(f) = (b*d)/100	(g)	(h) = (c*d)/100
	Rate 1 - EGD Rate Zone									
1	Monthly Customer Charge	bills	25,902,149	25,902,149	-	$2.19		56,650		-
	Delivery Commodity Charge									
2	First 30 m³	10³m³	710,957	710,957	-	0.1861		1,323		-
3	Next 55 m³	10³m³	1,020,713	1,020,713	-	0.1861		1,899		-
4	Next 85 m³	10³m³	1,107,395	1,107,395	-	0.1861		2,061		-
5	Over 170 m³	10³m³	2,161,963	2,161,963	-	0.1861		4,023		-
6	Delivery Commodity Charge		5,001,027	5,001,027	-			9,306		-
7	Total Rate 1						66,411	65,956	-	-
	Rate 01 - Union North Rate Zone									
8	Monthly Customer Charge	bills	4,430,024	4,075,248	354,776	$2.19	-	8,913	-	776
	Delivery Commodity Charge									
9	First 100 m³	10³m³	300,034	274,590	25,444	0.1861		511		47
10	Next 200 m³	10³m³	344,054	304,770	39,285	0.1861		567		73
11	Next 200 m³	10³m³	129,906	99,647	30,259	0.1861		185		56
12	Next 500 m³	10³m³	88,810	36,918	51,892	0.1861		69		97
13	Over 1,000 m³	10³m³	126,201	6,957	119,244	0.1861		13		222
14	Delivery Commodity Charge		989,005	722,881	266,124			1,345		495
15	Total Rate 01						5,012	10,258	1,285	1,271
	Rate M1 - Union South Rate Zone									
16	Monthly Customer Charge	bills	14,434,642	13,384,747	1,049,895	$2.19	-	29,273	-	2,296
	Delivery Commodity Charge									
17	First 100 m³	10³m³	1,046,728	969,808	76,920	0.1861		1,805		143
18	Next 150 m³	10³m³	936,218	847,493	88,725	0.1861		1,577		165
19	All over 250 m³	10³m³	1,272,185	636,120	636,065	0.1861		1,184		1,184
20	Delivery Commodity Charge		3,255,132	2,453,422	801,710			4,565		1,492
21	Total Rate M1						38,630	33,839	3,775	3,788
22	Total						110,052	110,052	5,059	5,059

Note:
(1) Exhibit 8, Tab 2, Schedule 8, Attachment 2, column (a), Updated March 8, 2023.

Revenue Reconciliation of 2024 DSM Budget - Common Delivery Volumetric Charge Alternative

Line No.	Particulars	Billing Units	2024 Forecast Usage Total (1)	Residential	Non-Residential	Proposed Unit Rates (cents / m³)	Residential DSM Budget ($000s)	Residential Revenue ($000s)	Non-Residential DSM Budget ($000s)	Non-Residential Revenue ($000s)
			(a)	(b)	(c)	(d)	(e)	(f) = (b*d)/100	(g)	(h) = (c*d)/100
	Rate 1 - EGD Rate Zone									
1	Monthly Customer Charge	bills	25,902,149	25,902,149	-	-		-		-
	Delivery Commodity Charge									
2	First 30 m³	10³m³	710,957	710,957	-	1.2451		8,852		-
3	Next 55 m³	10³m³	1,020,713	1,020,713	-	1.2451		12,709		-
4	Next 85 m³	10³m³	1,107,395	1,107,395	-	1.2451		13,788		-
5	Over 170 m³	10³m³	2,161,963	2,161,963	-	1.2451		26,919		-
6	Delivery Commodity Charge		5,001,027	5,001,027	-			62,268		-
7	Total Rate 1						66,411	62,268	-	-
	Rate 01 - Union North Rate Zone									
8	Monthly Customer Charge	bills	4,430,024	4,075,248	354,776	-	-	-	-	-
	Delivery Commodity Charge									
9	First 100 m³	10³m³	300,034	274,590	25,444	1.2451		3,419		317
10	Next 200 m³	10³m³	344,054	304,770	39,285	1.2451		3,795		489
11	Next 200 m³	10³m³	129,906	99,647	30,259	1.2451		1,241		377
12	Next 500 m³	10³m³	88,810	36,918	51,892	1.2451		460		646
13	Over 1,000 m³	10³m³	126,201	6,957	119,244	1.2451		87		1,485
14	Delivery Commodity Charge		989,005	722,881	266,124			9,001		3,313
15	Total Rate 01						5,012	9,001	1,285	3,313
	Rate M1 - Union South Rate Zone									
16	Monthly Customer Charge	bills	14,434,642	13,384,747	1,049,895	-	-	-	-	-
	Delivery Commodity Charge									
17	First 100 m³	10³m³	1,046,728	969,808	76,920	1.2451		12,075		958
18	Next 150 m³	10³m³	936,218	847,493	88,725	1.2451		10,552		1,105
19	All over 250 m³	10³m³	1,272,185	636,120	636,065	1.2451		7,920		7,920
20	Delivery Commodity Charge		3,255,132	2,453,422	801,710			30,547		9,982
21	Total Rate M1						38,630	30,547	3,775	9,982
22	Total						110,052	101,816	5,059	13,296

Note:
(1) Exhibit 8, Tab 2, Schedule 8, Attachment 2, column (a), updated March 8, 2023.

Revenue Reconciliation of 2024 DSM Budget - Common Monthly Customer Charge Alternative

Line No.	Particulars	Billing Units	2024 Forecast Usage Total (1)	Residential	Non-Residential	Proposed Unit Rates (cents / m³)	Residential DSM Budget ($000s)	Residential Revenue ($000s)	Non-Residential DSM Budget ($000s)	Non-Residential Revenue ($000s)
			(a)	(b)	(c)	(d)	(e)	(f) = (b*d)/100	(g)	(h) = (c*d)/100
	Rate 1 - EGD Rate Zone									
1	Monthly Customer Charge	bills	25,902,149	25,902,149	-	$2.57		66,604		-
	Delivery Commodity Charge									
2	First 30 m³	10³m³	710,957	710,957	-	-		-		-
3	Next 55 m³	10³m³	1,020,713	1,020,713	-	-		-		-
4	Next 85 m³	10³m³	1,107,395	1,107,395	-	-		-		-
5	Over 170 m³	10³m³	2,161,963	2,161,963	-	-		-		-
6	Delivery Commodity Charge		5,001,027	5,001,027	-			-		-
7	Total Rate 1						66,411	66,604	-	-
	Rate 01 - Union North Rate Zone									
8	Monthly Customer Charge	bills	4,430,024	4,075,248	354,776	$2.57	-	10,479	-	912
	Delivery Commodity Charge									
9	First 100 m³	10³m³	300,034	274,590	25,444	-		-		-
10	Next 200 m³	10³m³	344,054	304,770	39,285	-		-		-
11	Next 200 m³	10³m³	129,906	99,647	30,259	-		-		-
12	Next 500 m³	10³m³	88,810	36,918	51,892	-		-		-
13	Over 1,000 m³	10³m³	126,201	6,957	119,244	-		-		-
14	Delivery Commodity Charge		989,005	722,881	266,124			-		-
15	Total Rate 01						5,012	10,479	1,285	912
	Rate M1 - Union South Rate Zone									
16	Monthly Customer Charge	bills	14,434,642	13,384,747	1,049,895	$2.57	-	34,417	-	2,700
	Delivery Commodity Charge									
17	First 100 m³	10³m³	1,046,728	969,808	76,920	-		-		-
18	Next 150 m³	10³m³	936,218	847,493	88,725	-		-		-
19	All over 250 m³	10³m³	1,272,185	636,120	636,065	-		-		-
20	Delivery Commodity Charge		3,255,132	2,453,422	801,710			-		-
21	Total Rate M1						38,630	34,417	3,775	2,700
22	Total						110,052	111,499	5,059	3,612

Note:
(1) Exhibit 8, Tab 2, Schedule 8, Attachment 2, column (a), Updated March 8, 2023.

MISCELLANEOUS SERVICE CHARGES

JEREMY GETSON, MANAGER ATTACHMENT SERVICES
JOSEPH DIMEO, SUPERVISOR COLLECTIONS
MICHAEL MCGIVERY, MANAGER DISTRIBUTION PROTECTION
IAN MACPHERSON, DIRECTOR DISTRIBUTION IN-FRANCHISE SALES

1. The purpose of this evidence is to request OEB approval of changes to miscellaneous service charges, effective January 1, 2024. Based on a review of the existing charges for the EGD and Union rate zones, Enbridge Gas is proposing to harmonize, eliminate, and establish new service charges to reflect the operations and services of the combined utility.

2. The miscellaneous service charges recover costs incurred by the utility for specific customer services, damage investigations and repair services. Recovering costs through miscellaneous service charges aligns cost incurrence with recovery based on the service provided. The other revenue generated from miscellaneous service charges offsets the costs incurred, thereby reducing the base delivery rates paid by all customers. The forecast revenue associated with these charges is provided at Exhibit 3, Tab 5, Schedule 1, with exception to the cut off at main charge and extra length charge (ELC), which are accounted for as a reduction to capital as detailed below.

3. The miscellaneous service charges form Rider G in the rate handbook, which is provided at Exhibit 8, Tab 2, Schedule 7, Attachment 1.

4. This evidence is organized as follows:
    1. Service Charges
    2. Damage Cost Recovery Charges

3. Custom Charges
4. Eliminated Charges

1. Service Charges

5. The purpose of service charges is to recover costs of specific service work performed by the utility for a customer. Recovering costs from the customer requiring the services alleviates the cost on all ratepayers as the nature of these costs relate to specific customer services. The cost of these services is incurred by the Company as O&M and/or capital expenditures, which is offset by the revenue generated from the specific service charges.

6. Enbridge Gas intends to harmonize all service charges for a simplified and consistent approach across all of Enbridge Gas's service areas. The service charges are set at fixed amounts as the cost per occurrence is generally consistent, this also simplifies the billing and collection of revenue.

7. To calculate each of the service charges, Enbridge Gas included the rate paid by the Utility for work provided by third-party contractors. The charges also include additional overhead costs such as planning and dispatch, supervision, and administration costs.

8. Most of the service charges were not reviewed in the 2013 Cost of Service proceeding for either EGD or Union, with the exception to the ELC which was updated as part of Union's 2013 Cost of Service. Given the length of time since the last review, the service charges no longer reflect the costs incurred by Enbridge Gas to provide the service.

9. The proposed charges are based on the 2024 Test Year. Enbridge Gas is proposing to apply the Price Cap Index (PCI) to the 2024 service charges[1] annually, consistent with other 2024 base rates. A description of the PCI calculation is provided at Exhibit 10.

10. The proposed charges are applicable to general service and contract customers, except for the ELC. The ELC is applicable to residential customers as described below.

11. Table 1 shows a summary of the current approved EGD and Union service charges and the proposed service charges. In addition to the service charges below, Enbridge Gas also charges custom amounts for damage response, damage remediation and ad-hoc customer requested services detailed in Section 3.

[1] With exception to the non-sufficient funds (NSF) charge and third-party costs since these charges are directly passed on to the customer.

Table 1
Summary of Current Approved and Proposed Service Charges

Line No.	Particulars ($)	Current Approved Charges EGD	Current Approved Charges Union	Proposed Charges	
		(a)	(b)	(c)	
1	New Account	25	35/38 (1)	25	
2	Non-Sufficient Funds	20	20	20	
3	Construction Heat Activation	70	-	120	
4	Safety Inspection	70	-	120	
5	Meter Unlock	70	35-65 (2)	120	
6	Meter Dispute Test (3)	Varies	Varies	195	
7	Extra Length Charge (per metre)	32	45	159	/u
8	Locate Delivery Service	-	-	200	

Notes:
(1) $35 for residential customers and $38 for non-residential customers in the Union rate zones.
(2) $35 for residential customers and $38 for non-residential for seasonal and $65 for non-payment for residential and non-residential customers in the Union rate zones.
(3) $105 for residential customers in the EGD rate zone and $50 for residential customers in the Union rate zones. Enbridge Gas charges non-residential customers in all rate zones a custom rate.

1.1. New Account

12. The new account charge is applied to customers when a new account is activated with Enbridge Gas. The new account charge is a one-time set up charge applicable to new accounts set up in new or existing premises, if a change in ownership or occupancy occurs.

13. Enbridge Gas currently charges for new account activation in the EGD and Union rate zones. In the EGD rate zone, Enbridge Gas charges a new account charge of $25 for residential and non-residential customers. In the Union rate zones, Enbridge Gas charges a connection charge of $35 for residential customers and $38 for non-residential.

14. Enbridge Gas is proposing to apply a new account charge of $25 for all customers to recognize that support is required to facilitate the process of activating new accounts. The $25 charge is based on 2024 Test Year Forecast costs and covers the administration costs incurred for the initial set up of a customer account which includes call centre resources used to update customer information and to activate billing information. In certain instances, a site visit may be required at the premise.

1.2. Non-Sufficient Funds (NSF) Charge

15. NSF charges occur when customers who pay their bills through automatic withdrawal or by cheque do not have sufficient funds in their account to cover the amount owed on their invoice. The NSF charge recovers the amount Enbridge Gas is charged from the financial institution. The costs incurred by Enbridge Gas are directly passed through to the customers.

16. Enbridge Gas is not proposing to change the NSF charge. Enbridge Gas currently charges $20 per NSF occurrence in the EGD and Union rate zones and proposes to continue passing that charge to the customer.

1.3. Construction Heat Activation

17. Construction heat activation is the temporary use of natural gas for buildings under construction, which is generally requested by builders and installers before the building is occupied and before a safety inspection is completed.

18. The construction heat activation service charge is intended to recover the cost incurred per occurrence (site visit) for construction heat meter activation when the request is not made through the online application portal. If the request for construction heat activation is completed through the online application portal, then the meter will be turned on at the time it is installed, and a separate site visit is not

required. The service fee applies to the builder or installer that requests the service for both residential and non-residential services.

19. Enbridge Gas recovers the cost to provide the activation service through a service charge because the costs are only incurred if the online application portal is not used to make the request.

20. Enbridge Gas currently charges $70 for the construction heat activation services in the EGD rate zone for residential and non-residential customers and does not charge for this service in the Union rate zones.

21. Enbridge Gas is proposing to increase the charge to $120 per occurrence for construction heat activation services. This charge includes services for both residential and non-residential customers located in all Enbridge Gas service areas. The proposed charge is based on 2024 Test Year Forecast costs and includes third-party contractor charges to provide this service plus incremental overhead costs. The proposed charge is greater than the current charge in the EGD rate zone for construction heat activation services, as the previous charges have not been updated in over 10 years and no longer reflect the cost to provide the service.

1.4. Safety Inspection

22. A safety inspection occurs when gas is first introduced at a premise or when gas is reintroduced at a premise.

23. When gas is first introduced and appliances are activated for the first time, an initial safety inspection[2] is required for all new homes and businesses. The intention of

[2] Referred to as an initial putting into use inspection, per Technical Standards and Safety Act, 2020. Ontario Regulation 212/01 Gaseous Fuels.

the inspection is to check for compliance with all applicable policies, standards, and procedures. A premise cannot be occupied until the inspection has been completed. There is no charge for the initial safety inspection. If the initial safety inspection is deemed unacceptable and subsequent inspections are required, a charge will occur for each inspection. Subsequent visits would result in a safety inspection charge to recover incremental costs incurred resulting from the customer's non-compliance in ensuring a safe premise.

24. When gas is reintroduced at a premise, a safety inspection must be performed to review the condition of appliances and to check for compliance with all applicable policies, standards, and procedures. Reintroducing gas typically occurs after a service disruption or when work is completed at the premise. All safety inspections related to reintroducing gas at the premise will be subject to a safety inspection charge unless the service disruption or the work is initiated by Enbridge Gas.

25. Enbridge Gas currently charges $70 for safety inspection services (previously called inspection or inspection reject) for residential and non-residential customers in the EGD rate zones and does not charge for the service in the Union rate zones.

26. Enbridge Gas is proposing to increase the charges to $120 for safety inspection services per occurrence. These charges include services for both residential and non-residential customers located in all Enbridge Gas service areas. The proposed charge is based on 2024 Test Year Forecast costs, including third-party contractor charges to provide the service plus incremental overhead costs.

27. The proposed charges are increasing compared to the current charges in the EGD rate zone, as the current charges have not been updated in over 10 years and no longer reflect the cost to provide the service.

1.5. Meter Unlock

28. The meter unlock service is the action of turning the meter on after deactivation to reconnect the customer to gas service. This service requires sending a gas technician to the premise. In addition to turning the meter on, the gas technician will also perform a safety inspection of the premise prior to reactivation of gas service.

29. The meter unlock service charge is intended to recover the cost incurred per occurrence (site visit) for a meter unlock service. The meter unlock charge is applicable to existing[3] residential and non-residential customers. Enbridge Gas applies the charge to customers requesting the meter unlock service for seasonal use or due to nonpayment of regular monthly bills.

30. Enbridge Gas currently charges for meter unlock services in the EGD and Union rate zones. In the EGD rate zone, Enbridge Gas charges $70 to unlock meters for seasonal for non-residential customers and for pool heaters for residential customers and does not charge for non-payment. In the Union rate zones, Enbridge Gas charges $35 for residential customers and $38 for non-residential customers for seasonal and $65 for non-payment for both residential and non-residential customers.

31. Enbridge Gas is proposing to increase the charge to $120 for meter unlock service per occurrence to reflect the costs to provide the service, including third-party contractor charges and overhead costs. This charge is applicable for all meter unlock services for residential and non-residential customers located in all Enbridge Gas service areas, including seasonal and non-payment customers. The proposed charge is based on 2024 Test Year Forecast of costs, including third-party contractor charges to provide the service plus incremental overhead costs.

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[3] New customers are charged a new account charge as described in Section 1.1.

1.6. Meter Dispute Test

32. A meter dispute test occurs when a customer disputes the accuracy of a meter. Enbridge Gas exchanges the meter with a replacement meter and sends the disputed meter to Measurement Canada for an independent performance test.

33. The meter dispute test charge is intended to recover the cost per occurrence for each meter dispute test conducted for both residential and non-residential customers. The service charge is only applied if Measurement Canada determines the meter is performing correctly.

34. Enbridge Gas currently charges for the meter dispute test services in the EGD and Union rate zones. In the EGD rate zone, Enbridge Gas charges $105 to complete a meter dispute test for residential customers and charges a custom amount based on the costs to provide the service for non-residential customers. In the Union rate zones, Enbridge Gas charges $50 to complete a meter dispute test for residential customers and charges a custom amount based on the costs to provide the service for non-residential customers.

35. Enbridge Gas is proposing to charge $195 for meter dispute test services per occurrence. This charge is applicable for services for both residential and non-residential customers located in all Enbridge Gas service areas. The proposed charge is based on 2024 Test Year Forecast costs and includes third-party contractor charges to provide this service plus incremental overhead costs.

36. Enbridge Gas is proposing to set a common charge for both residential and non-residential customers, as there is no material difference in the work required by the Company to provide the service for non-residential customers. A common service charge based on a set amount also provides more price certainty for non-residential

customers, should they request this service. The proposed charge is greater than the current charges in the EGD and Union rate zones for meter dispute test services for residential customers because the previous charges have not been updated in over 10 years and no longer reflect the cost to provide the service. The proposed charge may be lower than the current custom charge for some non-residential customers depending on specific customer circumstances.

1.7. ELC[4]

37. Enbridge Gas uses the extra length rule to assess feasibility of residential infill[5] customers. Currently, the rule assumes standard residential services are economically feasible to a threshold length of 20 metres for the EGD rate zone and 30 metres for the Union rate zones. Customers pay an ELC when the service length exceeds these thresholds. The current approved ELC is $32 per additional metre for the EGD rate zone and $45 per additional metre for the Union rate zones. Despite increases in construction costs, these ELC rates have remained constant for many years and require updating to reflect the latest marginal cost per metre. The ELC collected is accounted for as a reduction to capital investment or a credit to assets.

38. Enbridge Gas is proposing a harmonized service length threshold of 20 metres and an updated ELC of $159 per additional metre that will apply consistently across all franchise areas. Service length threshold and ELC have been determined in consideration of various factors including results from the customer engagement and internal data analysis as described below. The customer engagement showed that customers had varying preferences when considering the options presented (of /u

[4] Charge was previously called street service alteration on Rider G.
[5] Residential infills are existing homes which are converting from other fuel types to natural gas to meet their energy needs.

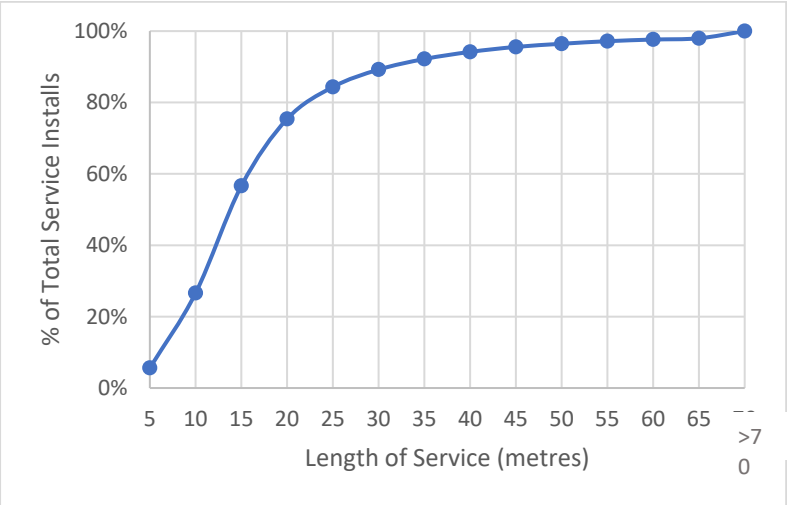
a shorter or longer length for the service length threshold and associated ELC), with no strong preference for one option. Approximately one third of customers (32%) indicated a preference of 15 metres with a lower ELC, a combined 35% indicated a preference of 20 metres (22%) or 25 metres (13%) with a higher ELC, and the remaining 32% had no preference or indicated don't know. Further details can be found in the customer engagement report provided at Exhibit 1, Tab 6, Schedule 1, Attachment 1, pages 279-280.

Proposed Service Length Threshold

39. Enbridge Gas is proposing that residential infill customers be provided with the first 20 metres of service at no cost. The length of the service will be measured from the customer's property line to the location where the gas meter is installed. Service lengths beyond the threshold length of 20 metres will be subject to the ELC.

40. The proposed service length threshold is based on data from residential infill services installed between 2018 to 2020. Based on this data, it was determined that the distribution revenue from a typical residential customer can support the average cost of services below 20 metres. As shown in Figure 1, approximately 75% of residential services are less than or equal to 20 metres. As such, the proposed service length threshold will result in the Company attaching most infill services with no accompanying ELC. This anticipated outcome will support continued efficiencies in the infill service attachment process while also ensuring no undue cross-subsidization.

Figure 1: Residential Service Length by % of Total Service Installs, 2018 to 2020

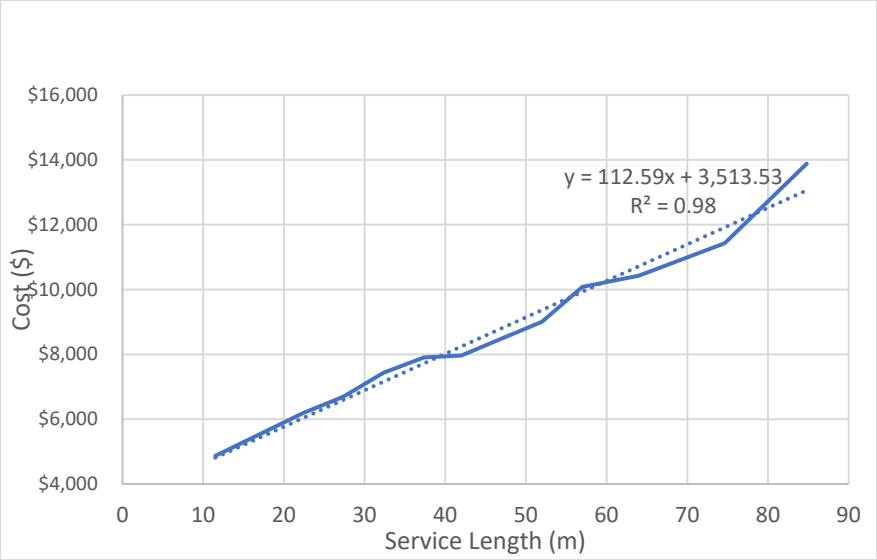


Proposed ELC

41. Enbridge Gas is proposing an ELC of $159 per metre in excess of the 20-metre /u service length threshold. The ELC of $159 per metre in 2024 has been calculated /u based on the actual cost of $113 per metre established for 2020, as described in this section of evidence, adjusted for an annual escalation factor of 9%, which is /u based on the cumulative increase in cost per customer between 2020 and 2024. /u

42. The ELC of $113 per metre (for 2020 prior to escalation, represents the /u marginal cost per metre and was determined through a linear regression of historical service costs vs. service length, as shown in Figure 2. The regression analysis was conducted using actual service lengths and costs over the 3-year period from 2018 to 2020, across all rate zones. The equation of the regression trend line (y=113x + 3514) in Figure 2 indicates two cost components; 1) the slope of the line that is $113 represents the marginal (or variable) cost per metre and 2) fixed cost is $3,514. The regression results indicate a strong correlation between cost and length, as evident from a high R-squared (0.98) value.

Figure 2: Average Service Cost, 2018 to 2020



43. The proposed cost per metre for ELC is higher compared to the current EGD and Union ELC because the charges have not been updated in over 10 years. The charge of $113 based on the regression analysis was based on actual costs up to 2020. From 2020 to 2024 the costs have been escalated annually due to construction costs that have increased, and are anticipated to increase, from various factors including inflation, enhancement in safety standards, extensive use of trenchless technology, sewer safety and cross bore mitigation requirements, and additional costs related to municipal permit fee and restoration requirements. /u

1.8. Locate Delivery Service Charge

44. As advised in Enbridge Gas's letter dated May 24, 2023, Enbridge Gas has withdrawn its request for approval of a Locate Delivery Service Charge and a Locate Delivery Service Variance Account. A new deferral account is being pursued on a generic basis, through a joint request with several other larger Ontario local distribution companies. If the OEB declines the requested relief through the generic /u

process, then Enbridge Gas reserves the right to request that these items be re-introduced and determined in Phase 2 of the proceeding.

45. The original proposal for a locate delivery service charge is as follows. /u

46. Enbridge Gas currently provides locate delivery services upon request from customers[6], third-party contractors and other utilities at no extra charge.

47. Bill 93, the Getting Ontario Connected Act, 2022[7], was recently passed into law on April 14, 2022. Bill 93 imposes significant changes to how locates are delivered in Ontario. Bill 93 amends Bill 8, the Ontario Underground Infrastructure Notification System Act, 2012[8] and Bill 257, the Building Broadband Faster Act, 2021[9].

48. As an outcome of Bill 93, Enbridge Gas:
    a) Will experience increased regulatory requirements related to the timelines for completing locate requests;
    b) Expects that the number of locate delivery requests will increase;
    c) Will become subject to administrative penalties for non-compliance in the event the Company cannot meet the timelines for completion of locate requests;
    d) Expects that the cost per locate will increase due to the need for incremental resources to meet the timelines to complete field locates; and

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[6] Occupants of residential and/or private property.
[7] Bill 93, Getting Ontario Connected Act, 2022, April 14, 2022. https://www.ola.org/sites/default/files/node-files/bill/document/pdf/2022/2022-04/b093ra_e.pdf
[8] Bill 8, Ontario Underground Infrastructure Notification System Act, 2012, June 19, 2012. https://www.ola.org/sites/default/files/node-files/bill/document/pdf/2012/2012-06/bill---text-40-1-en-b008ra.pdf
[9] Bill 257, Supporting Broadband and Infrastructure Expansion Act, April 12, 2021. Bill 257, Supporting Broadband and Infrastructure Expansion Act, 2021 - Legislative Assembly of Ontario (ola.org)

e) Expects other utilities to charge for locate delivery services, increasing the Company's costs.

49. In response, Enbridge Gas is proposing to introduce a new charge of $200 per locate request from third-party contractors and other utilities that require a field locate. The charge will not apply if Enbridge Gas receives a locate delivery request and there is no Enbridge Gas underground infrastructure within the area of the ground disturbance activity. The intent of the charge is to ensure that the costs to provide the locate delivery services to third-party contractors and other utilities are recovered from the third-party contractors and other utilities requesting the service and not borne by customers.

50. Enbridge Gas is not proposing a service charge for locate requests from customers involving ground disturbance activities at their residential and/or private properties, as these costs will continue to be recuperated through delivery rates. Projects completed by customers involving ground disturbance activities at residential and/or private properties are typically small in scale and cost (i.e. basic personal property landscaping), relative to third-party contractor projects. Additionally, having a charge for locate services for projects completed at residential and private properties by customers may deter these customers from requesting locates, which poses a safety and operational risk. By not charging these customers for locate requests, Enbridge Gas will continue to encourage these customers to request locates prior to starting any ground disturbance in support of preserving the safety of people, property, and the environment.

51. Given that the new regulations are expected to cause significant changes to the locate delivery services, Enbridge Gas is proposing a new locate delivery service variance account to protect customers and the Company from the cost uncertainty

in 2024 and beyond, as provided in Exhibit 9, Tab 1, Schedule 3. Enbridge Gas has not included revenue from the locate delivery service charge in the 2024 Test Year Forecast. Any amounts collected will be recorded in the proposed variance account.

Background

52. Enbridge Gas has a duty to respond to locate requests made with regard to proposed ground disturbance activity that may affect underground infrastructure owned or operated by Enbridge Gas, as per the Ontario Underground Infrastructure Notification System Act, 2012[10] and the Canadian Energy Regulator Pipeline Damage Prevention Regulations – Obligations of Pipeline Companies[11].

53. As a result of these regulations, Enbridge Gas has received an average of 1,135,000 locate requests annually for the period of 2019 to 2021 with 70% to 80% of annual requests being placed by third-party contractors and other utilities. The remainder of requests each year are placed by customers for private properties and Enbridge Gas.

54. In response to each locate request, Enbridge Gas provides:
    a) A written statement outlining that none of Enbridge Gas's underground infrastructure are within the area of the ground disturbance activity, or
    b) A field locate, which is composed of:
        i. Markings on the ground of the location of Enbridge Gas underground infrastructure using electromagnetic locating equipment; and

[10] Government of Ontario. (2022, April, 14). Ontario Underground Infrastructure Notification System Act, 2012, S.O. 2012, c. 4. https://www.ontario.ca/laws/statute/12o04
[11] Government of Canada. (2020, March, 16). Canadian Energy Regulator Pipeline Damage Prevention Regulations – Obligations of Pipeline Companies (SOR/2016-133). https://laws-lois.justice.gc.ca/eng/regulations/SOR-2016-133/index.html

ii. A written document containing information in regard to the location of Enbridge Gas underground infrastructure.

55. As part of the response to certain locate requests, Enbridge Gas will require administrative and/or in-field safety controls to prevent damage of Enbridge Gas assets in alignment with the goal of preserving the safety of people, property, and the environment.

56. Safety controls on locates are based on various categories and features of underground infrastructure that may be directly within the proposed excavation area and/or the nearby vicinity. Examples of safety controls include Enbridge Gas:
    a) Completing reviews of additional records;
    b) Requiring that third-party contractors and other utilities obtain permits from Enbridge Gas;
    c) Providing in-field observation of the third-party contractor's and other utilities' excavation; and/or
    d) Completing periodic leak surveys of underground infrastructure.

57. Since the applicable locate regulations under the Ontario Underground Infrastructure Notification System Act came into effect in 2012, Enbridge Gas has borne all costs related to delivering locates to third-party contractors and other utilities as operating expenses, including the completion of safety controls and all associated internal management staff. Rationale for this approach has primarily been to remove barriers to third-party contractors and other utilities, for requesting locates to help prevent Enbridge Gas asset damages by third-party contractors and other utilities until the excavation community within Ontario has matured to the point of achieving compliance with regulations, which requires excavators to obtain utility locates before excavating.

58. Bill 93 increases the emphasis on utilities to meet compliance requirements for locate delivery which is subsequently necessitating significant investment and enhancements to be implemented by Enbridge Gas.

Proposed Locate Delivery Charge

59. In response to Bill 93, Enbridge Gas is proposing that the OEB approve a new service charge of $200 for each locate request received from third-party contractors and other utilities that require a field locate by an Enbridge Gas resource.

60. The rationale for charging third-party contractors and other utilities for Enbridge Gas's services related to their locate requests is to;
    a) Ensure costs are recovered from third-party contractors and other utilities requesting the service and not borne by Enbridge Gas customers; and
    b) Help offset the significant incremental costs Enbridge Gas will incur to comply with the new regulations.

61. Table 2 shows a summary of the proposed charges for Enbridge Gas's completion of each locate request from third-party contractors and other utilities. The proposed charge is designed to recover Enbridge Gas's costs of providing the locate delivery service.

Table 2
Proposed Locate Delivery Service Charge Per Locate Request

Line No.	Particulars ($)	Proposed Charge (a)
1	Field Locate Delivery	160
2	Locate Delivery Administration	10
3	Field Locate Safety Controls	30
4	Total Proposed Charge Per Locate Request	200

Field Locate Delivery

62. When a locate request is made for a field locate, an Enbridge Gas second party representative (locator) must be dispatched to the third-party contractor's or other utilities' proposed ground disturbance location. The locator will then mark the ground with the location of Enbridge Gas underground infrastructure using electromagnetic locating equipment and develop documents containing information in regard to the location of Enbridge Gas underground infrastructure as per provincial industry standardized and approved utility locate practices.

63. As locate requests by third-party contractors and other utilities have grown more complex and extensive over recent years and the emphasis on utilities to meet compliance requirements of five business days for locate delivery have increased, resources for completing field locates have become strained. As a result of limited resources, Enbridge Gas is facing significant challenges including increased workload on each locator, difficulty hiring locators and difficulty retaining locators. To address these challenges, Enbridge Gas is working with industry stakeholders to increase compensation to locate service providers. The increase in compensation also recognizes the level of liability on the part of locators in delivering locate services.

64. As a result of these efforts, the average cost per locate is expected to rise to approximately $160 per locate starting in 2023, up from approximately $65. The majority of the increase will be passed directly to the frontline personnel resources completing field locates. This will better align the compensation within the utility locate industry to that of skilled construction industry labour and is expected to improve resourcing.

65. In addition, field locate delivery includes notification charges by the provincially mandated regional utility one call service provider, which is included in the assumptions arriving at the average annual cost per locate of approximately $160.

Locate Delivery Administration

66. In order to support Enbridge Gas's end-to-end field locate processes related to responding to third-party contractor and other utilities' locate requests for ground disturbance, Enbridge Gas maintains a dedicated full-time department of managerial and clerical administrative employees. This department is staffed by over 40 employees with up to an additional ten contractors that are retained on a seasonally variable basis.

67. Administrative employee support field locate processes through multiple means including:
    a) Services to manually review locate requests to determine when field locates are not required as Enbridge Gas assets are not in the locate area;
    b) Assisting locators through in-office and/or in-field services;
    c) Completing quality management reviews;
    d) Reviewing industry performance metrics and addressing industry trends;
    e) Coordinating with locators on workload forecasts and prioritization;

f) Coordinating with third-party contractors and other utilities to manage requests; and
g) Ensuring quality and accuracy of locates through quality control program.

68. Collectively all permanent and contract managerial and clerical administrative employees, in addition to associated administrative non-personnel operating expenses has an average administrative cost per locate of approximately $10.

Field Locate Safety Controls

69. Various resources, processes and procedures are required to maintain safety controls on locates based on various categories and features of underground infrastructure within the proposed excavation area.

70. For each locate request requiring additional safety controls, a combination of Enbridge Gas internal labour resources and Enbridge Gas contractor resources will be engaged in advance and during the ground disturbance activities of third-party contractors and other utilities. These resources are required to ensure that the third-party contractors and other utilities are following all of Enbridge Gas's ground disturbance requirements and maintaining appropriate physical separation from Enbridge Gas assets.

71. Based on the average resource requirements of each locate requiring safety controls, the average cost per locate is approximately $30.

2. Damage Cost Recovery Charges

72. The purpose of damage cost recovery charges is to recover costs incurred by the Utility to remediate assets damaged by third-party activities. Enbridge Gas is requesting approval of changes to the damage cost recovery charges for at fault

damages to Enbridge Gas assets by external parties. Enbridge Gas has existing processes in the EGD and Union rate zones to recover costs associated with damages. Remediation costs for each damage are initially incurred by Enbridge Gas as expenses, which are offset by charging the party at fault once all remediation work is complete.

73. Damages to Enbridge Gas assets caused by third-party activities pose an ongoing risk to the safe and reliable delivery of natural gas in the province. Damages not only cause network service disruptions to customers whose lives and livelihoods depend on the delivery of natural gas, but also:
    a) Pose health and safety risks to property and lives in the surrounding area, especially in the rare instance of an ignition;
    b) Pose a risk of environmental damage in the form of hydrocarbons entering the atmosphere due to fugitive emissions; and
    c) Undermine scheduled operations to maintain the integrity of Enbridge Gas's assets by unexpectedly diverting resources on an emergency priority basis.

74. Significant efforts are undertaken by Enbridge Gas to help prevent damages, but despite these efforts, there are approximately two to three thousand damages to Enbridge Gas assets every year caused by third-party activities, which are primarily due to ground disturbances. Examples of these preventative efforts include programs pertaining to; locate delivery, pipeline patrols to detect and intervene upon unauthorized third-party activities, educating third parties about safe excavation practices and requirements, and proactive engagements of excavators at sites posing heightened risks of damages.

75. Enbridge Gas responds to each damage on an emergency priority and does not cease operations until the situation is made safe, and the damage is fully

remediated. As part of responding to these damages on an emergency priority basis, Enbridge Gas requires the involvement of multiple company and contracted resources.

76. The proposed damage charges are based on negotiated rates between Enbridge Gas and contracted service and/or material providers involved in damage response. The charges have been identified based on commonly encountered categories of costs associated with the remediation of damages. The cost recovery amounts collected for at fault damages is recorded as other revenue.

77. Table 3 shows a summary of the current approved damage charges for the EGD and Union rate zones compared to the Enbridge Gas proposed charges. A description of each charge is provided below. The combination of charges for each damage as invoiced are unique to each damage based on the required remediation. In addition to the damage cost recovery charges identified below, Enbridge Gas also has custom charges for a variety of services where the work and the associated costs are not consistent, as detailed in Section 3.

Table 3
Summary of Current Approved and Proposed Damage Cost Recovery Charges (1)

Line No.	Particulars ($)	Current Charges		Proposed Charge
		EGD	Union	
		(a)	(b)	(c)
1	Emergency crew response (2)	-	-	290
2	Damage investigation	420	-	550
3	Loss of containment (gas loss)	Flat rates or specific calculation based on duration and pipe size	$0.10/ standard cubic metre of gas lost	No charge, flat rates or specific calculation based on duration and pipe size

Notes:

(1) Actual damage charge recoveries can be subject to litigation and dispute processes, including court orders and settlements.

(2) New charge proposed.

2.1. Emergency Crew Response

78. Emergency crew response work accounts for the redirecting of resources from active field sites of planned Enbridge Gas work to an incident of active damage. The emergency crew response charge is applicable to all damages.

79. Enbridge Gas is proposing a new charge of $290 per damage for emergency crew response to recover the incremental costs incurred by Enbridge Gas to demobilize and remobilize resources from active field sites, which includes stopping work, securing the work site and travelling to the new site under an emergency priority. Once the damage has been remediated, the resources need to be remobilized, which includes travelling back to the original work site and resuming previously halted work.

2.2. Damage Investigation

80. Damage investigation accounts for the resources dispatched to analyze the damage and determine the root cause. The damage investigation charge is applicable to all damages.

81. Enbridge Gas currently charges $420 per damage in the EGD rate zone and does not charge for this service in the Union rate zones.

82. Enbridge Gas is proposing to charge $550 for all damage investigations. The proposed charge of $550 per damage is based on the existing average total cost of contract resources dispatched to analyze the damage in addition to the cost of one hour of an Enbridge Gas internal resource. The function of the Enbridge Gas resource for this activity is to conduct an audit of the contractor's results in addition to completing all necessary investigation submissions and correspondence with regulators and the excavator involved in the damage.

2.3. Loss of Containment (Gas Loss)

83. Loss of containment accounts for the value of natural gas fugitive emissions lost to the atmosphere caused by the damage.

84. Enbridge Gas currently charges a flat rate or a custom charge per damage based on the loss of containment duration and pipe size in the EGD rate zone. Enbridge Gas charges a variable charge of $0.10/m^3 of gas lost in the Union rate zones.

85. Enbridge Gas is proposing to charge for loss of containment based on the pipeline diameter (in nominal pipe size (NPS)), operating pressure class and time duration of the fugitive emissions, similar to the approach used in the EGD rate zone. The determination of the proposed charge mechanism is outlined in Table 4.

Table 4
Summary of Damage Loss of Containment (Gas Loss) Cost Recoveries Charge

Line No.	Loss of Containment Duration	0 to 15 minutes	16 to 45 minutes	46 to 180 minutes	Over 180 minutes
		(a)	(b)	(c)	(d)
1	NPS 1/2 IP NPS 1/2 HPPE	No charges	Flat rate	Flat rate	Specific calculation
2	NPS 1/2 MP NPS 1 LP NPS 1- 1/4 LP	No charges	No charges	Flat rate	Specific calculation
3	NPS 3/8 LP NPS 3/8 MP NPS 3/8 IP	No charges	No charges	No charges	Specific calculation
4	NPS 2 LP	No charges	No charges	Specific calculation	Specific calculation
5	All other pipeline assets	Specific calculation	Specific calculation	Specific calculation	Specific calculation

Abbreviation

HPPE	Higher Pressure Polyethylene
IP	Intermediate Pressure
LP	Low Pressure
MP	Medium Pressure

86. In some cases, there are no charges depending on the pipe diameter and the pressure. There is insufficient loss of containment or damages to require a charge.

87. In certain cases, the specific calculation is based on the rate of release and duration of release under the conditions of the distribution system at the time of damage, using modelling software. The amount calculated to be released is applied to the reference price for each respective rate zone.

88. In some instances, a flat rate charge will be applied. The applicable flat rate charges vary based on operating pressure and time duration of fugitive emissions, as provided at Table 5.

Table 5
Summary of Proposed Damage Loss of Containment (Gas Loss) Flat Rate Charges

Line No.	Pressure Category (1)	16 to 30 minutes	31 to 45 minutes	46 to 60 minutes	61 to 75 minutes	76 to 90 minutes	91 to 105 minutes	106 to 180 minutes
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	MP	$0.00	$0.00	$10.00	$15.00	$20.00	$25.00	$25.00
2	IP	$10.00	$20.00	$30.00	$40.00	$50.00	$60.00	$70.00
3	HPPE	$15.00	$35.00	$50.00	$70.00	$90.00	$105.00	$125.00

Note:
(1) Not applicable when the pipeline asset has an excess flow valve upstream of the damage location.

89. These flat rate charges are not applicable when the pipeline asset has an excess flow valve upstream of the damage location as the excess flow valve halts any escape of gas when the mechanism is triggered by the conditions of a release.

3. Custom Charges

90. Custom charges recover the costs incurred per occurrence for a variety of services where the work and the associated costs are not consistent. The costs to provide the service can vary and the set charges described in Section 1 and Section 2 of this evidence would not be appropriate for these services. Custom charges are applicable in certain instances of damage response, damage remediation and ad-hoc customer requested services.

91. A custom charge is determined on a case-by-case basis and could include internal labour (regular and/or overtime), third-party invoices, and/or materials. Custom charges are based on costs incurred by Enbridge Gas and passed through to the customer.

92. Listed below are examples where Enbridge Gas would apply a custom charge as a result of varying costs associated with the service provided:
    a) Fitter first response accounts for the certified gas fitter resources dispatched as a primary responder to a damage. The proposed charge is calculated as the total fitter time multiplied by the applicable regular work hour labour, overtime labour, and/or contractor labour charges, as applicable;
    b) Damage re-light accounts for resources associated with returning service to customer appliances following a damage repair. Enbridge Gas is proposing a custom charge for damage relight that is calculated as the total fitter time multiplied by the applicable regular labour, overtime labour, and/or contractor labour charges, as applicable; and
    c) Service line alterations account for changes and moves of an existing service line or a meter without adding new services. The alterations typically vary in length and the custom charge is based on the length of the move.

93. Enbridge Gas currently uses custom charges to recover costs associated with labour, overtime, materials and third-party invoices to provide customer specific services in both the EGD and Union rate zones.

94. Table 6 details the various components to calculate custom charges.

Table 6
Summary of Current and Proposed Custom Charges

Line No.	Particulars ($)	Current Charges EGD (a)	Current Charges Union (b)	Proposed Charges (c)
1	Regular Labour (per hour)	140	137 (1)	178
2	Overtime Labour (per hour)	175	188 (1)	223
3	Third Party Invoices	Third-party invoice costs	Third-party invoice costs	Third-party invoice costs
4	Materials	Material costs	Material costs	Material costs

Note:
(1) The regular and overtime labour charges are updated on an annual basis in the Union rate zones, these rates are based on the 2022 year. The charges could also vary based on the work performed.

3.1. Regular Labour

95. The regular labour charge is used to derive custom charges for Enbridge Gas when internal company resources are used during regular work hours to provide services such as damage response, damage remediation, street service alterations and other ad-hoc customer requested services.

96. Enbridge Gas currently charges for labour during regular work hours in the EGD and Union rate zones. In the EGD rate zone, Enbridge Gas currently charges $140 per hour as found in Rider G of the handbook. The regular labour charge was last updated in 2009. In the Union rate zones, the regular labour charge is $137 per hour, and is updated on an annual basis.

97. Enbridge Gas is proposing to set the regular labour charge during regular work hours at $178 to reflect the costs for labour. For any time spent on premise that is below the full hour, the full hourly rate will apply. To calculate the regular labour

charge, Enbridge Gas included the average cost for unionized employees, including salary, pension and benefit costs. This rate also includes overhead costs such as planning and dispatch, supervision, fleet, and administration costs.

3.2. Overtime Labour

98. The overtime labour charge is used to derive custom charges for Enbridge Gas internal labour resources for overtime work hours required to provide services such as damage response, damage remediation, street service alterations and other ad-hoc customer requested services.

99. Enbridge Gas currently charges hourly for overtime labour in the EGD and Union rate zones. For any time spent on premise that is below the full hour, the full hourly rate will apply. In the EGD rate zone, Enbridge Gas charges $175 per overtime labour hour which is 1.25 times the regular labour charge. In the Union rate zones, Enbridge Gas charges $188 per hour.

100. Enbridge Gas is proposing to set the hourly overtime labour charge at 1.25 times the regular work hours labour rate ($178 x 1.25 totalling $223 per hour) for any services rendered by Enbridge Gas internal labour resources working outside of regular work hours. The overtime premium of 1.25 times the regular labour charge is based on the fully loaded cost of the employee (i.e. base pay, overtime rates and policies, etc.) according to current policies for associated internal labour resources working under overtime conditions.

3.3. Third-Party Invoices

101. Enbridge Gas is proposing to continue to charge the cost invoiced by the third-party for the specific services that are being custom billed. This approach is

consistent with the current recovery of third-party charges in the EGD and Union rate zones.

3.4. Materials

102. Enbridge Gas is proposing to continue to charge a materials charge to account for the value of materials used for any work recovered through a custom charge to recover the cost of materials.

103. Damages to pipelines smaller than NPS 4 are proposed to have a material cost of $35 applied that is based on the average of historical damages for damages to pipes smaller than NPS 4. Damages to pipelines NPS 4 and greater are proposed to have a material cost specific to the damage's repair cost applied.

4. Eliminated Charges

104. Enbridge Gas proposes to simplify administrative processes by reducing the number of service charges and including the service charges that are frequently used and easy for customers to understand. The eliminated charges collected in other revenue in 2021 are minimal, with less than $0.05 million cumulative impact for all the eliminated services. Eliminating cut off at main charges, which are not a part of other revenue, results in an increase to rate base of approximately $5 million.

105. Although the service charge is eliminated, Enbridge Gas will continue to offer the service to the customer where required without charge. The eliminated service charges are provided at Table 7. A description of each eliminated service is provided below.

Table 7
Summary of Service Charges - Eliminated

Line No.	Particulars ($)	Current Charges EGD (a)	Current Charges Union (b)
1	Lawyer Letter Handling	15	-
2	Request for Service Call Information	30	-
3	Duplicate Bills (Manual processing)	-	15
4	Detailed Billing Analysis/Statement of Account	10	Varies (1)
5	Valve Lock	135-280	-
6	Removal of Meter	280	-
7	Meter Lock	70	22 (seasonal)
8	Meter in/out	280	-
9	Cut off at Main (Residential)	1,300	-
10	Cut off at Main (Non-Residential)	Custom	-
11	Damage Meter Charge	380	-

Note:
(1) Charge varies depending on request.

4.1. Lawyer Letter Handling Charge

106. The lawyer letter handling charge was intended to be applied to customers in the EGD rate zone when their lawyer's office requested historical information related to their gas bill. In practice, Enbridge Gas does not charge for these requests in the EGD rate zone and there is no comparable charge in the Union rate zone.

107. Enbridge Gas is proposing to eliminate this charge as the charge is not used. Customers have access to self-serve options to retrieve historical information and customers who are not able to access self-serve options will receive historical information free of charge.

4.2. Request for Service Call Information

108. The request for service call information charge was intended to be applied to customers in the EGD rate zone who requested a summary of their service call results. In practice, Enbridge Gas does not charge for these requests in the EGD rate zone and there is no comparable charge in the Union rate zone.

109. Enbridge Gas is proposing to eliminate the request for service call information charge as the charge is not used. Customers will continue to be able to request a summary of their service call results free of charge.

4.3. Duplicate Bills

110. The duplicate bills charge was intended to be applied to customers in the Union rate zones when they requested a duplicate copy of their bill. In practice, Enbridge Gas does not charge for these requests in the Union rate zone and does not have a comparable charge in the EGD rate zone.

111. Enbridge Gas is proposing to eliminate the duplicate bills charge as the charge is not used. Customers have access to self-serve options to retrieve their bills and customers who are not able to access self-serve options will receive a copy of their bill free of charge.

4.4. Detailed Billing Analysis/Statement of Account

112. The detailed billing analysis/statement of account charges were intended to be applied to customers in the Union rate zones when they requested a detailed analysis of their account. In practice, Enbridge Gas does not charge for these requests in the Union rate zone and does not have a comparable charge in the EGD rate zone.

113. Enbridge Gas is proposing to eliminate this charge as the charge is not used. Customers have access to self-serve options to retrieve their historical information and customers who are not able to access self-serve options, or who have questions about the information available, will receive their account information and support free of charge.

4.5. Valve Lock Charge – Field Investigator/Construction & Maintenance

114. The valve lock occurs when the service is shut off from the street by closing the valve.

115. Enbridge Gas currently charges $135 for the field investigator and $280 for construction & maintenance for the valve lock service in the EGD rate zone and does not charge for this service in the Union rate zones.

116. Enbridge Gas is proposing to eliminate this service charge as the valve lock service is rarely a customer requested service and the amounts collected from this service charge are immaterial.

4.6. Removal of Meter

117. Removal of meter occurs when the physical meter is removed from the premise. Enbridge Gas charges a service fee of $280 for the removal of meter in the EGD rate zone and does not charge for the service in Union rate zones.

118. Enbridge Gas is proposing to eliminate this service charge as the service is rarely used and the amounts collected from this service are immaterial.

4.7. Meter Lock

119. The meter lock service is the action of turning the meter off so that gas is not flowing at the premise.

120. Enbridge Gas is proposing to remove reference to the meter lock charge, as under the Gas Distribution Access Rule (GDAR), utilities are not to apply any charges when disconnecting a customer for non-payment. In compliance with GDAR, Enbridge Gas currently does not charge for meter lock for non-payment in both the EGD and Union rate zones.

4.8. Meter in/out

121. The meter in/out charge is intended to recover costs of relocating the meter from the inside to the outside of the customer premise per customer request.

122. Enbridge Gas charges a service fee of $280 for the meter in/out in the EGD rate zone and does not charge for the service in the Union rate zones.

123. Enbridge Gas is proposing to eliminate this service charge as the service is rarely used and the amounts collected from this service are immaterial.

4.9. Cut Off at Main

124. The cut off at main service occurs when a customer requests that their service line be cut off at the main line for safety purposes. Generally, this service is provided when a customer is completing a demolition or renovation or switching to another energy source.

125. Enbridge Gas's cut off at main charge is $1,300 for residential customers or a custom charge amount based on the cost to provide the service for certain residential and non-residential in the EGD rate zone. Enbridge Gas does not charge for the service in Union rate zones.

126. Enbridge Gas is proposing to no longer charge for this service to promote operational safety and maintain safety standards of the Enbridge Gas distribution system. Having a prohibitive charge for this service can deter customers from requesting the service leading to abandoned natural gas lines and meters, which poses a safety and operational risk.

127. Enbridge Gas also asked respondents for feedback on the cut off at main charge as part of the customer engagement. The question asked whether the homeowner should be charged based on the full cost to provide the service, charged based on a partial cost to provide the service, or receive no charge for the service. The responses were mixed, with no strong preference for any scenario presented. The responses were 33% of respondents supporting not charging for cut off at main and 30% of respondents supporting fully charging for the service. The remaining respondents supported a partial charge, did not have an opinion, or didn't know. Further details can be found in the customer engagement report provided at Exhibit 1, Tab 6, Schedule 1, Attachment 1, pages 263-264.

128. For these reasons, Enbridge Gas is proposing to adopt the approach used in the Union rate zones and no longer charge for the service.

4.10. Damaged Meter

129. The damaged meter charge is intended to recover costs for damage of a meter at a customer premise.

130. Enbridge Gas charges a service fee of $380 for the damaged meter in the EGD rate zone and does not charge for the service in the Union rate zones.

131. Enbridge Gas is proposing to eliminate this service charge as the service is rarely used and the amounts collected from this service are immaterial.

DIRECT PURCHASE (DP) SERVICE CHARGES

AMIR HASAN, MANAGER THIRD PARTY PROGRAMS

1. The purpose of this evidence is to request OEB approval of changes to update and harmonize the Direct Purchase Administration Charge (DPAC) and Distributor Consolidated Billing (DCB) charges across all Enbridge Gas service areas, effective January 1, 2024. Enbridge Gas proposes to treat the harmonized DCB Program as a utility activity. Further details of the proposed utility treatment of the DCB Program are provided at Exhibit 1, Tab 14, Schedule 3. The proposed DPAC and DCB charges will continue to be adjusted for inflation based on the OEB's annual inflation factor per the Report of the OEB during the IR term.[1]

2. The DPAC and DCB service charges recover costs incurred by the utility to administer these programs. Recovering costs through direct purchase (DP) service charges is reasonable because it aligns cost incurrence with recovery based on the service provided. The other revenue generated from the DP service charges offsets the costs incurred, thereby reducing the base delivery rates paid by all customers.

3. There are also other DP service charges applicable to balancing services offered by Enbridge Gas. These services will continue to be offered to the EGD and Union rate zones using the current approved methodology until the implementation of the service harmonization proposals, which are subject to OEB approval as part of this proceeding. The description of the proposed service pricing for balancing services is provided at Exhibit 8, Tab 4, Schedule 3 and Exhibit 8, Tab 4, Schedule 5. Since the proposed harmonization changes to the balancing services and their respective charges will be implemented with other service harmonization proposals during the 2025 to 2028 IR term, there is no change to the forecast 2024 Test Year revenue.

[1] EB-2015-0304, Report of the Ontario Energy Board, November 29, 2018.

4. The proposed DP service charges form part of the rate handbook under Rider A, as provided at Exhibit 8, Tab 2, Schedule 7.

5. This evidence is organized as follows:
    1. DP Service Charges Overview
    2. DPAC
    3. DCB Charges

1. DP Service Charges Overview

6. Since EGD and Union last updated the DP service charges, there has been a significant decline in the number of low volume customers taking DP services and an increase in costs to provide the services. Further, Enbridge Gas has continued to separately offer these services to the EGD and Union rate zones without harmonization since the amalgamation. The regulated charges for DPAC and DCB have been adjusted for inflation based on the OEB's annual inflation factor per the Report of the OEB. [2]

7. The primary users of these services are retail energy marketers that operate in both the EGD and Union rate zones and have the expectation that the underlying DP services and associated service charges will be simplified and harmonized. Further details with respect to the harmonization of the direct purchase services are provided at Exhibit 8, Tab 4, Schedule 3.

2. DPAC

8. The current and proposed charges for DPAC and notice of switch letter are summarized in Table 1 and included in Rider A.

[2] EB-2015-0304, Report of the Ontario Energy Board, November 29, 2018.

Table 1
Summary of DP Charges - DPAC

Line No.	Particulars ($)	Current Charges EGD	Current Charges Union	Proposed Charges
		(a)	(b)	(c)
	DPAC			
1	Per pool	79.05	79.05	122.00
2	Per customer	0.22	0.20	n/a
3	Notice of switch letter (currently not charged)	2.11	2.11	2.11

9. Enbridge Gas does not currently apply the common notice of switch letter charge resulting from the OEB's Report and subsequent Decision and Order[3] with respect to fees charged by electricity and natural gas distributors to energy retailers. Distributors are required to issue these letters to low volume consumers who sign a contract with an energy retailer. The OEB set a common charge for use by all distributors to recover the incremental cost of sending this letter. The OEB recognized that the costs of distributor billing system changes to apply this charge could outweigh the benefits and provided the distributors the ability to opt out of charging this fee. Enbridge Gas opted out of applying the charge as its billing systems are unable to automatically apply the charge. Enbridge Gas will consider this charge in future billing system changes and/or if energy retailer enrolment activity significantly increases. Since the charge was recently determined and is common to all electricity and natural gas distributors, Enbridge Gas is not requesting a change to this charge as part of this Application.

[3] EB-2015-0304, Report of the Ontario Energy Board, November 29, 2018.

10. DPAC charges are intended to recover the fully allocated O&M costs to administer DP services. These costs include employee salaries, benefits, and overheads to provide DP contract administration, gas management, billing, and reporting.

11. The DPAC for the EGD rate zone was last updated for costs as part of EGD's 2010 Rates proceeding[4], as shown in Table 2, column (a). The charge was set to recover the incremental O&M costs to administer DP service for all DP customers, including general and contract rate services.

Table 2
Approved Derivation of DPAC by Rate Zone, Excluding Annual Inflation Adjustments

Line No.	Particulars	EGD 2010 Approved (1) (a)	Union 2004 Approved (2) (b)
1	Allocated Cost ($000s)	2,828	1,855
2	Number of pools/contracts	1,355	1,000
3	Number of customers	644,082	435,665
4	Rate per pool/contract	$75.00	$75.00
5	Rate per customer	$0.21	$0.19
	Revenue ($000s)		
6	Pool/contract fee	1,220	900
7	Customer fee	1,623	993
8	Total	2,843	1,893
9	Net (line 1 - line 8)	(15)	(38)

Notes:
(1) EB-2009-0172, Exhibit B, Tab 4, Schedule 1.
(2) RP-2003-0063, Exhibit H1, Tab 3.

[4] EB-2009-0172.

12. The DPAC for the Union rate zones was last updated for costs as part of Union's 2004 Rates proceeding[5] as shown in Table 2, column (b). The charge was set to recover the allocated O&M costs to administer DP service for the general service market. Since most contract rate commercial and industrial customers are on bundled, semi-unbundled, or unbundled DP services, costs to support DP for customers in contract rate classes are recovered through the respective delivery rates.

13. In all rate zones, DPAC costs are recovered through two rate components: a rate per pool or contract; and a rate per customer attached to those pools. The current rates for the EGD and Union rate zones are the same per pool and very similar per customer.

14. Please see Table 2, for the current approved derivation of the DPAC for the EGD and Union rate zones, excluding annual inflation adjustments. The DPAC for each rate zone remained unchanged until January 1, 2020, at which point the respective DPAC have been adjusted each year based on the OEB's annual inflation factor. [6]

15. Since the charges were established, the number of DP customers has declined significantly from over 1 million customers to about 100,000 customers, while the number of pools/contracts has seen a moderate decline during this same period.

16. Enbridge Gas is proposing to set a common DPAC to recover O&M costs to administer the DP service for all DP customers in all Enbridge Gas service areas. The charge includes the costs that could be reduced or eliminated if the use of the service declined, or the service was eliminated. Any additional costs resulting from the complexity and support required for supporting the DP service in the contract

[5] RP-2003-0063.
[6] EB-2015-0304, Report of the Ontario Energy Board, November 29, 2018.

rate classes are recovered in the respective delivery rates.

17. There are three main functional areas of administration that support the DP service. These are a) contract administration, b) gas management, and c) billing and reporting.
    a) Contract administration includes establishing, amending, and renewing the Daily Contract Quantity (DCQ) and balancing parameters on each DP arrangement. It also includes any activities related to reviewing and authorizing transactions used by customers to balance their pools, and queries related to each pool.
    b) Gas management includes the management of transportation and load balancing, handling of nominations related to DCQ and balancing transactions applicable to each pool, and the tracking of balances in banked gas accounts and storage accounts.
    c) Billing and reporting include the billing of fees and charges as well as the creation of reports summarizing gas deliveries, consumption, gas balances, and required balancing actions at the pool level.

18. Based on a review of the functional areas, Enbridge Gas determined that the number of DP pools is the primary driver of costs in each of the areas whereas the number of customers on a pool has very little impact on these activities. For example, reducing the number of customers on a pool may change the size of a pool's DCQ, but it does not change the need to support the administration of the pool through adjusting its parameters, nominations, balancing, billing, and reporting. Only reductions in the number of pools would lead to a reduction in allocated costs.

19. As administrative activities and costs in support of DP are a function of the number of pools, and to better align cost recovery with cost incurrence, Enbridge Gas is

proposing to set a common DPAC per month per pool. As such, the current charge per customer attached to a pool is proposed to be eliminated and costs previously recovered through this charge will be recovered through the monthly charge.

20. Enbridge Gas is proposing to set the DPAC at $122 per month for each pool for all Enbridge Gas service areas to recover the allocated costs of providing the service. Please see Table 3 for the derivation of the proposed 2024 DPAC.

Table 3
Derivation of the Proposed 2024 DPAC

Line No.	Particulars	Current Charges	Proposed Charges
		(a)	(b)
	Allocated Cost ($000s)		
1	Contract Administration	579	579
2	Gas management	1,700	1,700
3	Billing and reporting	663	663
4	Total Allocated Costs	2,942	2,942
5	Number of pools/contracts	2,015	2,015
6	Number of customers	106,093	
7	Rate per pool/contract	$79.05	$122.00
8	Rate per customer (1)	$0.20	
	Revenue ($000s)		
9	Pool/contract fee	1,911	2,950
10	Customer fee	256	-
11	Total	2,167	2,950
12	Net (line 4 - line 11)	775	(8)

Notes:
(1) Weighted average of current customer rates.

21. Table 3, lines 1 to 4, show the forecast costs of administering DP by functional area. The revenue shortfall of $0.775 million, shown at Table 3, column (a), line 12 reflects the increase in costs since the DPAC was last established several years ago. This increase in costs to provide the service includes salaries and benefits for the areas that support DP programs, partly offset by reductions driven by system and process efficiencies. The revenue shortfall reflects that the DPAC has not be updated in several years and there has since been a significant decline in the number of DP customers. Specifically, the current cost recovery through the rate per customer has created a revenue shortfall as the number of DP customers has declined disproportionally to the reduction in the number of DP pools.

22. The DPAC will continue to be adjusted for inflation based on the OEB's annual inflation factor per the Report of the OEB during the IR term. [7]

3. DCB Charges

23. The DCB service, also known as Agency, Billing and Collection (ABC), provides energy marketers and others the ability to bill end-use customers for their gas supply charges on Enbridge Gas's bill. The rates for the use of this service are intended to recover the fully allocated O&M costs to administer the program. These costs include employee salaries, benefits, and overheads to provide the service. Current and proposed charges for this service are provided at Table 4.

[7] EB-2015-0304, Report of the Ontario Energy Board, November 29, 2018.

Table 4
Summary of DP Charges – DCB

Line No.	Particulars ($)	Current Charges EGD	Current Charges Union	Proposed Charges
		(a)	(b)	(c)
	DCB (per/customer)			
1	EGD - Rate 1	1.30		
2	EGD - Rate 6	2.00		
3	EGD - Rate 100+	5.00		
4	Union		0.60	
5	EGI			2.23
6	IVA Charge per transaction	0.30	1.15	1.41

24. There are two separate billing services within the DCB Program. The main DCB service is used by energy marketers to bill their ongoing gas supply charges each month to their customers. The charge for this service is applied each month based on the number of customers.

25. The other DCB service, Invoice Vendor Adjustment (IVA), is used to bill one-time charges and/or provide rebates to end-use customers. The charge for this service is applied to each IVA transaction.

26. The current DCB service in the EGD rate zone is a non-utility activity and, as such, the rates have been set and adjusted by Enbridge Gas periodically without the need for OEB review and approval.

27. The DCB service in the Union rate zones is a utility activity. The rate for the main DCB service was last adjusted and approved by the OEB in Union's 2013 Cost of

Service proceeding[8]. The DCB charge was set to recover allocated DCB Program administration costs including the salaries and benefits of employees, and bad debt costs.

28. Enbridge Gas proposes to treat the harmonized service as a utility service across all rate zones. Further details on the proposed treatment of the DCB Program are provided at Exhibit 1, Tab 14, Schedule 3.

29. Prior to Union's 2013 Cost of Service proceeding[9], Union charged a different amount to general service and contract rate customers. Union proposed and the OEB accepted that the general service charge apply to all customers, including contract rate, since very few contract rate customers used the service and the costs to administer the service were similar between general service and contract rate customers.

30. The rate for the IVA service in the Union rate zones was determined and approved by the OEB in Union's Invoice Vendor Adjustment Fee proceeding[10]. The rate was set on the basis that 26% of IVA transactions would result in a call to the utility's call centre and that the call would average 5.5 minutes in length.

31. Since January 1, 2020, both DCB charges for the Union rate zones have been adjusted for inflation based on the OEB's annual inflation factor per the Report of the OEB[11].

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[8] EB-2011-0210.
[9] Ibid.
[10] EB-2007-0599.
[11] EB-2015-0304, Report of the Ontario Energy Board, November 29, 2018.

32. Enbridge Gas is proposing to set the DCB charge at $2.23 per customer per month for all Enbridge Gas service areas to recover the allocated costs of providing the service. Please see Table 5 for the derivation of the 2024 DCB charge.

Table 5
Derivation of the 2024 DCB Charge

Line No.	Particulars	Current Charges	Proposed Charges
		(a)	(b)
	Allocated Cost ($000s)		
1	Contract Administration and Billing	1,416	1,416
2	Call Centre	215	215
3		1,631	1,631
4	Bad Debt	775	775
5	Total Allocated Costs	2,406	2,406
	Number of Customers		
6	EGD - Rate 1	25,276	
7	EGD - Rate 6	18,015	
8	EGD - Rate 100+	73	
9	Union	46,372	
10	Total Number of Customers	89,736	89,736
11	Rate per Customer	per Table 4	$ 2.23
	Revenue ($000s)		
12	DCB Charge revenue	1,365	2,401
13	Net (line 5 - line 12)	1,041	5

33. The forecast of allocated costs to provide the DCB service, including contract administration, billing, call centre and bad debt costs, is $2.4 million and there are 89,736 customers forecast to be billed by Enbridge Gas. This forecast results in a revenue shortfall of $1.041 million, as shown at Table 5, column (a), line 13. The revenue shortfall reflects the increase in costs since the DCB charge was last

established and the decline in cost recovery through the rate per customer, as the number of DCB customers has declined.

34. The current DCB charge for the EGD rate zones is set at different rates for Rate 1, Rate 6, and contract rate customers. As previously identified in Union's Cost of Service Application[12], the service gets very little use from contract rate customers and the costs to administer the service are very similar. As a result, it is proposed that the rate for the DCB service be simplified to a single rate of $2.23 per customer. Applying this charge for all customers billed under this service allows Enbridge Gas to recover the allocated costs of providing the DCB service.

35. Consistent with the approach for the DCB charge, Enbridge Gas is proposing to set a common IVA service charge applicable to all Enbridge Gas service areas within the DCB Program. The proposed charge is priced to provide a contribution towards the recovery of administrative costs associated with providing the DCB service.

36. To determine the price to provide the IVA service, Enbridge Gas applied the portion of IVA transactions as a percent of total number of DCB transactions to the total DCB Program costs. The forecast number of IVA transactions represents approximately 1% of the total number of DCB transactions administered by Enbridge Gas. When this percentage is applied to the total administrative costs to support the DCB Program of $1.6 million (Table 5, line 3), the resulting cost to be recovered through the IVA charge is $0.016 million. Dividing this cost by the number of IVA transactions results in a unit rate of $1.41 per transaction, which is an increase from the current EGD and Union charges, as shown in Table 4.

[12] EB-2011-0210, Exhibit H1, Tab 3, November 23, 2011, page 3.

37. The DCB charges will be adjusted for inflation based on the OEB's annual inflation factor per the Report of the OEB during the IR term.[13]

[13] EB-2015-0304, Report of the Ontario Energy Board, November 29, 2018.

SERVICE HARMONIZATION

ANDREA SEGUIN, DIRECTOR STORAGE AND TRANSPORTATION SALES
JANEE O'DONOHUE, SUPERVISOR PRODUCT & PROCESS DEVELOPMENT
RYAN ORGAN, MANAGER BILLING AND COLLECTIONS
TOM BYNG, SPECIALIST INTEGRATION

1. The purpose of this evidence is to provide an overview of the proposed changes to the in-franchise and ex-franchise service offerings for the amalgamated utility. In the MAADs Decision[1], the OEB directed Enbridge Gas to file a proposal to harmonize rates for the EGD and Union rate zones. To support this directive, the services that underpin the rate design also need to be harmonized. As such, Enbridge Gas is proposing to harmonize the services currently offered in the EGD and Union rate zones to provide a common suite of services for Enbridge Gas customers.

2. Enbridge Gas has also provided a response to the OEB directive from the Integrated Resource Planning Proposal Application[2] to provide a study of its interruptible rates to determine how they might be modified to increase customer adoption. The Interruptible Rates Study is provided at Exhibit 8, Tab 4, Schedule 7.

3. The detail regarding the proposed changes to each of the service offerings is described in the following schedules of Exhibit 8, Tab 4:

Exhibit 8, Tab 4, Schedule 1	Service Harmonization
Exhibit 8, Tab 4, Schedule 2	Distribution Services
Exhibit 8, Tab 4, Schedule 3	Bundled Direct Purchase Service

[1] EB-2017-0306/EB-2017-0307, OEB Decision and Order, August 30, 2018.
[2] EB-2020-0091, Decision and Order, July 22, 2021, page 35.

Exhibit 8, Tab 4, Schedule 4	Semi-Unbundled Direct Purchase Service
Exhibit 8, Tab 4, Schedule 5	Unbundled Direct Purchase Service
Exhibit 8, Tab 4, Schedule 6	Ex-franchise Service
Exhibit 8, Tab 4, Schedule 7	Interruptible Rates Study

4. The proposed harmonized services are planned to be effective April 1, 2026, unless otherwise noted in evidence. This timing provides sufficient opportunity to implement changes to internal and customer-facing business applications, processes, and to provide notice to customers of changes to their services. Some service proposals, such as the elimination of unused services, can be implemented January 1, 2024, as these proposals do not require system changes. The implementation of services is also discussed as part of the rate harmonization plan provided at Exhibit 8, Tab 2, Schedule 1.

5. This evidence is organized as follows:
    1. Service Harmonization Proposal Overview
    2. Approach to Harmonization
    3. Description of Services
    4. Service Areas
    5. Summary of Proposed Services

1. Service Harmonization Proposal Overview

6. Enbridge Gas has, to the extent possible, designed a common suite of services for all customers across the franchise, unless limited by operational requirements which are outlined in the detailed evidence where applicable. By harmonizing the service offerings, Enbridge Gas can simplify and align services to provide a

consistent and improved customer experience, which makes Enbridge Gas easier to do business with.

7. The proposed changes to the service offerings enable Enbridge Gas to align multiple aging business applications, including modernizing the technology and increasing functional reliability. Alignment of services will also enable Enbridge Gas to harmonize business processes which will serve to deliver efficiencies and benefits over time. It is inefficient to continue to maintain multiple systems using aging technology that perform the same or similar functions.

2. Approach to Harmonization

8. In preparing the service harmonization proposals, Enbridge Gas undertook a comprehensive review of all services offered in the EGD and Union rate zones. The EGD and Union rate zones offer a wide range of services that were previously approved by the OEB and designed to meet customer needs. To the extent possible, Enbridge Gas has incorporated the existing service offerings, features and/or service design principles into the harmonized service offerings.

9. Where the services differed between the EGD and Union rate zones, Enbridge Gas considered service design guiding principles and the customer input and feedback provided through customer engagement, both of which are described in this section of evidence.

2.1. Service Design Guiding Principles

10. Enbridge Gas identified the following guiding principles to develop the service design proposals:

a) Service design is informed by customers' needs and preferences;
b) Service design is sustainable and flexible to accommodate the changing market dynamics in which Enbridge Gas operates;
c) Service design evaluates existing service offerings to provide a holistic view of all services rather than in designing a service in isolation; and
d) Service design ensures that the company is able to provide the service physically and operationally from a people, process, asset, and system perspective.

2.2. Customer Engagement

11. As part of assessing a proposal for service harmonization, Enbridge Gas sought feedback on the topic from customers. This feedback was in addition to the knowledge received through regular interactions between customers and/or energy marketers with Enbridge Gas account managers and other frontline staff. The customer feedback was used as input in the design of the harmonized service proposals.

12. A subset of customers, including energy marketers, was identified and engaged early in the service harmonization process. These customers were asked to provide input on the existing service parameters, overall service designs and to share any thoughts for improvements to help shape the proposed harmonized services.

13. Through the customer engagement process, customers were asked specific questions regarding their current services and proposed changes. Customers indicated that they were satisfied with the services they receive today. This feedback was taken into consideration and informed decisions around the proposed harmonized service design.

14. In some cases, Enbridge Gas did not propose changes to a service if a comparable service did not already exist in the EGD rate zone and/or the Union rate zones and/or there was no customer input or feedback to support a change to the service. Further, Enbridge Gas did not seek feedback on proposals that provided additional options to customers or removed unused services based on the assumption that customers would not be negatively impacted by these types of changes.

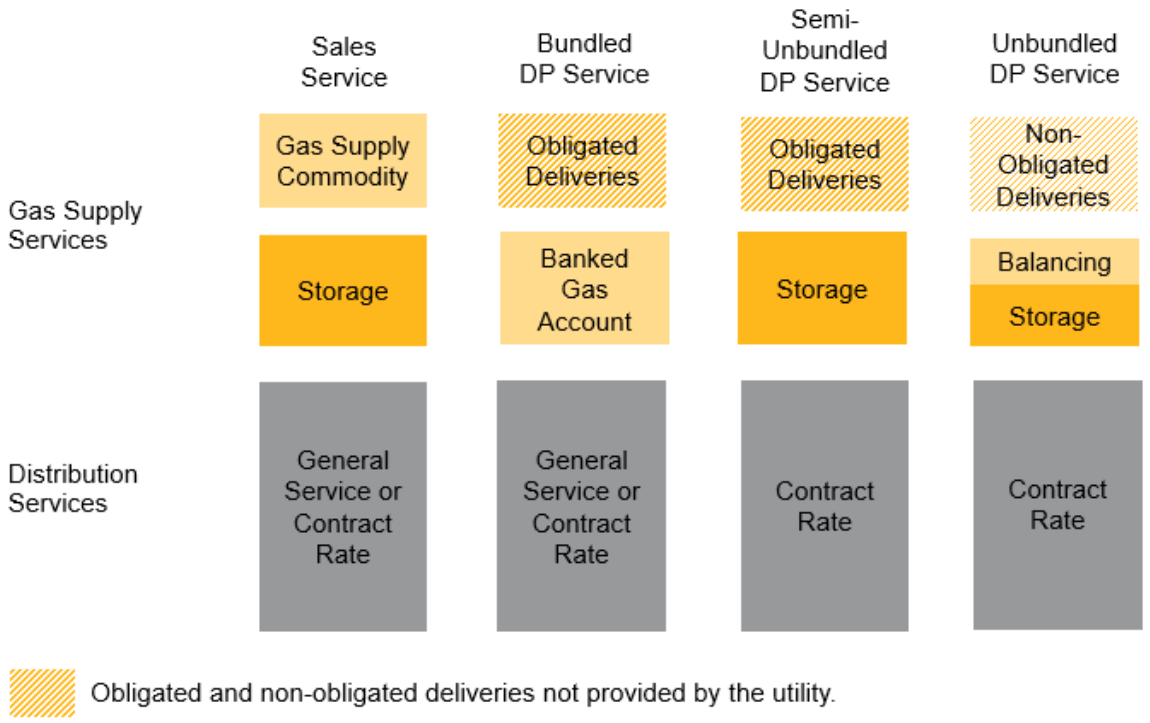
15. A detailed description of all customer engagement activities and feedback received is provided at Exhibit 1, Tab 6, Schedule 1.

3. Description of Services

16. The service harmonization proposals are categorized based on type of service for in-franchise and ex-franchise services as outlined below.

17. The in-franchise services are further defined by distribution and gas supply service options. Figure 1 provides an illustrative example of the different service options available to in-franchise customers. As shown in Figure 1, all in-franchise customers have a distribution service and various gas supply options. A description of these options is provided in this section of evidence.

Figure 1: Distribution and Gas Supply Services



3.1. Distribution Services

18. Distribution services refer to the delivery of gas by Enbridge Gas to the customer's point(s) of consumption.

19. Distribution services are offered to in-franchise customers under either general service or contract rate services. General service customers are primarily represented by residential customers, and small commercial and industrial customers. The contract rate distribution services have defined criteria to determine if a customer is eligible for the service and vary based on the characteristics of service, which include firm, interruptible and seasonal. Customers who take contract rate distribution services are large volume customers within the

greenhouse, steel, chemical, power, refineries, and mining segments, among others.

3.2. Gas Supply Services

20. Enbridge Gas offers customers a choice to either purchase their gas supply from Enbridge Gas under sales service or to provide their own gas supply to meet their consumption needs under direct purchase (DP).

21. Under the sales service option, the utility purchases the gas supply commodity on behalf of the customer. This option is considered a fully bundled service for customers, as the utility manages all aspects of the service including the gas supply and distribution. Enbridge Gas currently offers sales service in both the EGD and Union rate zones and as such, no changes are required to this service option.

22. DP services refer to services offered by Enbridge Gas to customers who provide their own gas supply to meet their consumption needs. Enbridge Gas, in turn, delivers that gas from the point(s) of receipt to the customer's point(s) of consumption. There are three types of DP services with differing levels of customer management required. These DP services include bundled, semi-unbundled, and unbundled, as described below.

Bundled Direct Purchase Services

23. Bundled DP services refers to services offered by Enbridge Gas to bundled distribution service customers who provide their own gas supply through a fixed Daily Contract Quantity (DCQ) to meet the planned annual consumption at the customer's point(s) of consumption. Enbridge Gas tracks differences between the customer's daily deliveries of supply and consumption in a banked gas account.

Under current service offerings, some customers are obligated to balance for differences between actual and planned consumption, depending on the rate zone. This service is currently contracted under: Dawn Transportation Service (DTS), Ontario Transportation Service (OTS) and Western Transportation Service (WTS) in the EGD rate zone; Northern Bundled T in the Union North rate zones; and Southern Bundled T in the Union South rate zone.

Semi-Unbundled Direct Purchase Services

24. Semi-unbundled DP services refer to services offered by Enbridge Gas to customers who provide their own gas supply through a fixed DCQ and who contract for an allocation of storage services to meet consumption at the customer's point(s) of consumption. The customer is responsible for managing the storage account within its contracted parameters. Currently, this service is contracted under T-service in the Union South rate zone (provided under Rate T1, Rate T2, and Rate T3).

Unbundled Direct Purchase Services

25. Unbundled DP services refer to services offered by Enbridge Gas to customers who nominate the delivery of gas supply each day to meet daily consumption at the customer's point(s) of consumption. Some customers may also have a storage account which, depending on the service, they nominate as part of managing their gas supply. In addition, most customers have a balancing account(s) to manage differences between daily nominated supply and actual daily consumption. Currently, this service is contracted under unbundled service in the EGD rate zone and T-service in the Union North rate zone. It also includes a few large customers[3]

[3] Includes large gas fired power generators with firm daily transportation demand requirements in excess of 1,200,000 m^3/day taking service after the EB-2005-0551 Natural Gas Electricity Interface

with non-obligated deliveries at Dawn under the Rate T2 rate schedule in the Union South rate zone.

3.3. Ex-franchise Services

26. Ex-franchise transportation services refer to services offered by Enbridge Gas to access the Enbridge Gas system to move gas through Ontario to key markets in the mid-west, eastern Canada and the U.S. Northeast. These transportation services provide bi-directional point-to-point movement of gas between the Dawn Hub and interconnect points with other gas transportation systems. Currently, the services are contracted under Rate 331 and Rate 332 in the EGD rate zone and Rate M12, Rate C1, Rate M16, Rate M17 in the Union South rate zone.

27. Enbridge Gas also offers ex-franchise producer services, which refers to services offered by Enbridge Gas to conventional and RNG gas producers with the ability to inject produced gas into the Enbridge Gas system. These services may also provide the ability to transport the gas to Dawn providing access to end-use markets both in Ontario and in other jurisdictions through the use of services at the Dawn Hub. Currently, these services are contracted under Rate 401 in the EGD rate zone and Rate M13 in the Union South rate zone. There are also producers in the Union South rate zone who contract directly to sell location production to Enbridge Gas through a Gas Purchase Agreement (GPA).

4. Service Areas

28. The service harmonization proposals are defined based on proposed service areas. The service areas are geographic regions within the Enbridge Gas franchise

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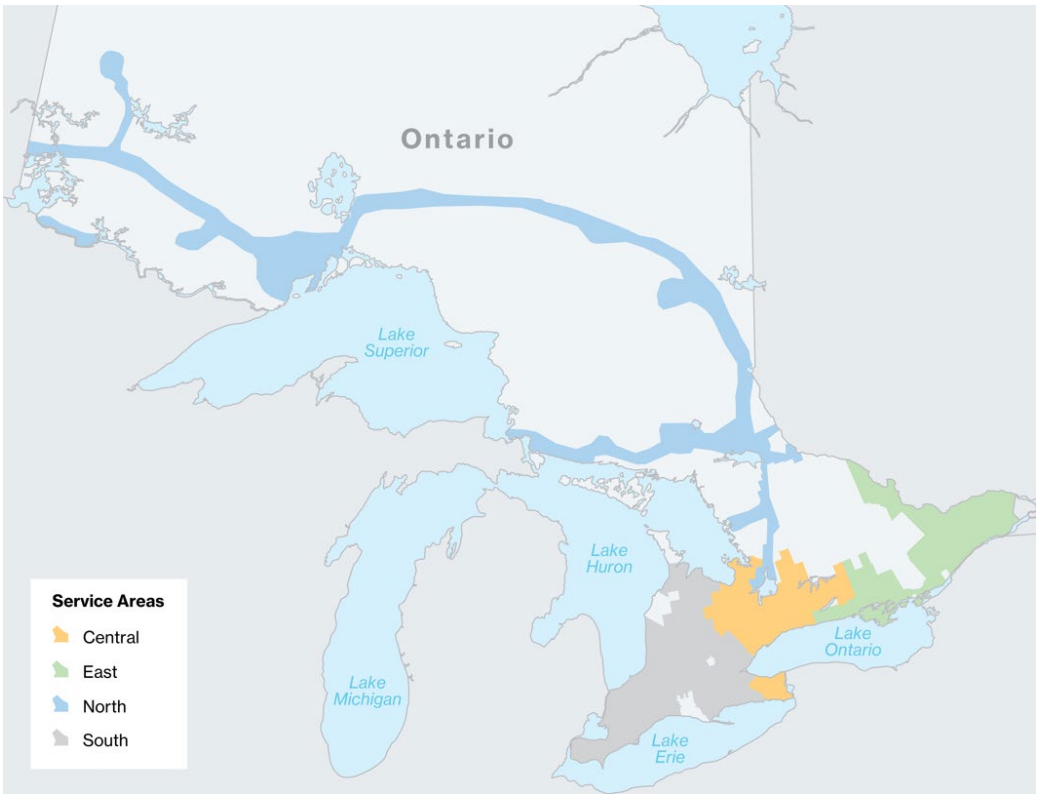
Review Decision, dated November 7, 2006, and customers who have elected to take the customer managed service per the EB-2016-0245 Union Gas 2017 Rates Decision, dated December 8, 2016.

area with similar operating characteristics. Each of the service areas has a set of services available to customers located in that geographic region. Enbridge Gas has defined four service areas of Central, East, North, and South based on the operational characteristics of each area, as illustrated in Figure 2. A description of the operating characteristics of each service area is provided at Exhibit 8, Tab 2, Schedule 1, Section 1.3.

Figure 2: Map of Enbridge Gas Proposed Service Areas



29. The Company is not able to offer all services to all service areas, particularly the north and east service areas, due to limitations in the capacity of physical assets and/or contracted assets. The North and East service areas require the use of third-

party transportation contracts to move gas to these areas, as they are not directly connected to utility owned transmission and storage assets. This limitation impacts the service options available under semi-unbundled and certain unbundled direct purchase services. Further details on these services are provided at Exhibit 8, Tab 4, Schedules 4 to 5.

30. The four service areas are referenced in the service harmonization and harmonized rate design proposals, as necessary. In cases where the applicability of a service or rate class is limited by service area, the service areas have been referenced on the rate schedules, as provided at Exhibit 8, Tab 2, Schedule 7. The four service areas were also used to assess the rate zone harmonization, as provided at Exhibit 8, Tab 2, Schedule 1.

5. Summary of Proposed Services

31. Attachment 1 summarizes the current services compared to the proposed harmonized services. Details of each of the proposed services is provided at Exhibit 8, Tab 4, Schedules 2 to 6.

Mapping of Current Contract Services to Harmonized Contract Services

Line No.	Service Description	Current Service Description: EGD (a)	Current Service Description: Union (b)	Harmonized: Enbridge Gas (c)	Evidence Reference (d)
1	Distribution Services	General Service	General Service	General Service	Exhibit 8,
2		Firm	Firm	Firm	Tab 4,
3		Interruptible	Interruptible	Interruptible	Schedule 2
4		Seasonal	Seasonal (1)	Seasonal	
5	Bundled Direct Purchase Services	Dawn Transportation	Bundled Transportation	Bundled Direct Purchase	Exhibit 8,
6		Ontario Transportation			Tab 4,
7		Western Transportation			Schedule 3
8	Semi-Unbundled Direct Purchase Services		Union South T-Service (1)	Semi-Unbundled Direct Purchase	Exhibit 8, Tab 4, Schedule 4
9	Unbundled Direct Purchases	Unbundled Extra Large Firm	Union North T-Service (2)	Unbundled Direct Purchase	Exhibit 8,
10		Unbundled Firm or Interruptible Distribution	Customer Managed Service (1)		Tab 4, Schedule 5
11		Gas Storage	Bundled Storage (2)	Unbundled Storage	
12		Gas Storage at Dawn			
13	Ex-franchise Services	Tecumseh Transportation	Dawn-Parkway Transportation	Transportation	Exhibit 8,
14		Parkway to Albion King's North Transportation	Cross-Franchise Transportation		Tab 4, Schedule 6
15		RNG Injection	Gas Purchase Agreement	Producer	
16			Local Production Transportation		
17		N/A	Wholesale Transportation	Wholesale Transportation	
18		N/A	Storage Pools Transportation	Storage Pools Transportation	

Notes:
(1) Offered in Union South only.
(2) Offered in Union North only.

DISTRIBUTION SERVICES

RYAN ORGAN, MANAGER POLICY & SALES SUPPORT
VICTORIA WANG, MANAGER BILLING

1. The purpose of this evidence is to request OEB approval of harmonized distribution services and related charges. The focus of the harmonization of Enbridge Gas's distribution services was primarily on the services offered to in-franchise contract rate customers. The services offered to general service customers are generally consistent between the EGD and Union rate zones, with the exception of the consolidated billing service option, which is described in Section 4 of this evidence.

2. Enbridge Gas is proposing to harmonize the in-franchise contract distribution services effective with the implementation of the rate harmonization plan currently planned for April 1, 2026, unless otherwise noted in evidence. The implementation timing of these harmonized services is dependent on internal and customer-facing business applications and process changes, which is provided at Exhibit 8, Tab 4, Schedule 1.

3. Enbridge Gas's proposal for harmonized contract distribution services was developed with input from customers through the customer engagement process. Please see Exhibit 1, Tab 6, Schedule 1 for a description of the customer engagement process. Through this process, customers indicated that they were satisfied with the distribution services they receive today. As a result, Enbridge Gas incorporated elements from the existing services into the proposed harmonized services and set the applicability criteria to mitigate disruption to existing contract rate customers.

4. Enbridge Gas's proposal for harmonized contract distribution services meets the diverse needs of its contract rate customers, provides incremental flexibility to customers in how they choose to meet their requirements, and simplifies Enbridge Gas's services where practical.

5. This evidence is organized as follows:
    1. Current Services
    2. Harmonization Proposal
    3. Compliance Charges
    4. Eliminated Services

1. Current Services

6. Enbridge Gas offers contract rate distribution services in each of its rate zones. These distribution services have different features by rate zone and have evolved over time to meet the diverse needs of Enbridge Gas's contract rate customers. A summary of the contract rate distribution services currently offered for each rate zone and rate class is provided at Table 1.

Table 1
Contract Rate Distribution Services by Rate Zone and Rate Class

Rate Zone	Rate Class	Character of Service	Applicability
EGD Rate Zone	Rate 100	Firm	CD between 10,000 m^3 and 150,000 m^3; no MAV requirement
	Rate 110	Firm	CD of at least 1,865 m^3; MAV requirement of CD x 146
	Rate 115	Firm	CD of at least 1,165 m^3; MAV requirement of CD x 292
	Rate 125	Firm (Unbundled)	CD of at least 600,000 m^3; no MAV requirement
	Rate 135	Firm - Seasonal	No CD requirement; MAV requirement of 340,000 m^3
	Rate 145	Interruptible	No CD requirement; MAV requirement of 340,000 m^3
	Rate 170	Interruptible	CD of at least 30,000 m^3; MAV requirement of 5,000,000 m^3
	Rate 200	Firm and Interruptible Wholesale	Customer is transporting gas outside of the franchise
	Rate 300	Firm and Interruptible (Unbundled)	The Company has the right to limit to customers with CD below 600,000 m^3
Union North Rate Zone	Rate 20	Firm	CD of at least 14,000 m^3; no MAV requirement
	Rate 25	Interruptible	CD of at least 3,000 m^3 if customer is 100% interruptible, or minimum CD of at least 14,000 m^3 if combined with firm service
	Rate 100	Firm	CD of at least 100,000 m^3, MAV requirement of CD x 256

Table 1
Contract Rate Distribution Services by Rate Zone and Rate Class (Continued)

Rate Zone	Rate Class	Character of Service	Applicability
Union South Rate Zone	Rate M4	Firm/Interruptible	CD between 2,400 m^3 and 60,000 m^3; no MAV requirement. MAV of at least 350,000 m^3 for interruptible service.
	Rate M5	Firm/Interruptible	CD between 2,400 m^3 and 60,000 m^3; no MAV requirement
	Rate M7	Firm/Interruptible/Seasonal	CD of at least 60,000 m^3; no MAV requirement
	Rate M9	Firm Wholesale	Customer is distributing gas to its customers and has minimum annual consumption of 2,000,000 m^3
	Rate T1	Firm/Interruptible (Semi-unbundled)	Firm CD up to 140,870 m^3; minimum total firm and interruptible consumption of at least 2,500,000 m^3
	Rate T2	Firm/Interruptible (Semi-unbundled)	Firm CD of at least 140,870 m^3 - firm and interruptible CD cannot be combined to qualify; no MAV requirement.
	Rate T3	Firm Wholesale (Semi-unbundled)	Customer is distributing gas to its customers and has minimum annual consumption of 700,000

1.1. EGD Rate Zone Distribution Services

7. Customers in the EGD rate zone can contract for firm and/or interruptible service, provided they meet the applicability criteria. Firm service is provided under Rate 100, Rate 110, Rate 115, Rate 125, and Rate 300, seasonal firm service is provided under Rate 135 and interruptible service is provided under Rate 145 and Rate 170.

Firm Service

8. Applicability for certain firm service rate classes in the EGD rate zone is based on a combination of contract demand (CD) and load factor. There is no load factor

requirement to qualify for service under Rate 100 but the customer must have a firm CD of at least 10,000 m^3/day. There are 14 customers that are forecasted to take service under Rate 100, primarily in the institutional segment.

9. Customers with a load factor of 40% or greater, but below 70%, require a firm CD of at least 1,865 m^3/day to qualify for service under Rate 110. There are 416 customers that are forecasted to take service under Rate 110, primarily in the institutional, manufacturing, and food and beverage segments.

10. Customers with a load factor of 70% or higher require a firm CD of at least 1,165 m^3/day to qualify for service under Rate 115. There are 22 customers that are forecasted to take service under Rate 115, primarily in the institutional, manufacturing, food and beverage, and pulp and paper segments.

11. Customers with a firm CD over 600,000 m^3/day qualify for unbundled service under Rate 125. There are four customers who take service under Rate 125, all in the power segment. Customers with a firm CD of 600,000 m^3/day or less qualify for unbundled service under Rate 300. There are currently no customers forecasted to take service under Rate 300.

Interruptible Service

12. Applicability for interruptible service in the EGD rate zone is based on a combination of a customer's annual consumption, CD, and ability to comply with an interruption of distribution service. Customers with a minimum annual volume of at least 340,000 m^3/day or greater qualify for interruptible service under Rate 145. Customers with a minimum annual volume of at least 5,000,000 m^3 and an interruptible CD of 30,000 m^3/day or greater qualify for interruptible service under Rate 170.

13. There are 16 customers forecasted to take interruptible service under Rate 145, primarily in the institutional and greenhouse segments and 22 customers who are forecasted to take interruptible service under Rate 170, primarily in the institutional, manufacturing, food and beverage, and pulp and paper segments.

14. Customers taking interruptible service in the EGD rate zone receive curtailment credits to recognize the system benefit they provide and to incent customers to comply with a notice of interruption. These curtailment credits are applied to a customer's Daily Contract Quantity (DCQ)[1] from December to March.

Seasonal Service

15. Customers in the EGD rate zone also have seasonal firm service option under Rate 135. This service is unique in that the consumption is limited in any given month from December to March to 5% of the contracted annual volume. Customers require a minimum annual volume of 350,000 m^3 to qualify for this service. There are 41 customers who take service under Rate 135, all of whom are asphalt companies in the manufacturing sector.

1.2. Union North Rate Zone Distribution Services

16. Customers in the Union North rate zone can contract for firm and/or interruptible service provided they meet the applicability criteria below. Firm service is provided under Rate 20 and Rate 100 and interruptible service is provided under Rate 25.

Firm Service

17. Applicability for firm service in the Union North rate zone is based on a customer's CD. Customers require a CD of at least 14,000 m^3/day to qualify for firm service

[1] DCQ was referred to as mean daily volume of MDV in the EGD rate zone. Going forward DCQ will be the harmonized term.

under Rate 20. There are 62 customers who are forecasted to take service under Rate 20, predominantly in the pulp & paper, mining, power, and institutional sectors.

18. There is a second firm service available in the Union North rate zone available under Rate 100 that is designed for large, high load factor customers[2]. To be eligible for Rate 100 service, customers require a CD of at least 100,000 m^3/day and have a minimum annual volume equal to their firm CD multiplied by 256 (70% load factor). There are 12 customers who take service under Rate 100, predominantly in the pulp & paper, chemical and steel sectors.

Interruptible Service

19. Interruptible service is provided in the Union North rate zone under Rate 25. Rate 25 was established in the late 1980's to mitigate unabsorbed demand charges on TransCanada's system. As an interruptible service, Rate 25 can be curtailed to manage system demands.

20. The Rate 25 interruptible distribution service is offered with the following three gas supply service options:
    a) Sales Service – Enbridge Gas provides the gas molecule and transportation on TransCanada's and Enbridge Gas's systems;
    b) Transportation Service[3] – Customer provides the gas molecule and transportation on TransCanada's system; and
    c) Back-to-Back Service – Enbridge Gas provides the gas molecule and transportation on TransCanada's and Enbridge Gas's system. Customer contracts to burn a specific quantity of gas over a specific time frame at a pre-arranged price.

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[2] Load factor is an expression of a customer's annual volume divided by the annualized contract demand. Load Factor = Annual Volume/(CD*365)
[3] Also referred to as an unbundled direct purchase service.

21. Rate 25 sales service and back-to-back service are the only services that allow a sale of gas at a price other than the reference price. The price for Rate 25 sales service is adjusted throughout the year based on changes in market conditions, up to an approved maximum charge. The variance between the actual cost of gas and the current price of Rate 25 sales service is captured in a tracking account and managed by Enbridge Gas. The price for Rate 25 back-to-back is based on an agreed upon fixed price between Enbridge Gas and the customer. The cost of the gas molecule is passed on directly to the customer taking the service.

22. The delivery rate for Rate 25 distribution service is negotiated with the customer, up to an approved maximum charge.

23. A customer can contract for all three interruptible services under Rate 25 and can combine interruptible services with firm services, provided they meet the applicability criteria. In total, approximately 60 customers take service under Rate 25, four of which have interruptible service only[4].

1.3. Union South Rate Zone Distribution Services

24. In the Union South rate zone, firm, interruptible, and seasonal (available only in Rate M7) services are provided to customers under a single rate schedule. Applicability for contract rates in the Union South rate zone is based on a combination of CD and minimum annual volume requirements.

25. Customers are required to have a CD between 2,400 m^3/day and 60,000 m^3/day to be eligible for service under Rate M4 and Rate M5. Customers who have elected

[4] Forecasted Rate 25 customer counts may differ due to customers with combined services (Firm and Interruptible) being reflected in the firm service count.

for some level of interruptible service under Rate M4 are required to commit to a minimum annual volume of 350,000 m^3. There are 225 customers forecasted to take service under Rate M4, primarily in the greenhouse, manufacturing, and food and beverage sectors and there are 38 customers forecasted to take service under Rate M5, mainly in the manufacturing (asphalt) and greenhouse sectors.

26. Customers with a CD of at least 60,000 m^3/day are eligible for service under Rate M7. In addition to firm and interruptible services, customers who are eligible for Rate M7 can contract for a seasonal CD to meet unique business requirements. The delivery commodity charges for interruptible and seasonal services are negotiated with the customer, up to an approved maximum charge. There are 61 customers forecasted to take service under Rate M7, primarily in the greenhouse sector. Presently only one customer takes the seasonal service offering.

27. Customers who wish to take semi-unbundled service do so under Rate T1 and Rate T2. Customers with a minimum annual volume of 2,500,000 m^3 are eligible for Rate T1 and can have a firm CD up to 140,870 m^3/day. Customers with a firm CD over 140,870 m^3/day are eligible for Rate T2. Similar to other rate classes, firm and interruptible service can be combined but applicability is based on the customer's firm CD. The delivery commodity charges for interruptible services are negotiated with the customer, up to an approved maximum charge.

28. Unique to Rate T2, a pre-authorized interruptible service is offered to customers where both firm and interruptible capacity is exhausted in the system servicing the customer. Customers are required to receive approval in advance to use this service and authorization can be revoked at any time. The pre-authorized interruptible service is not commonly used but has been a useful tool to satisfy

incremental demand requests on some constrained systems. This service is curtailed before the standard interruptible service.

2. Harmonization Proposal

29. Enbridge Gas's harmonized distribution service proposal for contract rate customers simplifies the various offerings currently available in the different rate zones, offers more flexibility to customers, provides consistency across the rate zones, and ensures that Enbridge Gas's customers diverse needs are met. Enbridge Gas's in-franchise contract rate design proposals are provided at Exhibit 8, Tab 2, Schedule 4.

30. As mentioned above, Enbridge Gas combined elements from the existing services into the proposed harmonized services and set the applicability criteria to mitigate disruption to existing contract rate customers.

31. There are three distribution services (firm, interruptible and seasonal) that will be available to customers as part of the rate harmonization plan. The services are proposed to be offered under various rate classes for one common rate zone. A summary of the proposed services by rate class are provided in Table 2. A description of the proposed in-franchise contract rate classes is provided at Exhibit 8, Tab 2, Schedule 4. The direct purchase options available to customers are provided at Exhibit 8, Tab 4, Schedules 3 through 5.

Table 2
Proposed Contract Rate Distribution Services by Rate Zone and Rate Class

Rate Zone	Rate Class	Character of Service	Applicability
One EGI Rate Zone	Rate E10	Firm	CD of at least 1,800 m^3
	Rate E20	Firm/Interruptible (Semi-unbundled)	CD of at least 13,000 m^3
	Rate E22	Firm/Interruptible (Unbundled)	Firm and/or interruptible CD of at least 13,000 m^3
	Rate E24	Firm/Interruptible (Unbundled)	Firm and/or interruptible CD of at least 1,200,000 m^3
	Rate E30	Interruptible	CD of at least 1,800 m^3
	Rate E34	Firm - Seasonal	CD of at least 1,800 m^3
	Rate E62	Firm/Interruptible (Bundled)	In-franchise Wholesale Customers
	Rate E64	Firm/Interruptible (Semi-unbundled)	In-franchise Wholesale Customers

32. This section of evidence is organized as follows:

    2.1 Firm Distribution Service

    2.2 Interruptible Distribution Service

    2.3 Seasonal Distribution Service

2.1. Firm Distribution Service

Applicability

33. Firm contract rate distribution service will be available to customers who have a minimum firm CD of 1,800 m^3/day, if customers are contracting for firm as a standalone service. Customers who contract for interruptible service but require a small amount of firm to manage their operations during an interruption can contract for less than 1,800 m^3/day of firm service. The applicability criteria of 1,800 m^3/day was chosen to ensure that any existing contract rate customer can continue to take service under contract rates.

34. Firm service is available under the proposed E10, E20, E22, E24, E62 and E64 rate classes.

Service Quality

35. Consistent with existing firm services, the proposed firm service is not subject to interruption, with exception of an event of force majeure or because of maintenance.

Contract Term

36. Customers will be required to contract for firm service for a minimum term of 12 months, but a longer term can be negotiated as required to support capital investments necessary to serve a customer's demand.

Use with other services

37. Firm service can be combined with interruptible or seasonal service to provide customers with the flexibility to meet their unique needs.

2.2. Interruptible Distribution Service

Applicability

38. Interruptible contract rate distribution service will be available to customers who have a minimum interruptible CD of 1,800 m^3/day, provided Enbridge Gas can facilitate interruptible service at the customer's location.

39. Interruptible service is available under the proposed E20, E22, E24, and E30 rate classes.

40. Customers are required to demonstrate the ability to comply with a notice of interruption and will be required to complete an attestation confirming that they are able to comply with a distribution interruption.

41. The proposed interruptible service allows for negotiated rates in the context of an integrated resource planning (IRP) plan application. Rates for interruptible service can be reduced to incent customers to convert from firm service to interruptible service to reduce the facilities required to serve peak day demand for a given project. Please see Exhibit 8, Tab 4, Schedule 7.

42. Customers must comply with any notice of interruption. Failure to comply with a notice of interruption may result in the removal of the interruptible service or, if firm service is not available, the termination of all gas distribution service. Failure to comply is also subject to compliance charges, which are described in Section 3.

Service Quality

43. Enbridge Gas will issue a notice of interruption to customers with a minimum four hours notice when curtailment of interruptible service by the customer is required to manage demand on the distribution system servicing the customer. In the event of an emergency, Enbridge Gas may not be able to provide the minimum four hours notice but will notify the customer as soon as possible.

Contract Term

44. Customers will be required to contract for interruptible service for a minimum term of 12 months, but a longer term can be negotiated as required to support capital investment necessary to serve a customer’s demand.

Use with other services

45. Interruptible service can be combined with firm service to ensure that a customer has the flexibility to meet their unique needs. The continued ability to combine firm service with interruptible service provides customers the option to convert a portion of their demand to interruptible service, while ensuring that the portion of their demand that cannot be curtailed is supported with firm service.

2.3. Seasonal Distribution Service

Applicability

46. Seasonal firm contract rate distribution service will be available to customers. The seasonal firm service is applicable to customers who have a minimum CD of 1,800 m^3/day during the April to November months and where Enbridge Gas can facilitate seasonal service at the customer's location. Customers must demonstrate that their annual load profile can comply with the CD reduction that occurs during the months of December to March as part of the seasonal service.

47. Seasonal Service is available under the proposed E34 rate class.

Service Quality

48. Customers will be required to reduce their CD and contracted hourly capacity to 10% (a 90% reduction) of the seasonal contract amount in the months of December through March. Limiting customers CD and hourly capacity in the winter months allows for more efficient planning of the system. The current seasonal service design that allows a customer to use 5% of their estimated annual volume per month in the winter does not restrict how much gas can be consumed in a given day or hour. The result of this is that customers on seasonal service are effectively treated as firm from a planning perspective. The proposed service allows customers taking seasonal service to be modeled at a reduced level of service in the winter

months. Customers who cannot manage their operations within these parameters may be removed from the seasonal service.

49. The requirement to reduce the customers' contracted parameters in the months of December through March allows for more accurate planning and more efficient use of Enbridge Gas assets.

Contract Term

50. Customers will be required to contract for seasonal service for a minimum term of 12 months, but a longer term can be negotiated as required to support capital investments necessary to serve a customer's demand.

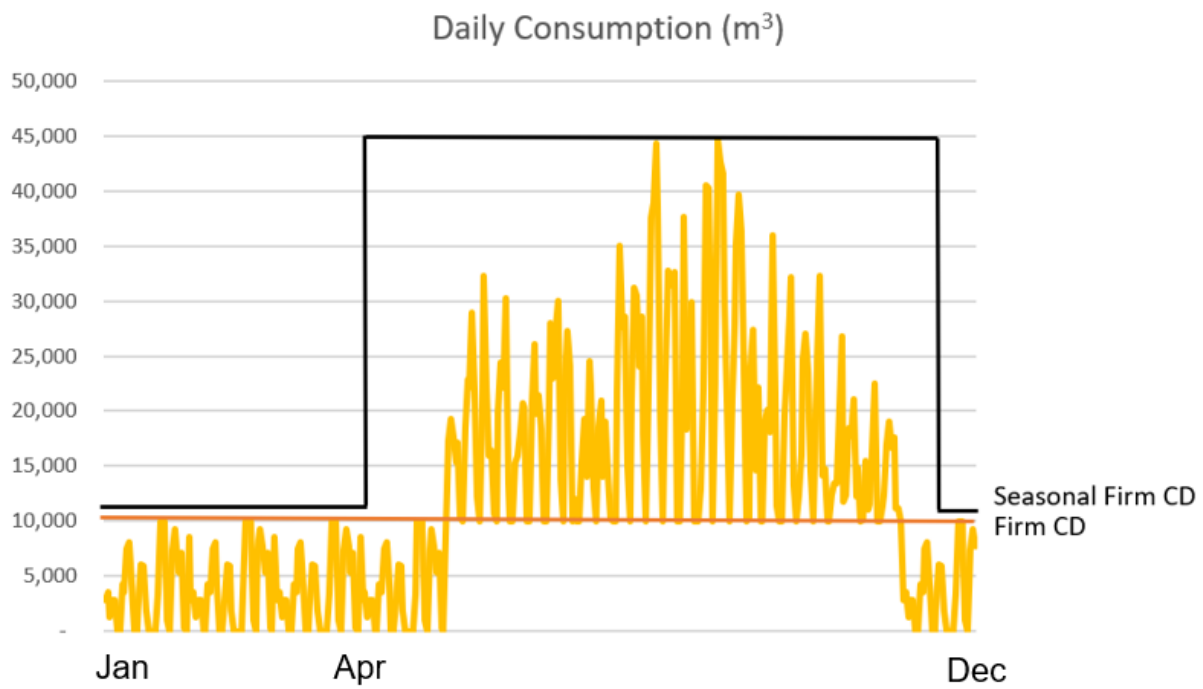
51. Another benefit of the seasonal service is the option for a seasonal Daily Contracted Quantity (DCQ) which provides the customer flexibility in how they manage their commodity purchases. Details on the seasonal DCQ are provided at Exhibit 8, Tab 4, Schedule 3.

Use with other services

52. The proposed seasonal service can be combined with a base level of firm service to provide customers with the flexibility to meet their unique needs. During the customer engagement process, existing seasonal customers expressed that the restrictions on winter consumption can create a challenge in situations where customers have some level of demand through the winter months. This proposal allows customers to contract for firm service to manage baseload requirements that persist throughout the winter months and cannot be managed with the 90% reduction in parameters provided in the seasonal service.

53. Figure 1 shows a typical annual load profile and CD for a seasonal customer who contracts for both firm and seasonal service, which illustrates how customers with a base level of firm requirements during the winter can use the seasonal service.

Figure 1: Annual Load Profile of a Seasonal Customer



Overrun

54. Every year, Enbridge Gas will analyze the expected demands on the system in the month of December. If it is expected that there is sufficient flexibility in the system to allow seasonal customers to continue to burn natural gas, Enbridge Gas will authorize overrun for a period of time. Once this period of authorized overrun has lapsed, customers will be required to operate within their reduced seasonal contract parameters.

3. Compliance Charges

3.1. Demand Overrun

55. Enbridge Gas is proposing to adopt a demand overrun methodology similar to that currently in place for the EGD rate zone. This methodology is being proposed because it has been effective in the EGD rate zone to incent customers to contract for the appropriate CD which mitigates cross subsidies within a given rate class. This approach also simplifies the contract renewal process as it eliminates the incentive for customers to contract for a reduced CD (and pay overrun charges when they exceed that CD which may cost less than paying for the appropriate CD all year). This approach also reduces Enbridge Gas's reluctance to accept a customer request for a CD less than historical actuals as the customer would not benefit by artificially reducing their CD.

56. A customer will incur demand overrun when their actual daily consumption exceeds 103% of the total contracted firm, interruptible and/or seasonal CD. Enbridge Gas has provided a 3% tolerance before demand overrun occurs to account for possible variances in measurement. For example, if a customer has contracted for 80,000 m^3/day of firm service and 20,000 m^3/day of interruptible service, that customer will be deemed to have overrun their contract demand parameters if their actual daily consumption has exceeded 103,000 m^3. If a notice of interruption has been issued, demand overrun is calculated based on the firm service contract amount only.

57. Customers will be able to request authorization from Enbridge Gas for demand overrun in advance of the occurrence. If approved, the customer will be charged an authorized overrun rate for any consumption beyond 103% of the customer's CD. Customers can request authorized demand overrun up to five days per contract year. In this case, a review of a customer's peak requirements will take place at

contract renewal to determine whether an increase in the customer's CD is required for future contract years.

58. If demand overrun is not authorized in advance, the occurrence of demand overrun is considered to be unauthorized. For the first occurrence of unauthorized demand overrun in a contract year, an unauthorized overrun charge, based on the authorized overrun rate, is applied to the customers consumption beyond 103% of their CD. In the event of a second occurrence of unauthorized demand overrun in a contract year, a new CD for billing purposes will be established at the observed peak. The customer will be charged an amount equal to 120% of the applicable monthly charges for the new billing CD from the beginning of the contract year, with the expectation that the customer will increase the contract CD in the following contract year. To help mitigate customer impacts related to this change and to support a positive customer experience, Enbridge Gas is proposing to not charge the 20% premium for the second occurrence of unauthorized demand overrun in the first year that the harmonized services are implemented.

59. The expectation is that customers who overrun their CD in a given contract year without authorization will contract for their new observed peak in the following contract year, subject to Enbridge Gas's review of the system and the ability to serve the new CD level on an ongoing basis. Exceptions can be made in unique circumstances.

3.2. Interruption Non-Compliance

60. When a notice of interruption has been issued, impacted customers are required to curtail their consumption of natural gas to consume within their firm daily and hourly parameters. Non-compliance with a notice of interruption creates operational risk and puts firm service for Enbridge Gas's general service and other contract rate customers in jeopardy.

61. Enbridge Gas is proposing an interruption non-compliance charge of $60/GJ in addition to the unauthorized overrun rate. The $60/GJ interruption non-compliance charge is consistent with the interruption non-compliance charge used in the Union South and Union North rate zones and is intended to provide incentive for customers to comply with their contractual obligations when a distribution interruption is called.

62. The OEB approved the interruption non-compliance charge proposed by Union in 2016[5] after the Company experienced significant levels of interruption non-compliance. The charge has been effective in incenting customers to comply with a notice of interruption. Amounts charged to customers for the interruption non-compliance charge will continue to be recorded in the Unauthorized Overrun Non-Compliance Deferral Account and disposed of annually. Customers will also be charged the authorized demand overrun charge, which is set at cost-based rates, for any incremental costs associated with the customer's demand overrun. For more information on the Unauthorized Overrun Non-Compliance Deferral Account, please see Exhibit 9, Tab 1, Schedule 2.

63. The proposed harmonized approach to interruption non-compliance is simpler and more transparent than the current approach used in the EGD rate zone which relies on the reversal of curtailment credits and a charge for any unauthorized overrun gas equal to 150% of the highest price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the Enbridge CDA and Enbridge EDA, respectively.

[5] EB-2015-0116, OEB Decision and Order, December 3, 2015.

4. Eliminated Services

64. Enbridge Gas is proposing to eliminate the following distribution services:
    a) Rate 25 Sales Service
    b) Consolidated Billing Option

4.1. Rate 25 Sales Service Discontinuation

65. As described above, the Rate 25 sales service option for customers in the Union North rate zone is unique in that Enbridge Gas sells natural gas to customers (including direct purchase customers) at a price other than the reference price. Enbridge Gas is proposing to discontinue this practice. The implication of this proposal is that sales service customers will continue to have sales service available to them as an interruptible distribution customer, but the utility supplied commodity price will be set at the reference price the same way system supply is priced for their firm distribution sales service.

66. In addition, Enbridge Gas proposes that direct purchase customers will not be able to purchase system supply from the Utility and instead will provide their own gas supply to meet their interruptible consumption and/or balancing needs. Please see Exhibit 8, Tab 4, Schedule 3, Section 3.1 and Exhibit 8, Tab 4, Schedule 5, Section 5 for details on how the impact of this change has been addressed for bundled direct purchase and semi-unbundled direct purchase customers, respectively.

4.2. Consolidated Billing Service Option

67. Enbridge Gas is proposing to harmonize the billing options across rate zones and no longer permit consolidated bills, effective January 1, 2024. There are some general service customers in the Union rate zones who have consolidated bills, which enables these customers to pay lower monthly customer charges and

volumetric delivery charges than other customers taking the same service in the same rate class. A comparable service option does not exist in the EGD rate zone.

68. Enbridge Gas will continue to offer Collective Billing (also referred to as Master Summary Billing) to combine meters onto one bill for ease of billing for the customer.

Background

69. In the Union rate zones, consolidated billing exists for general service customers that allows for the combination of readings from several meters where the meters are located on contiguous pieces of property of the same owner and are not divided by a public right-of-way. For consolidated billing purposes, the customer is charged the rate schedule monthly customer charge for the first meter on the property per month and no additional fee for additional meters. The benefit of consolidated billing was intended to allow a customer to combine their total consumption across several meters and have that total consumption applied to the declining blocked rate structure.

70. In Union's 2013 Cost of Service proceeding[6], Union proposed to increase the service charge for supplemental meters in the Union South rate zone from $15 per month to $21 per month and from $35 to $70 per month to align with the Rate M1 and Rate M2 monthly customer charge at the time, respectively. The increase was to ensure that customers who combine readings from several meters do not receive an unintended benefit of reduced monthly customer charges compared to customers who did not combine meter readings. At the time, the Company did not

[6] EB-2011-0210.

permit consolidated bills in the Union North rate zone but did have some customers who had been grandfathered under a longstanding policy (prior to 1997).

71. In the OEB's Decision[7], the OEB found that the supplemental meter charge should be harmonized between the Union North and Union South rate zones and that the longstanding policy of allowing customers to combine meter readings without a supplemental service charge should be maintained in the Union North rate zone and extended to the Union South rate zone. To comply with the Decision, Union eliminated the supplemental charge for additional meters in the Union South rate zone and made no change to the Union North rate zone policy since Union North did not allow for consolidated billing.

Harmonized Proposal

72. Enbridge Gas is proposing to adopt the EGD rate zone approach to consolidated billing and no longer offer the service option. Customers within a rate class should pay the same rate for comparable services, regardless of the billing arrangement.

73. The practice of consolidating bills creates inequities among customers and the service creates administrative complexity, as it requires a different billing treatment for a small subset of customers.

74. Inequities among customers occurs within the rate class under consolidated billing as customers who are billed under the service are subsidized by other customers in the rate class who pay more for their service than they otherwise would. If consolidated billing were to be expanded to all general service customers, the cross

[7] EB-2011-0210, OEB Decision and Order, October 24, 2012.

subsidy within the rate class would increase and the monthly customer charge would increase, as the number of billing units decreases.

75. This service also requires exceptions to the billing process, which increases administrative complexity. Of the 3.8 million general service customers only 1,300 meters (or 0.04%) benefit from consolidated billing arrangements.

76. The proposal to eliminate consolidated billing is revenue neutral for Enbridge Gas. Customers under consolidated billing today will see a bill increase to account for being charged the:
    a) Monthly customer charge for each meter; and
    b) Volumetric delivery charges applied to all volumes consumed without a volumetric discount.

77. Based on the current 1,300 accounts, there is approximately $1 million in incremental revenue generated by eliminating the consolidated billing option. The incremental revenue is offset by an equal and offsetting decrease to general service delivery rates for the 2024 Test Year Forecast.

78. This proposal ensures that all general service customers are treated the same, regardless of their selected billing option.

BUNDLED DIRECT PURCHASE SERVICE

TOM BYNG, SPECIALIST INTEGRATION
AMY MIKHAILA, MANAGER RATE DESIGN

1. The purpose of this evidence is to request OEB approval of the harmonized bundled direct purchase (DP) service and related charges. Based on a comprehensive review of the current services, Enbridge Gas is proposing to harmonize and simplify the bundled DP services to provide a consistent and improved customer experience. The proposals are effective April 1, 2026, unless otherwise noted in evidence. The implementation timing of the harmonized services is dependent on changes to internal and customer-facing business applications and processes, which is provided at Exhibit 8, Tab 4, Schedule 1.

2. Bundled DP service is the simplest form of DP service where a customer, or an energy marketer on its behalf, supplies a fixed daily quantity of gas to meet planned annual consumption at the customer's point(s) of consumption. Enbridge Gas currently provides bundled DP service in all rate zones, but the service parameters and requirements differ across the EGD, Union North and Union South rate zones.

3. Enbridge Gas proposes to harmonize the current bundled DP services to a single common service offering for the Enbridge Gas franchise area. A summary of the bundled DP proposals is provided in Table 1.

Table 1
Summary of Bundled DP Harmonization Proposals

Line No.	Proposed EGI
	DCQ
1	Remove Union North rate zones sales service for DP
2	Minimum pool DCQ of 1 GJ/day
3	Customer no longer provides fuel in kind
	Obligated Points of Receipt
4	All DCQ delivered to Dawn unless required by Enbridge Gas at Parkway area
5	Move Empress and Enbridge Eastern Delivery Area (EEDA) deliveries to Dawn
6	Treat Enbridge Central Delivery Area (ECDA) deliveries like Parkway
	Balancing Obligations
7	Customers to balance at checkpoints: - no less than planned balance at end of February - no more than planned balance at end of September
8	Remove renewal balancing
	Balancing Transactions
9	Common suite of balancing transactions
10	Year-round availability subject to daily operational capability
	Other
11	Remove utility purchase of customer's DCQ
12	Seasonal DCQ for seasonal distribution service
13	Pool consolidation
	Compliance
14	Failure to deliver DCQ - sale of gas to customer at the greater of the highest spot price in the day or 150% of reference price
15	Failure to balance a supply shortfall - sale of gas at the greater of the highest spot price in the month (or the month after) or reference price
16	Failure to balance a supply excess – unauthorized account overrun charge of $6/GJ/month

4. Details underlying the current services and proposed service are provided in this evidence. This evidence is organized as follows:
    1. Current Services
    2. Harmonization Opportunities
    3. Daily Contract Quantity (DCQ)
    4. Obligated Points of Receipt
    5. Balancing Obligations
    6. Balancing Transactions
    7. Other Service Changes
    8. Compliance Charges
    9. Eliminated Services

1. Current Services

5. The primary service elements of bundled DP include the determination of Daily Contract Quantity (DCQ), point of receipt for those deliveries, balancing obligations, and balancing transactions, as described below:
    a) DCQ – Customers deliver a fixed quantity of gas to Enbridge Gas every day of the year. This obligation is referred to as DCQ[1]. The DCQ is determined by dividing a forecast of annual consumption at the associated point(s) of consumption by the number of days in the pool[2] term, typically 365 days;
    b) Points of Receipt – The DCQ is obligated to be delivered at a specified location or point of receipt, such as Empress, Parkway or Dawn; and
    c) Balancing Obligation – Customers are required to manage the cumulative difference between the gas supplied and consumed at the associated

[1] DCQ was referred to as Mean Daily Volume or MDV in the EGD rate zone. Going forward DCQ will be the harmonized term.
[2] Pools have been used in the EGD zone to capture one or many points of consumption that are grouped together by a customer or energy marketer for supply purposes. A contracting party could have one or more pools. In the Union rate zones, separate bundled DP contracts were used to achieve a similar purpose. Pools will be used under the harmonized contract structure.

point(s) of consumption. Differences between the gas delivered and the measured consumption at the associated point(s) of consumption is tracked in a Banked Gas Account (BGA). To assist with balancing the BGA, Enbridge Gas offers a suite of balancing transactions to customers.

6. The following sections of evidence will describe how each of these service elements are currently applied to the EGD, Union North and Union South rate zones.

1.1. EGD Rate Zone

7. In the EGD rate zone, bundled DP is contracted under Dawn Transportation Service (DTS), Western Transportation Service (WTS), and Ontario Transportation Service (OTS). These services are differentiated by the point of receipt for those deliveries. Other than the point of receipt for the customer's gas, the underlying service elements for DTS, WTS and OTS are the same. Also, a single point of receipt is required for bundled DP pools in the EGD rate zone because any applicable upstream transportation costs incurred by Enbridge Gas for each point of receipt is recovered when the gas is consumed.

DCQ

8. The DCQ is determined by dividing a forecast of annual consumption for the points of consumption attached to a pool by the number of days in the term of the pool. Customers taking service under general service, firm contract rate, and interruptible contract rates can be consolidated into a pool. The typical term of a pool is one year and the minimum DCQ for a pool is 1 GJ/day.

Obligated Points of Receipt

9. The points of receipt for DTS and WTS pools are Dawn and Empress, respectively. Both points are upstream of the EGD rate zone. In addition to their DCQ, customers

with a WTS pool are required to provide the fuel required to transport their supply to their delivery area. Enbridge Gas recovers its other associated transport costs from Western Canada in the transportation rate charged to these customers on their distribution bills. Customers with a DTS pool are not required to provide fuel in kind. Instead, the cost of fuel and the other associated transportation costs from Dawn are recovered in the Dawn transportation rate charged to these customers on their distribution bills.

10. The points of receipt for OTS pools are in the two TransCanada delivery areas within the EGD rate zone: ECDA for the Greater Toronto Area and EEDA for the Ottawa area. Customers with OTS pools deliver their DCQ into the ECDA and/or EEDA based on where their point(s) of consumption is located. Any costs associated with delivering their gas to the ECDA or EEDA are either incurred directly by these customers from the pipeline company or embedded in the cost of their supply at the ECDA or EEDA.

Balancing Obligations

11. Bundled DP customers are required to monitor their BGA balance on an ongoing basis and are obligated to ensure that their BGA balance does not exceed allowed tolerances at the end of the pool's term. The tolerances are equivalent to +/- 20 days of DCQ deliveries or roughly 5.5% of annual consumption.

12. Balances that are outside of the allowed tolerances are subject to compliance charges. An excess packed balance results in a purchase from Enbridge Gas at a 20% discount to market prices. An excess draft balance results in a sale from Enbridge Gas at a 20% premium to market prices. These purchases and sales result in credits to the Purchased Gas Variance Account (PGVA) for the EGD rate zone.

13. Customers have access to balancing transactions to proactively manage their BGA balance. These transactions are available on a firm basis, however, transactions that can have an impact on Enbridge Gas operations are limited in their availability during peak periods. Balancing transactions are discussed in more detail in Section 6.

14. Enbridge Gas manages all load balancing needs for all bundled DP and sales service customers in the EGD rate zone except for any proactive management by customers through balancing transactions. Actual costs incurred by Enbridge Gas to provide load balancing is recovered from all bundled DP and sales service customers.

1.2. Union North Rate Zones

15. Bundled DP is contracted under Northern Bundled T-service in the Union North rate zones.

16. The Union North rate zones consist of various pipeline laterals served from the TransCanada mainline spanning six TransCanada delivery areas: Manitoba Delivery Area (MDA); Western Delivery Area (WDA); Sault Ste. Marie Delivery Area (SSMDA); Northern Delivery Area (NDA); Northern Central Delivery Area (NCDA); and Eastern Delivery Area (EDA).

17. All six delivery areas were previously served using supply from Western Canada and TransCanada long-haul transportation to each delivery area and, historically, the fuel required to move gas from Empress to each delivery area differed. As a result, customers operating in multiple delivery areas required separate pools for each delivery area.

18. In its Dawn Reference Price Decision[3], the OEB approved the rate implications of serving the NDA, NCDA, and EDA from Dawn using a combination of Enbridge Gas's own Dawn Parkway transportation capacity and TransCanada short-haul transportation from Parkway to each TransCanada delivery area. Two rate zones were also introduced for rate making purposes to set gas supply commodity, storage and transportation rates, with the Union North West zone (MDA, WDA and SSMDA) primarily served from Empress and the Union North East zone primarily served from Dawn (NDA, NCDA and EDA).

DCQ

19. Consistent with other rate zones, DCQ is determined by dividing a forecast of all general service and firm contract rate annual consumption for the points of consumption attached to the pool by the number of days in the term of the pool. The typical term for a pool is one year and the minimum DCQ for a pool is 4 GJ/day. If a DCQ for a pool is calculated to be less than 4 GJ/day, the contracted DCQ is set at 4 GJ/day.

20. Unlike the other rate zones, Union North bundled DP customers are not allowed to provide their own gas supply to meet their interruptible contract rate consumption needs as part of their DCQ. Instead, this consumption is met by contracting for interruptible sales service and/or contracting to deliver gas supply directly into their delivery area to meet daily interruptible consumption through an unbundled service (North T-Service). Both options are available under Rate 25 interruptible service. Details of unbundled DP service are provided at Exhibit 8, Tab 4, Schedule 5. Since interruptible consumption is supplied through these other services, it is excluded in the determination of DCQ.

[3] EB-2015-0181, Decision and Order, March 17, 2016.

21. In the Dawn Reference Price proceeding[4], the OEB approved the recovery of upstream transportation compressor fuel to move gas from Empress or Parkway to the respective delivery area in transportation rates. As a result, bundled DP customers in the Union North rate zones are no longer required to provide the fuel required to transport supply to their delivery area with their DCQ, as the Company purchases the fuel on behalf of the customer.

Obligated Points of Receipt

22. Bundled DP customers located in the Union North West rate zone are obligated to deliver their DCQ at Empress and customers in the Union North East rate zone are obligated to deliver their DCQ at Dawn. The points of receipt are consistent with how the rate zones are served in the Gas Supply Plan, with the Union North West primarily served from Empress and the Union North East zone primarily served from Dawn.

Balancing Obligations

23. Enbridge Gas proactively reduces[5] the customer's DCQ during the term of the pool if Enbridge Gas determines the contract is under-consuming relative to the planned consumption profile used to set the DCQ. This process is intended to bring the pool's BGA to zero by the end of the pool's term.

24. Any positive or negative balance in the BGA at the end of the pool's term will be settled financially through a sale to the customer from Enbridge Gas for a draft balance or a purchase by Enbridge Gas from the customer for a packed balance. This financial settlement is based on the Empress reference price for customers in

[4] EB-2015-0181, Decision and Order, March 17, 2016.
[5] Process referred to as ratcheting.

the Union North West rate zone and the Dawn reference price for customers in the Union North East rate zone.[6]

25. Enbridge Gas manages all load balancing needs for all bundled DP and sales service customers in the Union North rate zones except for any proactive management by customers through balancing transactions. Costs incurred by Enbridge Gas to provide load balancing is recovered from all bundled DP and sales service customers in the Union North rate zones.

26. Customers have a mix of firm and interruptible balancing transactions available to them throughout the year to manage their pool's balance if they choose. Balancing transactions are discussed in more detail in Section 6.

1.3. Union South Rate Zone

27. Bundled DP is contracted under a Southern Bundled T-service in the Union South rate zone.

DCQ

28. Like the EGD rate zone, DCQ is determined by dividing a forecast of all general service, firm contract rate, and interruptible contract rate annual consumption for the points of consumption attached to a pool. Like the Union North rate zones, the minimum DCQ for a pool is 4 GJ/day. If a DCQ for a pool is calculated to be less than 4 GJ/day, the contracted DCQ is set at 4 GJ/day.

[6] As BGA settlements are based on the reference price for each respective rate zone, there is no impact on the Purchase Gas Variance Accounts.

Obligated Points of Receipt

29. The Union South rate zone system is designed based on firm deliveries of gas arriving at specific points of receipt. Maintaining deliveries at these points is integral to the managing of costs and ensuring system integrity of the Dawn Parkway System. At the time customers move from sales service to DP, they will receive an allocation of Dawn and/or Parkway that is reflective of Enbridge Gas's upstream portfolio. The point of receipt for subsequent changes in DCQ due to growth is based on whether the customer's points of consumption are served off the Dawn Parkway System.

30. Customers that are required to maintain a Parkway point of receipt by Enbridge Gas pay the same rates for transportation as customers who deliver gas at Dawn. To offset the incremental costs of delivering gas to Parkway, these customers receive a Parkway Delivery Commitment Incentive (PDCI)[7]. Further details concerning the PDCI and Parkway DCQ obligation is provided at Exhibit 4, Tab 7, Schedule 1.

Balancing Obligations

31. Like the other rate zones, bundled DP customers in the Union South rate zone are required to monitor their BGA balance on an ongoing basis and are obligated to ensure that their BGA balance does not exceed allowed tolerances at the end of the pool's term. These tolerances are different than those in the EGD rate zone and are set equivalent to +/- 4% of annual consumption or roughly 15 days of DCQ deliveries.

32. Bundled DP customers are also required to balance at two checkpoints in the winter and fall of each year. The Company uses the monthly consumption profile

[7] EB-2013-0365, Settlement Framework, Appendix B, June 3, 2014.

that had been used to determine the DCQ to set the winter and fall checkpoints. These two checkpoints are at key points in time to ensure that customers manage their BGA within their allocated storage space and inventory levels. For the winter checkpoint, customers are required to ensure that their BGA balance is no less than had been forecast at the end of February and, for the fall checkpoint, customers are required to ensure their BGA balance is no greater than had been forecast at the end of September. These checkpoints ensure that the customer manages the load balancing requirements resulting from changes in actual consumption as of those dates. In addition to the checkpoint balancing, customers are also required to balance within allowed tolerances at contract renewal.

33. Balances that are outside of the allowed tolerances are subject to compliance charges. An excess packed balance results in an unauthorized storage space overrun charge and the customer is required to remove the excess gas. An excess draft balance results in a sale of gas from Enbridge Gas at the greater of the highest spot price at Dawn in the last month of the pool term, or the month after, but not less than the Dawn reference price.

34. Customers have access to balancing transactions to provide the customer the ability to proactively manage their BGA balance. Transactions that have no impact on Enbridge Gas operations are provided on a firm basis. Transactions that can have an impact on Enbridge Gas operations are provided on an interruptible basis subject to daily operational capability. Balancing transactions are discussed in more detail in Section 6.

35. Enbridge Gas also continues to manage bundled DP balancing needs beyond those that customers manage through their checkpoint and renewal obligations, as required for system operations.

2. Harmonization Opportunities

36. Service harmonization allows Enbridge Gas to align, simplify and enhance services to meet customer needs. The approach to harmonization and guiding principles used are provided at Exhibit 8, Tab 4, Schedule 1.

37. Enbridge Gas sought feedback from customers to assess the service harmonization proposals as part of the customer engagement process. In phase three of the customer engagement, customers provided feedback on the following:
    a) Replacement of sales service in the Union North rate zones for interruptible consumption with supply through their DCQ;
    b) Points of receipt;
    c) Balancing obligations; and
    d) Discontinuation of the Enbridge Gas purchase of the customer's DCQ during an interruption of distribution service in the EGD rate zone.

38. The customer feedback received is provided in each of the respective sections of evidence below. In the customer engagement, Enbridge Gas did not request feedback on proposals that provided additional options to customers, removed unused services, or reduced customer obligations based on the assumption that customers would not be negatively impacted by these types of changes. Please see Exhibit 1, Tab 6, Schedule 1 for details of the customer engagement.

39. A comparison of the primary components of the bundled DP service in each rate zone is summarized in Table 2 with further details provided in the following sections of evidence. A comparison of balancing transactions is provided in Section 6.

Table 2
Summary of Proposed Changes by Bundled DP Component

Line No.	Particulars	EGD Rate Zone	Union North Rate Zone	Union South Rate Zone	Proposed EGI
		(a)	(b)	(c)	(d)
	DCQ				
1	Interruptible Contract	yes	no	yes	yes
2	Minimum Pool DCQ	1 GJ/day	4 GJ/day	4 GJ/day	1 GJ/day
3	Fuel in Kind (1)	Empress only	no	no	no
4	Points of Receipt	Empress Dawn ECDA EEDA	Empress Dawn	Dawn Parkway (2)	Dawn Parkway ECDA (2)
5	Balancing Obligations	renewal	none	checkpoints and renewal (3)	checkpoints (3)

Notes:
(1) Customer provides fuel in kind to transport DCQ from upstream point of receipt.
(2) Primarily Dawn unless Parkway or ECDA is required by Enbridge Gas.
(3) Checkpoints are winter (end of February) and fall (end of September).

3. DCQ

40. Enbridge Gas proposals with respect to the customer DCQ and fuel obligations are outlined as follows:

    3.1 Interruptible Consumption in DCQ

    3.2 Minimum Pool DCQ

    3.3 Upstream Compressor Fuel - Fuel in Kind

3.1. Interruptible Consumption in DCQ

41. Enbridge Gas is proposing to use the DCQ to meet the annual consumption needs of all interruptible bundled DP customers across the franchise area. As noted in the

review of existing services above, the Union North rate zones currently use a different approach to determine a pool's DCQ, which excludes the interruptible consumption in the determination of DCQ.

42. Rate 25 sales service was originally designed to improve the load factor of Union's upstream transportation capacity for the Union North rate zones, thereby reducing the per unit transportation costs and mitigating unabsorbed demand charges. Since the service was approved by the OEB in June 1980, many things have changed in the Union North rate zones. Enbridge Gas has since adopted other methods of managing the gas supply portfolio and mitigating unutilized capacity and does not require, nor plan to use, Rate 25 sales service for DP customers in this way. While there may have been operational reasons in the past for providing sales service to bundled DP customers, there is no operational reason for this unique treatment to continue in the Union North rate zones.

43. Bundled DP customers have chosen to supply gas to meet their consumption and as such, Enbridge Gas providing a sales service option to DP customers is not consistent with the customer's choice of supplying the gas themselves.

44. In phase three of the customer engagement, approximately 70% of the customers who responded had no opinion or didn't know. Of the remaining 30% of customers who responded, slightly more were not in favour of this change. Of those not in favour, there was no explanation provided of their concern related to the proposal. Most customers responded favourably to a similar question where the elimination of system sales to unbundled DP customers in the Union North rate zones was accompanied by an increase in the tolerances for balancing service, as provided in Exhibit 8, Tab 4, Schedule 5. Customers may not have fully understood the proposal and how it would impact them. Customers may also not have appreciated

that the proposed elimination of system sales to bundled DP customers in the Union North rate zones was accompanied by an increase in the customer's DCQ for them to supply their own gas. The customer engagement results for bundled and unbundled DP customers are provided at Exhibit 1, Tab 6, Schedule 1, Attachment 1, pages 476-478 and pages 495-496, respectively.

45. Currently, in the Union North rate zones, under Rate 25 sales service, bundled DP customers pay the Enbridge Gas posted market-based price at the time the interruptible service gas is consumed. In the EGD and Union South rate zones, comparable bundled DP customers provide the gas supply to meet their planned interruptible consumption through their DCQ, which gives them the flexibility to buy that gas supply on the same terms as their other gas supply. Upon harmonization, it is appropriate to eliminate this unique sales service option to the Union North bundled DP service and align with the bundled DP customers in the other rate zones.

3.2. Minimum Pool DCQ

46. Enbridge Gas is proposing to set the minimum DCQ for all bundled DP pools at 1 GJ/day. The current minimum DCQ for bundled DP pools is 1 GJ/day in the EGD rate zone and 4 GJ/day in the Union rate zones. Lowering the minimum DCQ to 1 GJ/day better matches deliveries to consumption on a planned basis for smaller pools compared to a 4 GJ/day minimum, which may result in the customer delivering more gas than what is required to meet their annual consumption.

47. There are no operational or financial impacts associated with this proposal.

3.3. Upstream Compressor Fuel - Fuel in Kind

48. Enbridge Gas is proposing that, effective January 1, 2024, the Company will provide all the upstream transportation compressor fuel required to transport gas supply on third-party pipelines to a bundled DP customer's delivery area.

49. Today, only WTS customers in the EGD rate zone provide fuel in kind to transport gas from Empress to the delivery area. As noted in Section 1.2, as of January 1, 2017, customers in the Union North rate zones no longer provide fuel in kind for deliveries, as approved by the OEB in the Dawn Reference Price proceeding[8].

50. This proposal simplifies the DCQ purchases for bundled DP customers. Although the DCQ is a fixed quantity during the term of a pool, the amount of fuel to be provided each month varies. As a result, customers providing fuel in kind need to alter their gas supply deliveries each month to reflect changes in required fuel.

51. The proposed approach is easier for Enbridge Gas customers, with minimal impacts, as the cost of fuel is a relatively small component of the overall transportation cost. It also provides consistency across the franchise area.

4. Obligated Points of Receipt

52. Enbridge Gas is proposing to simplify and harmonize the current obligated point of receipts for bundled DP service to align the service the offerings.

53. This section of evidence is organized as follows:

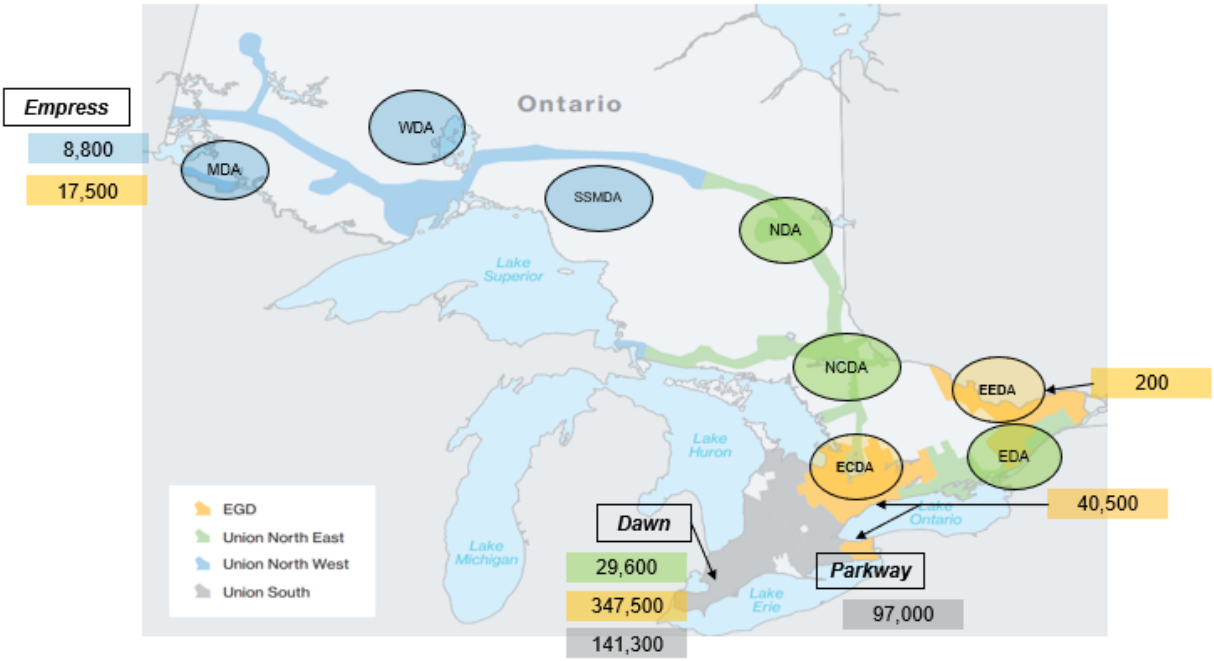
    4.1 Current Points of Receipt
    4.2 Proposed Points of Receipt
    4.3 Implementation Timing

[8] EB-2015-0181, Decision and Order, March 17, 2016.

4.1. Current Points of Receipt

54. Figure 1 provides a map of the Enbridge Gas franchise area with each rate zone identified by a different colour. The TransCanada delivery areas covered by each rate zone are also identified. The EGD rate zone includes TransCanada's ECDA and EEDA, the Union North West rate zone spans TransCanada's MDA, WDA, and SSMDA, and the Union North East rate zone spans TransCanada's NDA, NCDA, and EDA.

Figure 1: Bundled DP Point of Receipt Obligations (GJ/day)



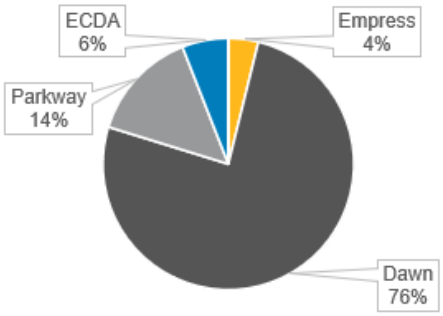
* Actual November 2021 values (rounded)

55. The actual contracted bundled DP DCQs by points of receipt for each rate zone are also displayed in Figure 1. For example, as of November 2021, bundled DP customers in the EGD rate zone provided approximately 17,500 GJ/day at Empress under the WTS service, 347,500 GJ/day at Dawn under the DTS service, 40,500

GJ/day under the OTS service directly into the ECDA and 200 GJ/day under the OTS service into the EEDA.

56. Figure 2 illustrates the relative proportions of bundled DP delivery obligations by point of receipt. Most deliveries are at Dawn, followed by deliveries at Parkway, OTS deliveries at the ECDA, and Empress deliveries. OTS deliveries at the EEDA are not shown in Figure 2 and represent less than 0.05% of the total bundled DP obligations.

Figure 2: Bundled DP Point of Receipt Obligations



57. The movement of bundled DP point of receipt obligation over the years from other points to Dawn reflects the fact that Dawn is an active and liquid trading hub located in Ontario. The number of market participants and volume of activity at the Dawn Hub provides customers easy access to reliable supply. In addition, the Dawn Hub provides customers with the opportunity to purchase their gas supply either directly at Dawn or from upstream points/supply basins via pipelines that are connected to Dawn. With more market participants at Dawn, it also provides additional flexibility for customers to balance.

58. The DTS service and its Dawn point of receipt for the EGD rate zone was approved by the OEB in EGD's Dawn Access Application[9]. The service was created to provide bundled customers access to supply at Dawn and became operational in 2017. The Dawn Access Settlement Agreement[10] set out a minimum threshold of 25,000 GJ/day for continuing to provide a service, subject to two years notice to discontinue the service to enable customers to alter their gas supply plans and move to another service. It also set out a minimum threshold of 50,000 GJ/day of customer interest to offer a new bundled DP service point of receipt.

59. As noted in Section 1.2, the Union North East rate zone moved from being served from Empress to Dawn and bundled DP DCQs moved accordingly.

60. In addition, as noted in Section 1.3, customers in the Union South rate zone have been shifting DCQ deliveries from Parkway to Dawn when provided the opportunity under the terms of the PDO Framework, provided at Exhibit 4, Tab 7, Schedule 1.

4.2. Proposed Points of Receipt

61. Enbridge Gas is proposing to harmonize the points of receipt, such that the following groups of customers will transition from their current point of receipt to Dawn:
    a) Customers with Empress deliveries (WTS) located in the EEDA and ECDA in the EGD rate zone;
    b) Customers with Empress deliveries (bundled DP service) in the Union North West rate zone; and
    c) Customers with EEDA deliveries (OTS) located in the EGD rate zone

[9] EB-2014-0323, Hearing Transcript Volume 1, p.16.
[10] IBID, EGD Dawn Access Application and Settlement Agreement, Exhibit B, Tab 2, Schedule 1, October 17, 2014, p.11

62. Enbridge Gas is proposing that customers located in the Union South rate zone (South service area) and the ECDA (Central service area) continue to deliver gas to Dawn, Parkway, and/or the ECDA as currently contracted.

Dawn Point of Receipt

63. Approximately 90% of DCQ deliveries for the EGD rate zone are now delivered at Dawn. WTS deliveries in the EGD rate zone have been declining and, since 2020[11], have been below the 25,000 GJ/day threshold in place when the DTS service was created under EGD's Dawn Access Application[12]. Although Enbridge Gas has not yet done so, Enbridge Gas intends to provide two years notice to terminate the WTS service to these customers to transition their supply to Dawn prior to implementation of the service harmonization proposals.

64. The Union North West rate zone is and will continue to be physically served from Empress. However, Enbridge Gas can facilitate the movement of DP DCQ obligations to Dawn by displacing system supply purchases at Dawn and replacing them with system supply purchases at Empress. This approach is used today to facilitate customers changing their service from WTS to DTS in the EGD rate zone. Facilitating the movement of these deliveries requires the OEB's approval of a change in upstream transportation cost recovery and notice to customers to allow them time to change their gas supply arrangements similar to the requirements when Union North East customers were moved to Dawn in 2017 as part of the Dawn Reference Price proceeding[13].

65. The EEDA in the EGD rate zone is adjacent to and operationally similar to the EDA in the Union North East rate zone. Both delivery areas rely on TransCanada

[11] As of November 2021, WTS deliveries were approximately 17,500 GJ/day at Empress.
[12] EB-2014-0323, Hearing Transcript Volume 1, p.16.
[13] EB-2015-0181, Decision and Order, March 17, 2016.

facilities and services to get gas to those areas. The OTS deliveries to the EEDA in the EGD rate zone of approximately 200 GJ/day is immaterial relative to the approximately 29,600 GJ/day delivered by all Union North East rate zone bundled DP customers at Dawn. To better align the services and rationalize the number of points of receipt, Enbridge Gas proposes to shift OTS deliveries into the EEDA to Dawn.

66. Transitioning EEDA and Empress deliveries in the EGD rate zone and bundled DP Empress deliveries in the Union North West rate zone to Dawn rationalizes the number of points of receipt and provides customers better access to supply and balancing transactions at Dawn. It also provides customers and marketers the ability to consolidate more of their pools as outlined in Section 7.3.

67. In phase three of the customer engagement, most customers that responded with an opinion were in favour of moving Empress and EEDA points of receipt to Dawn. The customer engagement results are provided at Exhibit 1, Tab 6, Schedule 1, Attachment 1, pages 479-480.

Parkway Point of Receipt

68. The east end of the Union South rate zone is operationally similar to the ECDA in the EGD rate zone. They are both adjacent to Parkway and there is a high degree of interconnectivity to Dawn through Enbridge Gas owned facilities. Also, like the Parkway obligations in the Union South rate zone, moving ECDA deliveries to Dawn may require Enbridge Gas to acquire services to maintain deliveries to the delivery area.

69. Customers will need to continue to deliver gas supply at Parkway and the ECDA as currently contracted. Customer requests to combine ECDA deliveries with Parkway

deliveries will be considered where Enbridge Gas determines it can accommodate such requests.

70. As provided at Exhibit 8, Tab 2, Schedule 2, all bundled and semi-unbundled customers will be charged by Enbridge Gas for transportation, which includes the cost of the Dawn Parkway System. Like Union South rate zone customers with a Parkway DCQ, EGD rate zone OTS customers also incur transportation costs to deliver their gas supply to the ECDA. As such, these customers will also receive the PDCI credit for their deliveries at the ECDA and the terms of the proposed PDO Framework will include the Central service area, as provided at Exhibit 4, Tab 7, Schedule 1.

Other Considerations

71. In general, the number of customers taking bundled DP service has been declining over the last few years and is expected to remain flat or continue to decline in the general service market. If this trend reverses, Enbridge Gas has enough flexibility in its gas supply portfolio to facilitate migration from sales service to bundled DP through Dawn deliveries without requiring an allocation and/or assignment of upstream capacity to the customer for the foreseeable future.

72. Customer location will continue to factor into the point of receipt for subsequent increases in DCQ to support growth in customer consumption or growth resulting from new customers not previously served by Enbridge Gas under sales service.

73. In phase three of the customer engagement, customers were asked if they were interested in delivering their DCQ to Ojibway or Kirkwall. Only two customers responded to this question indicating an interest in a total of 1,300 GJ/day (0.2% of total bundled DP deliveries). As there was limited interest, Enbridge Gas is not proposing to offer additional points of receipts beyond those currently available. The

customer engagement results are provided at Exhibit 1, Tab 6, Schedule 1, Attachment 1, pages 481-482.

4.3. Implementation Timing

74. Facilitating the movement of Empress deliveries and OTS deliveries into the EEDA requires notice to customers to allow them time to change their gas supply arrangements. Enbridge Gas proposes to provide two years notice by the end of 2023 such that customers will have transitioned, or be prepared to transition, their gas supply to Dawn prior to full implementation of the harmonized services.

75. Customers in the EGD rate zone will continue to be able to move from Empress to Dawn under the current processes at any time prior to the termination of the WTS service.

76. The movement of Union North West customers from an Empress point of receipt to Dawn also requires OEB approval as part of this Application. Once a harmonized rate design for Empress and Dawn transportation rates is approved, Union North West rate zone customers will be able to move from Empress to Dawn prior to removal of the Empress point of receipt, similar to the current EGD rate zone customers.

5. Balancing Obligations

77. Enbridge Gas proposes to implement a modified version of the current Union South rate zone balancing obligations for the harmonized bundled DP service.

78. As described in Section 1, bundled DP balancing obligations differ by rate zone today. Customers in the EGD rate zone are required to balance within a tolerance at the end of a pool's term, customers in the Union North rate zones have no

obligation to balance, and customers in the Union South rate zone balance at winter and fall checkpoints during the term of their pool and within a tolerance at renewal.

79. This section of evidence is organized as follows:

5.1 Review of Current Obligations

5.2 Load Balancing Review

5.3 Proposed Checkpoint Obligations

5.4 Elimination of Renewal Balancing

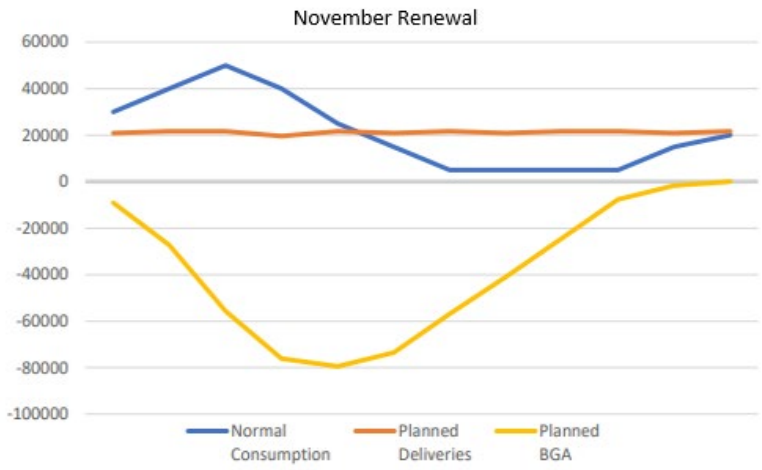
5.1. Review of Current Obligations

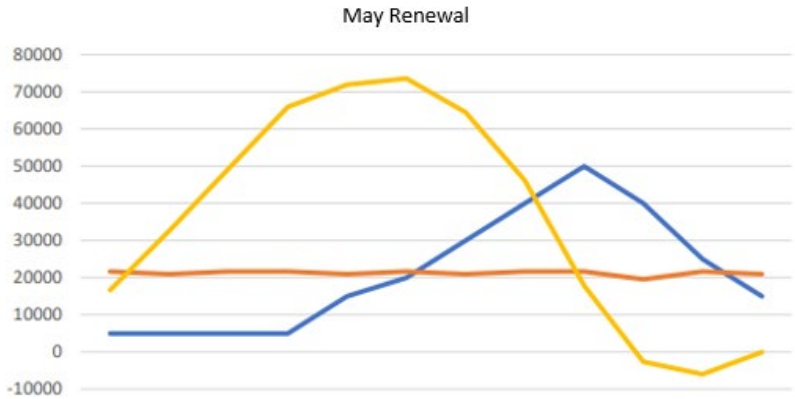
80. There are two components to load balancing: base load balancing, and incremental load balancing.

Base Load Balancing

81. Base load balancing is provided by Enbridge Gas to bundled DP customers in all rate zones. Figure 3 illustrates base load balancing for a contract that renews in November and May.

Figure 3: Base Load Balancing (GJ)





82. The graph at the top of Figure 3 shows the planned consumption profile, daily DCQ deliveries, and resulting BGA continuity curve for a typical bundled DP pool that renews November 1. Since the DCQ is set to match planned annual consumption, the planned BGA continuity starts and ends at zero. Enbridge Gas ensures it has enough gas in inventory to meet the planned draft in the BGA.

83. The graph at the bottom of Figure 3 shows the same planned consumption and daily DCQ delivery profiles but with a BGA continuity curve reflecting a pool that

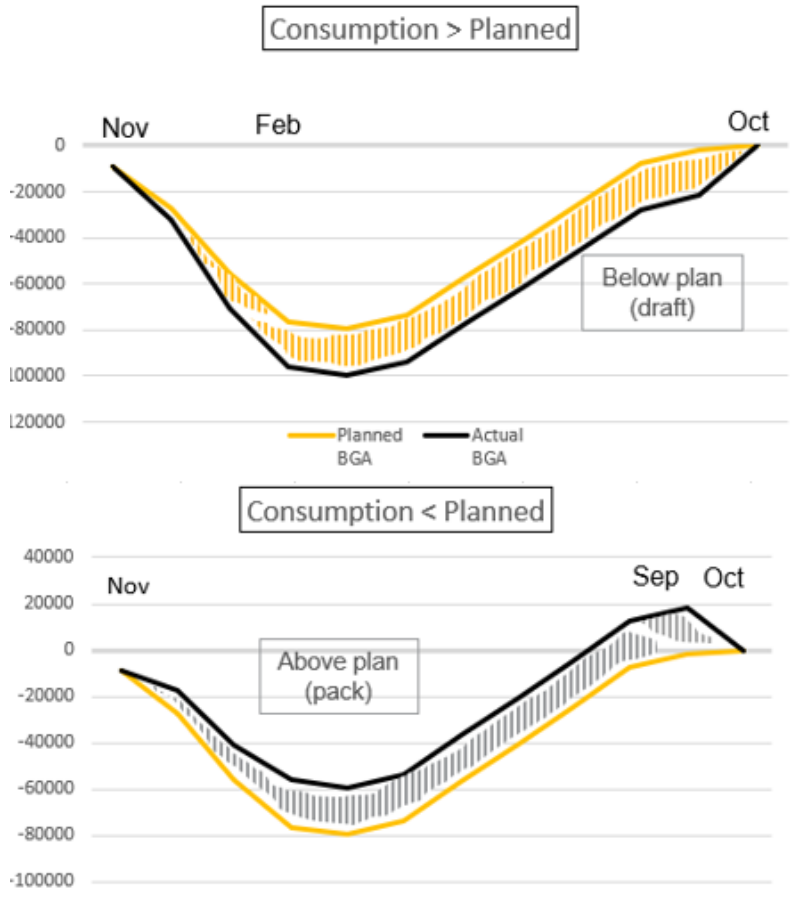
renews in April. Enbridge Gas ensures it has enough storage space to meet the planned pack in the BGA.

84. Enbridge Gas considers the planned BGA curves for all bundled DP customers and sales service customers to ensure that it has enough gas in its gas supply and storage plans to meet the overall requirement through winter and leaving enough room in storage at the end of the summer. The cost of this base load balancing is recovered from all bundled DP and sales service customers in rates.

Incremental Load Balancing

85. Incremental load balancing is the additional balancing that results from actual changes in a pool's consumption profile from what had been planned. These changes in consumption are usually due to weather but could also be due to production shifts and the use of alternate fuels. Incremental load balancing is handled differently in each rate zone today. Figure 4 illustrates incremental load balancing in the EGD and Union North rate zones.

Figure 4: Incremental Load Balancing – EGD and Union North Rate Zones (GJ)



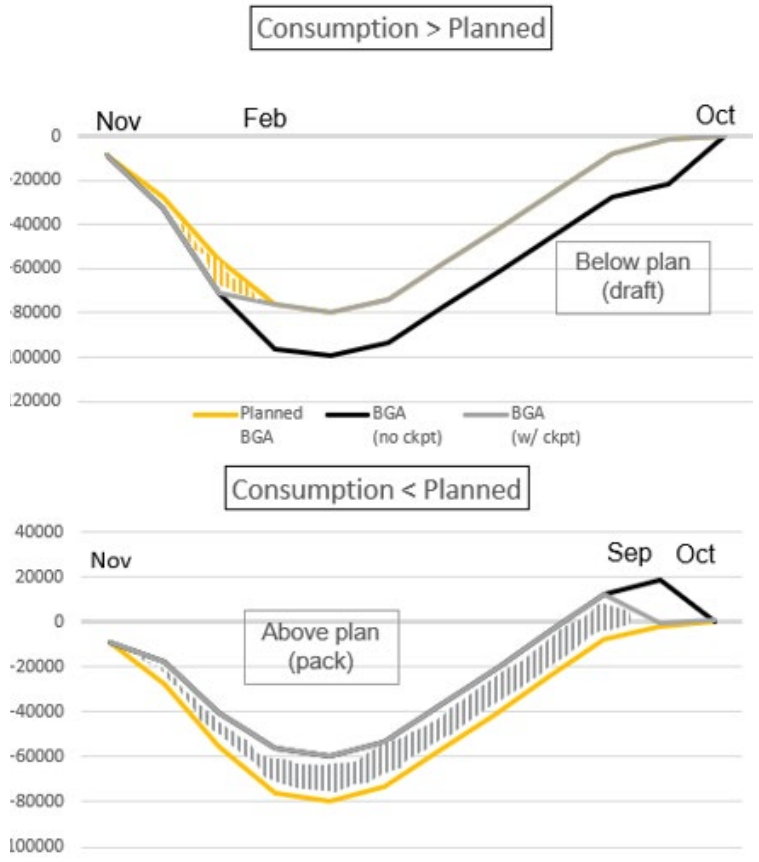
86. The graph at the top of Figure 4 illustrates incremental balancing that results from colder than normal weather on a pool with a November renewal in the EGD and Union North rate zones. Actual consumption is higher than planned and the resulting BGA is lower than planned. Enbridge Gas incurs the cost of additional winter gas supply to ensure that there is enough gas in the system through the winter and reduces its summer supply to ensure that there is enough room in storage to accept the additional deliveries of gas as bundled DP customers balance at renewal.

87. The graph at the bottom of Figure 4 illustrates incremental balancing that results from warmer than normal weather in the EGD and Union North rate zones. Actual consumption is lower than planned and the resulting BGA is higher than planned. Enbridge Gas would carry this additional gas through the winter but would need to shed that much more gas to keep within storage space limits until the customer balances by renewal.

88. Costs for incremental balancing in the EGD and Union North rate zones are recorded in gas supply deferral and variance accounts and subsequently recovered from all bundled DP and sales service customers upon disposition of those deferral and variance accounts.

89. Bundled DP customers in the Union South rate zone are required to deal with variances in BGA balances near key winter and fall operational dates. Figure 5 illustrates incremental load balancing in the Union South rate zone.

Figure 5: Incremental Load Balancing – Union South Rate Zone (GJ)



90. The graph at the top of Figure 5 illustrates the incremental balancing that customers would be required to bring in incremental gas for colder than normal weather and ensure their BGA is back to plan by the end of February to meet the winter checkpoint obligation.

91. The graph at the bottom of Figure 5 illustrates the incremental balancing that customers would be required to undertake to remove gas for warmer than normal weather to ensure that their BGA balance is back to plan by the end of September to meet the fall checkpoint obligation.

92. In the Union South rate zone, customers determine the specific balancing actions and directly incur the costs to deal with the impacts of variances in consumption on BGA balances by key dates.

93. Enbridge Gas continues to manage incremental balancing needs beyond those that customers manage through their checkpoint obligations in the Union South rate zone. For example, if a winter remains colder than normal after February then Enbridge Gas will purchase additional gas to ensure that there is enough gas on the system to meet all bundled customers needs (sales service and bundled DP). Bundled DP customers that were drafting relative to their forecast BGA curve during that post-checkpoint period will be allocated their share of those costs through disposition of the gas supply deferral and variance account balances. Bundled DP customers that were not drafting at that point will not receive any disposition of these balances.

5.2. Load Balancing Review

94. The load balancing obligations of EGD, Union, and Natural Resource Gas Limited (now EPCOR) were reviewed by the OEB in 2008[14]. In that proceeding, the OEB reviewed whether load balancing mechanisms should be standardized – specifically, whether the Union South rate zone load balancing mechanism should be applied more broadly.

95. In reviewing the Union South mechanism, the OEB highlighted that the use of checkpoints supports the principle of cost causality by placing the responsibility for balancing costs with bundled DP customers. Customers have greater flexibility and control to determine their own incremental balancing costs if they consume more or less than planned instead of receiving an allocation of the Company's costs through

[14] EB-2008-0106 - Methodologies for Commodity Pricing, Load Balancing and Cost Allocation for Natural Gas Distributors.

subsequent deferral and variance account dispositions. The OEB made similar findings when it first approved the use of checkpoints in its Union 2004 Rates Decision[15].

96. In addition, the implementation of checkpoints provided increased operational certainty which allowed the availability of balancing transactions to be expanded thereby providing customers more flexibility to manage their BGA.

97. In its evidence, Union highlighted the operational differences between the Union North and Union South rate zones which supported the different approach to load balancing in the Union North rate zones. The Union North rate zones consisted of various pipeline laterals that connect to communities and customers, with gas that was supplied at Empress and transported on TransCanada to each delivery area using firm transportation capacity. The TransCanada Storage Transportation Service (STS) pooling rights associated with that firm transportation capacity, Dawn to Parkway capacity, and other third-party assets were also used to serve the Union North rate zones. In addition, with the exception of the LNG facility at Hagar, physical storage did not exist within the Union North rate zones, so these assets were used to transport gas to and from storage at Dawn. All these assets were used to serve the Union North rate zones on an integrated basis.

98. EGD highlighted the operational differences between the EGD rate zone and the Union South rate zone. Although EGD offered similar tools to customers to manage their BGA balances, because of EGD's location and that EGD did not have a trading hub within the EGD rate zone area, it was deemed not appropriate to have the same load balancing mechanism as Union South.

[15] RP-2003-0063, Decision and Order, dated March 18, 2004.

99. The OEB recognized that operational differences between EGD, Union North, and Union South were such that it would not require a standardized approach.

5.3. Proposed Checkpoint Obligations

100. There have been several operational and bundled DP service changes that have occurred since the OEB reviewed the load balancing services[16].

101. From an operational perspective, a significant portion of the EGD and Union North rate zones gas supply and transportation portfolio was moved from Empress to Dawn. From a bundled DP service perspective, customers in the EGD and Union North East rate zones have been provided direct access to Dawn for DCQ and balancing purposes.

102. Further, as outlined in Section 4, Enbridge Gas has proposed that all remaining DCQ obligations at Empress be moved to Dawn thereby providing all bundled DP customers direct access to Dawn, Parkway and/or ECDA, similar to Union South today. To support these changes, Enbridge Gas is proposing to offer the full suite of balancing transactions used by the Union South rate zone customers to all customers, as described in Section 6.

103. As a result of the changes made since 2008 and the changes proposed as part of this Application, the limitations previously recognized by the OEB[17] no longer exist for the Union North and EGD rate zones. As such, Enbridge Gas proposes to continue to manage base load balancing for all bundled DP customers and sales service customers and that the costs incurred by Enbridge Gas be shared with all bundled DP customers and sales service customers.

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[16] EB-2008-0106 - Methodologies for Commodity Pricing, Load Balancing and Cost Allocation for Natural Gas Distributors.
[17] Ibid.

104. Enbridge Gas proposes that the Union South rate zone obligation for incremental load balancing apply to all bundled DP customers whereby bundled DP customers ensure that their BGA balance is no less than the winter checkpoint at the end of February and no greater than the fall checkpoint at the end of September. This approach is consistent with the choice of DP customers to manage their supply costs, is consistent with cost causality, and helps to ensure a more efficient operation of Enbridge Gas assets. Further, checkpoints eliminate cross-subsidization between bundled DP customers, and it reduces customer exposure to subsequent deferral and variance account dispositions related to incremental balancing.

105. As is the case in the Union South rate zone today, customers will have the choice of utility or customer determined checkpoint balancing options for the term of the pool:
    a) Under the utility determined option, Enbridge Gas will identify the incremental quantity of gas that is required to be delivered to meet the winter checkpoint and the quantity of gas that is required to be removed to meet the fall checkpoint; and
    b) Under the customer determined option, customers can factor their actual daily consumption into account in determining their balancing actions. To effectively manage their balance under this option, customers should have a good understanding of their actual daily consumption during the month. The actions and quantities communicated by Enbridge Gas to these customers in the balancing months are recommendations. The customer determines the actions they will take to ensure that their BGA balance is no less than the winter checkpoint and no greater than the fall checkpoint.

106. Each month, customers will continue to receive updates to their pool's BGA continuity which allow them to see how their BGA is tracking versus plan. The planned continuity that resulted from when the pool's DCQ was set will be refreshed for billed consumption, actual deliveries, actual balancing undertaken to date, and any balancing already in place for the forecast period. The update to be issued in February will also reflect the impact of colder or warmer than normal weather on forecast consumption up to the end of February using third-party weather forecasts. The required actions for customers under utility determined option and the recommended actions for customers under the customer determined option will also be highlighted.

107. After the checkpoint dates, Enbridge Gas will measure customer compliance with their applicable checkpoint obligations and levy any necessary charges for non-compliance with those obligations. The proposed charges for non-compliance are provided in Section 7.

108. As is the case for the Union South rate zone today, Enbridge Gas will continue to manage any necessary late winter post-checkpoint balancing needs for all bundled customers and recover its costs from customers through disposition of gas supply deferral and variance account balances. Since checkpoints were implemented in the Union South rate zone in 2005, there have been only two winters where it was necessary for Enbridge Gas to take such action.

109. In phase three of the customer engagement, customers were asked their preference between the Union South rate zone approach modified to incorporate the removal of renewal balancing described below, the current EGD rate zone approach, or a no change option. Of those that responded, most were in favour of

the proposal. The customer engagement results are provided at Exhibit 1, Tab 6, Schedule 1, Attachment 1, pages 484-485.

5.4. Elimination of Renewal Balancing

110. Enbridge Gas is proposing to eliminate the requirement to balance at contract renewal. Provided the pool is renewing, the balance in the BGA at renewal will carry over into the next pool term and the customer will manage that quantity, along with any other variance, in accordance with the checkpoint obligations during that term.

111. Checkpoint obligations ensure that the customer deals with incremental balancing requirements by dates that are important to Enbridge Gas's operations. Requiring a customer to balance at renewal with checkpoints in place does not provide a significant benefit to the Enbridge Gas system and creates an additional burden on customers to balance.

112. Under this proposal, pool renewal dates that align with a checkpoint date will have a checkpoint of zero which corresponds to the planned balance at that date. As a result, if a pool renewal date is March 1, then the BGA balance cannot be less than zero; if the renewal date is October 1, then the BGA balance cannot be greater than zero.

113. Although they are not required to balance at renewal, customers could still choose to do so, subject to Enbridge Gas's daily operational capability.

6. Balancing Transactions

114. Enbridge Gas proposes to move to a common suite of balancing transactions, applicable to both bundled and semi-unbundled DP customers.

115. Currently, customers in each rate zone have access to a suite of balancing transactions to proactively manage their BGA balance. Based on a review of the balancing transactions offered in each rate zone, Enbridge Gas determined that many of the transactions are very similar with minor differences, such as different names and/or availability.

116. This section of evidence is organized as follows:

6.1 Current Balancing Transactions
6.2 Harmonized Balancing Transactions
6.3 Balancing Transactions Availability and Service Quality
6.4 Evaluation of Balancing Transaction Requests
6.5 Balancing Transaction Pricing

6.1. Current Balancing Transactions

117. Table 3 provides a listing of the balancing transactions that are currently offered in each rate zone to allow bundled DP customers to proactively manage their BGA balances and assist semi-unbundled DP customers in managing their storage balances.

Table 3
Bundled and Semi-Unbundled DP Balancing Transactions

Line No.	Particulars	EGD Rate Zone	Union North Rate Zone	Union South Rate Zone	Proposed EGI
		(a)	(b)	(c)	(d)
	Transfers of gas to other pools:				
1	Transfers (1)	ITT	IFT	IFT	IFT
2	DCQ Assignments	no	yes	yes	yes
	Excess gas to market:				
3	Transfers (2)	ETT	EFT	EFT	EFT
4	Suspensions	yes	yes	yes	yes
5	Deliver additional gas	Make-Up Gas	Incremental Supply	Incremental Supply	Incremental Supply
	Unique transactions:				
6	BGA Rollover	yes	no	no	no
7	Curtailment Delivered Supply	yes	no	no	no
8	DCQ ratcheting	no	yes	no	no
9	Diversions	no	no	yes	no
10	Backstop supply	Backstopping	no	DGSS (3)	Backstop
11	Storage/loan	no	yes	yes	yes

Notes:
(1) In-Franchise Title Transfers (ITT) in the EGD rate zone and In-Franchise Transfers (IFT) in the Union rate zones.
(2) Enhanced Title Transfers in the EGD rate zone and Ex-Franchise Transfers in the Union rate zones.
(3) Discretionary Gas Supply Service.

118. A bundled DP customer requests approval of the balancing transaction in advance of nominating the service. For a transaction to be approved, the BGA balance must show the need for the transaction and that the result of the transaction will take the BGA balance closer to where it was planned to be. For example, a bundled DP

customer can only remove gas from a BGA to the extent that the BGA balance is greater than where it was planned to be when the pool's DCQ was last adjusted.

119. A semi-bundled DP customer requests balancing transactions directly through the daily nomination process. The customer is responsible for managing within their service parameters.

120. Transactions that allow a customer to transfer excess gas from one pool to another pool include in-franchise title transfers (ITTs) in the EGD zone and in-franchise transfers (IFTs) in the Union rate zones. ITTs are only allowed between pools within the EGD rate zone and IFTs are allowed between bundled DP pools in the Union North and Union South rate zones and storage accounts for semi-unbundled customers in the Union South rate zone.

121. DCQ Assignments are unique to the Union rate zones and have a similar impact as IFT transactions. This transaction allows a customer to temporarily shift some or all of a DCQ obligation at a point of receipt to another bundled and/or semi-unbundled DP customer at the same point of receipt.

122. Transactions that allow a customer to sell excess gas from their BGA in the market include enhanced title transfers (ETTs) in the EGD rate zone and ex-franchise transfers (EFTs) in the Union rate zones.

123. Suspensions in the EGD rate zone and Union South rate zone have a similar effect as they allow a customer to temporarily decrease their DCQ deliveries during the term of the suspension. Suspensions are not currently available in the Union North rate zones because Enbridge Gas instead uses a DCQ ratcheting process that reduces a pool's DCQ if Enbridge Gas determines that there is more gas in the

BGA than planned. Upon implementation of the harmonized bundled DP service, these customers will be able to use suspensions and Enbridge Gas will discontinue the DCQ ratcheting process.

124. Transactions that allow a customer to deliver additional gas acquired in the market into their BGA include make-up gas transactions in the EGD rate zone and incremental supply transactions in the Union rate zones.

125. Customers operating in the EGD rate zone and Union rate zones are unable to use ITT or IFT transactions to move gas between a pool in the EGD rate zone and a pool in the Union rate zones. Instead, the customer uses an ETT/EFT transaction in one rate zone and make-up gas/incremental supply in the other rate zone to perform this transaction. Upon implementation of the harmonized bundled DP service, customers will be able to directly transfer gas between pools across the entire franchise area.

126. Transactions that are unique to either the EGD and Union rate zones include: BGA rollover; curtailment delivered supply (CDS); diversions; backstopping service; storage; and loans.

127. BGA rollover transactions are unique to the EGD rate zone and, if determined by Enbridge Gas to be available, provide customers the ability to carry the balance that was within renewal tolerances from a previous period for a period longer than the standard 180 days.

128. CDS transactions are unique to the EGD rate zone and, if determined by Enbridge Gas to be available, allow a customer to continue to use an interruptible distribution service during a period when their interruptible distribution has been curtailed. The

service may be available if the curtailment is a result of the utility being constrained in its ability to get gas to the delivery area. The service may not be available if the interruptible consumption has been curtailed because Enbridge Gas is constrained on its distribution system within the delivery area. When available, the customer would deliver incremental gas, in addition to their DCQ, to the delivery area at least equivalent to the quantity of gas that they expect to consume during the distribution curtailment period.

129. In the Union North rate zones, an equivalent to CDS is achieved by providing the customer the ability to deliver gas at least equivalent to their curtailed interruptible consumption each day through an unbundled interruptible transportation service in the respective delivery area (offered under Rate 25 T-Service). In the Union South rate zone, if available, the customer would deliver incremental supply each day at a point of receipt determined by Enbridge Gas.

130. Diversions are unique to the Union South rate zone and like suspensions, allow a customer to temporarily reduce their DCQ deliveries. This transaction has not been used since Union suspended assigning upstream capacity to bundled and semi-unbundled DP customers.

131. Backstopping service offered under Rate 320 in the EGD rate zone, and Discretionary Gas Supply Service (DGSS) in the Union South rate zone are services that are intended to help bundled and semi-unbundled DP customers when they are unable to purchase gas themselves because of an issue with their gas marketer and/or supplier. These services provide a short-term arrangement that is put in place until the customer resolves the issue with their gas marketer and/or supplier or finds a replacement gas supplier. The transactions are at market prices and subject to availability, and credit.

132. The Union rate zones offer storage and loan transactions at market prices, subject to availability. A storage transaction allows a customer to carry gas for a period in their account that they would have otherwise needed to remove. A loan transaction allows a customer to borrow gas from Enbridge Gas for a period that they would have otherwise needed to deliver into their account themselves. Loans are subject to credit.

6.2. Harmonized Balancing Transactions

133. Enbridge Gas proposes that current balancing transactions will remain in place until the underlying bundled and semi-unbundled DP services are harmonized and implemented.

134. On a harmonized basis, it is proposed that the broader suite of balancing transactions currently available in the Union South rate zone will apply to the entire franchise area. This includes cost-based balancing transactions and market-priced services that are alternatives to the cost-based balancing transactions. A complete list of the harmonized balancing transactions includes:
    a) IFT;
    b) DCQ Assignment;
    c) EFT;
    d) Suspension;
    e) Incremental Supply;
    f) Backstop (renamed from DGSS);
    g) Storage; and
    h) Loan

135. In addition, there are unique balancing transactions that are proposed to be eliminated as they will no longer be required when the underlying bundled DP

services are harmonized and implemented. These include the following balancing transactions:

a) BGA rollover transactions will no longer be necessary as BGA balances at renewal will carry over into the pool's next term and the customer will manage that quantity per the checkpoint obligations during that term;
b) CDS will no longer be required because the current incremental supply transaction provides the same service;
c) DCQ ratcheting currently applied in the Union North rate zones will be eliminated, as described in Section 6.1; and
d) Diversions are no longer required because customers use suspensions instead to temporarily reduce their DCQ. This transaction is proposed to be removed effective January 1, 2024, as it is not in use.

136. EGD rate zone customers will have access to more services than they have today, including DCQ assignments, and access to market-based storage and loan services to help them meet their BGA balancing requirements.

6.3. Balancing Transaction Availability and Service Quality

137. Enbridge Gas is proposing to harmonize the availability and service quality of the balancing transactions consistent with the Union rate zones. As a result, balancing transactions will have greater availability for customers in the EGD rate zone.

138. Enbridge Gas is proposing to offer IFT and DCQ Assignments as firm, which is consistent with the current treatment of these services. These services can be offered as firm because Enbridge Gas does not require additional or unutilized capacity and therefore there is no impact on Enbridge Gas operations.

139. Enbridge Gas is proposing to offer the remaining balancing transactions, including suspension, EFT, and incremental supply, as interruptible and available all year, consistent with the current approach used in the Union rate zones.

140. In the EGD rate zone, the equivalent transactions are firm but have limited availability throughout the year to avoid periods of time where the availability of unutilized capacity is uncertain. For example, suspension and ETT transactions are not available during several months in the winter. When available, quantities are posted through a bulletin board service for a specific time frame and customers can utilize the capacity on a first come first served basis.

141. In the Union rate zones, the transactions are available throughout the year however they rely on unutilized capacity so are interruptible subject to Enbridge Gas's daily operational capability. If there is not enough capacity to serve all demands on a storage or transportation segment, a Priority of Service (POS) listing is used to determine the interruptible transactions to be scheduled on a gas day. The POS allows Enbridge Gas to schedule interruptible services when demands exceed capacity in an equitable and transparent manner. The POS listing is posted on Enbridge Gas's website.

142. For consistency, the harmonized balancing transaction services will be nominated and scheduled based on the POS schedule for both storage and transportation services, consistent with current balancing transactions in the Union rate zones.

143. The POS is aligned with the OEB's Storage and Transportation Access Rule (STAR)[18]. The STAR rules were created with the objectives to allow non-

[18] EB-2008-0052 Issuance of new Rule – Storage and Transportation Access Rule (STAR).

discriminatory access to transportation services to ensure consumer protection within the competitive storage market and to support a transparent storage and transportation market.

144. While balancing transactions will be available to nominate year-round, interruptible balancing transactions may not be scheduled every day based on the available capacity on the day. Balancing transactions can be impacted by the available storage injection or withdrawal capacity and/or transportation capacity, depending on the path and primary direction of gas flow in the season.

145. To help customers understand the interruption risk of balancing transactions, a traffic light system is used to alert customers of the potential for interruption prior to their nomination. The traffic light can be viewed on the company website or in the Enerline application. Customers can sign up for alerts of changes in the traffic light status.

146. In addition to the traffic light system, an overrun indicator is also posted on the company website and in the Enerline application. The overrun indicator is used to let semi-unbundled customers know if storage injection and withdrawal overrun will be authorized or unauthorized.

147. Both communication tools help customers with their nominations, maximize their use of balancing transactions and avoid any costs associated with nominations being interrupted and/or to avoid unauthorized overrun charges.

6.4. Evaluation of Balancing Transaction Requests

148. Enbridge Gas is proposing that bundled DP customer requests for balancing transactions be evaluated against the projected BGA variance[19] at the next balancing date, consistent with the EGD rate zone approach. No changes are proposed to requests for balancing transactions by semi-unbundled DP customers.

149. In the Union rate zones, the analysis considers the variances at two points on the projected BGA continuity: the most recently reported actual BGA variance; and the projected variance at the next balancing date (checkpoint or renewal). In the months prior to a balancing month, the customer is limited to the lower of the current and projected BGA variances. In the balancing month, the request is evaluated against the projected BGA variance at the balancing date only.

150. The current approach for the Union rate zones is more complicated and customers have found the approach too restrictive. Focusing on the next balancing date alone is simpler and allows customers to be proactive and to take earlier action(s) more easily to balance prior to the balancing month.

6.5. Balancing Transaction Pricing

151. This section of evidence provides the proposed pricing for the current balancing transactions, effective January 1, 2024, and the harmonized balancing transactions, effective upon harmonization. The proposed charges for IFT and EFT transactions are cost-based and provide a contribution towards the recovery of the costs used to provide the service. Charges for backstop supply, storage and loan transactions are market-based because there are competitive alternatives available for customers. Other balancing transaction services are provided at no charge, as they do not

[19] The variance is the difference between the current actual/forecast of the BGA and the planned forecast for the same month when the DCQ was last adjusted.

require the use of incremental assets above the base DP service. The proposed balancing transaction charges are based on the pricing methodology currently used in the Union rate zones.

152. IFT and EFT charges are incurred by the transferor (customer transferring the gas), with no charge by Enbridge Gas to the transferee (customer receiving the gas). The IFT and EFT charges are comprised of a charge for withdrawal from storage and a transportation charge, as applicable.

153. A charge for withdrawal from storage is included in the IFT or EFT charge when the transferor is a bundled DP customer. The bundled DP customer's BGA balance gas is held in storage at Dawn, regardless of the point(s) of receipt where the customer delivered the gas. For purposes of the IFT or EFT transaction, the gas is withdrawn from storage to enable customers access to the above ground market at Dawn under the same conditions as other customers and market participants. The cost-based storage withdrawal charge included in the IFT and EFT charge is consistent with the withdrawal charge of other cost-based storage services. Since semi-unbundled customers are charged for the withdrawal from storage discretely as part of the contracted storage service, this cost is not recovered from them in the IFT or EFT charge.

154. A charge for transportation is included in the IFT or EFT charge when the transferor has an Empress point of receipt to recognize the cost of transportation not recovered due to the transfer.
    a) Under an IFT transaction, where the transferor has an Empress point of receipt and transferee has a Dawn, Parkway and/or ECDA point of receipt, the transportation charge is equal to the difference between the gas supply transportation charge and the gas supply western transportation charge. This

transportation charge recognizes the transferee will pay the gas supply transportation charge at the time of consumption; and

b) Under an EFT transaction, where the transferor has an Empress point of receipt and the transferee is an ex-franchise customer, and the transportation charge is equal to the cost of transportation from Empress to Dawn set at the daily TCPL Empress to Union Parkway Belt toll plus the Parkway to Dawn commodity rate[20].

155. There are no transportation costs associated with IFT or EFT transactions where the transferor has a Dawn point of receipt because the balancing transaction occurs at Dawn. As a result, no transportation charge is included in the IFT or EFT charge for these customers.

156. Enbridge Gas is proposing to use the pricing methodology currently used in the Union rate zones for the harmonized balancing transactions, with two proposed changes.

a) The first is the removal of the name change fee currently included in the IFT and EFT charges for the Union rate zones. Removal of the name change fee from IFT and EFT charges is consistent with the proposal to remove the name change fee service for all ex-franchise services, as provided at Exhibit 8, Tab 4, Schedule 6; and

b) The second is the removal of a transportation charge from Parkway to Dawn for customers in the Union South rate zone. Removal of the transportation charge from Parkway to Dawn recognizes that gas deliveries at Dawn are now greater than gas deliveries at Parkway for DP customers in the Union South rate zones.

[20] The Parkway to Dawn transportation service is currently offered under Rate C1 and Rate E70 under the proposed harmonized rate classes.

157. Enbridge Gas is proposing to continue to use the pricing methodology currently used in EGD rate zone until full implementation of the harmonized services. The only change to the current pricing for the EGD rate zone for January 1, 2024, is to incorporate the proposed changes to the OTS rate design, as provided in Section 4.2 and Exhibit 8, Tab 2, Schedule 2, Section 2.2.

158. Please see Exhibit 8, Tab 2, Schedule 8, Attachment 6 and Exhibit 8, Tab 2, Schedule 9, Attachment 6 for the derivation of the proposed balancing charges for January 1, 2024, and for the harmonized balancing charges, respectively. The revenue associated with the balancing transaction pricing is reflected in the other revenue forecast provided at Exhibit 3, Tab 5, Schedule 1. The impact of these changes is a reduction in other revenue of less than $0.1 million for the 2024 Test Year Forecast. The proposed changes upon harmonization are estimated to be less than $0.1 million.

159. The balancing transactions and their associated charges are included in Rider A of the rate handbook. The combined rate handbook reflecting changes effective January 1, 2024, is provided at Exhibit 8, Tab 2, Schedule 1, Attachment 1. The harmonized rate handbook is provided at Exhibit 8, Tab 2, Schedule 1, Attachment 2.

160. Backstop supply transactions will be facilitated at a point of receipt agreed to by the customer and Enbridge Gas. The customer will be charged the price paid by Enbridge Gas for the gas to ensure there is no impact to gas supply deferral and variance accounts plus the Gas Supply Administration fee charged to sales service customers.

161. Storage/loan transactions are facilitated at Dawn at a price agreed to by the customer and Enbridge Gas based on term and quantity.

7. Other Service Changes

162. This section of evidence outlines the other proposed changes to the bundled DP service not described in the preceding sections.

163. This section of evidence is organized as follows:

7.1 Utility Purchase of Customer's DCQ

7.2 Seasonal DCQ Deliveries

7.3 Pool Consolidation

7.1. Utility Purchase of Customer's DCQ

164. Enbridge Gas is proposing that the current approach used in the Union South rate zone be adopted for the harmonized bundled DP service, such that Enbridge Gas will not purchase supply from interruptible customers. During an interruption, the customer will continue to deliver its DCQ each day based on their obligation, as Enbridge Gas relies on these supplies for its utility operations.

165. In the EGD rate zone today, if Enbridge Gas curtails a bundled DP customer's interruptible consumption, Enbridge Gas will purchase the proportion of the customer's DCQ that is intended to meet the customer's annual interruptible consumption. The Company purchases this gas each day during the interruption period at the average market price for the month of the interruption.

166. This service option is not applicable in the Union North zones, as bundled DP customers are currently unable to meet their interruptible consumption through their DCQ.

167. The quantities not consumed by the customer due to the interruption could be consumed in another month (production shift) or the customer may need to subsequently remove the gas through balancing transactions in order to balance their BGA. This proposal allows the customer to make that decision rather than force a sale to Enbridge Gas.

168. Interruptions typically coincide with higher market prices for gas. The impact on the average price for the month could be significant, depending on the timing and duration of the interruption event. Since Enbridge Gas purchases gas on a month-ahead basis, it is also possible that the price paid for the gas will be at a premium to other utility purchases if the Company were to purchase the gas supply during an interruption.

169. In phase three of the customer engagement, customers were asked whether Enbridge Gas should purchase a DP customer's gas during an interruption of distribution service or not, approximately half of those that responded with an opinion were in favour of the proposal to eliminate the purchase. The customer engagement results are provided at Exhibit 1, Tab 6, Schedule 1, Attachment 1, pages 487-488.

170. Enbridge Gas is proposing to operationally rely on customer obligations to deliver their DCQ and discontinue purchasing bundled DP customer DCQ from EGD rate zone customers during a curtailment of interruptible distribution service.

7.2. Seasonal DCQ Deliveries

171. Enbridge Gas proposes to continue to provide customers that have contracted for seasonal distribution service the option of delivering their DCQ under the standard or seasonal approaches, consistent with EGD rate zone seasonal service.

172. Currently in the EGD rate zone, customers with seasonal distribution service under Rate 135 typically have very little consumption in the December to March period. As such, these customers can opt to either deliver their DCQ every day of the pool term (standard approach) or deliver their DCQ over the April to December period (seasonal approach) to better match their supply with consumption throughout the year.

173. In the harmonization proposals for distribution service provided at Exhibit 8, Tab 4, Schedule 2, Enbridge Gas has proposed to offer a similar seasonal distribution service to the Enbridge Gas franchise area under Rate E34.

174. If a customer selects a seasonal DCQ and has a Parkway obligation, the customer will only be provided the PDCI on their winter Parkway DCQ quantity through the year. The customer's higher summer Parkway DCQ is not providing the same peak day benefit as customers that have a Parkway obligation during the winter months from December to March.

175. It should also be noted that if a customer has selected the seasonal DCQ approach, the planned BGA continuity and checkpoints will reflect the seasonal deliveries. If the customer is allowed to overrun their reduced contract demand in the December to March period, they will need to balance accordingly.

7.3. Pool Consolidation

176. Enbridge Gas is proposing that pools can be consolidated for all proposed bundled DP services with Dawn, Parkway and/or ECDA points of receipt across all service areas. The consolidation is applicable for all bundled DP services except for seasonal services, in which the DCQ calculation is adjusted for seasonal usage.

177. Currently, points of consumption in the EGD rate zone in the ECDA and EEDA can be consolidated into one pool per contracted bundled DP service type (DTS, OTS, WTS). The total consumption for each pool is tracked by delivery area and consolidated for contract administration purposes. Individual customers within a pool are tagged by service type and are charged the applicable costs incurred by Enbridge Gas to transport their supply from their respective point of receipt to the EGD rate zone at the time they consume the gas. As a result, the value of the gas in pools differs for each service type as Enbridge Gas will not have recovered the transportation costs yet. The cost differential between service type is taken into consideration when the customer's BGA account(s) is subsequently balanced.

178. In the Union North rate zones, pool consolidation has been limited to each of the TransCanada mainline delivery areas (MDA, WDA, SSMDA, NDA, NCDA, EDA). Historically, all bundled DP gas was delivered at Empress and transported by Enbridge Gas to each delivery area. The costs incurred by Enbridge Gas to deliver the customer's gas to each delivery area differed by delivery area and were recovered at the time the customer consumes the gas.

179. In the Union South rate zone, bundled DP customers deliver their supply at Dawn and/or Parkway. The PDCI provided by Enbridge Gas to customers with a Parkway Delivery Obligation (PDO) is credited to customers at the time the gas is delivered to Enbridge Gas.

180. Upon implementation of the harmonized bundled DP service, like the Union South rate zone today, all bundled DP customers will have a combination of Dawn, Parkway and/or ECDA points of receipt for their supply. While Enbridge Gas will continue to track consumption within each delivery and service area for operational purposes, there is no financial or operational reason to restrict the ability of a customer to consolidate their bundled DP pools, with exception to seasonal service with a seasonal DCQ option.

8. Compliance Charges

181. This section outlines the harmonized charges to DP customers that fail to deliver their obligated DCQ and/or fail to balance when required. The compliance charges are a component of Rider A in the rate handbook. The combined rate handbook is based on the current compliance charges and is provided at Exhibit 8, Tab 2, Schedule 7, Attachment 1, and the harmonized rate handbook is based on the harmonized compliance charges and is provided at Exhibit 8, Tab 2, Schedule 7, Attachment 2. The proposed charges are described below.

8.1 Failure to Deliver

8.2 Failure to Balance a Supply Shortfall Position

8.3 Failure to Balance an Excess Supply Position

8.1. Failure to Deliver

182. Enbridge Gas is proposing to set a common charge for customers who fail to deliver their DCQ. Enbridge Gas is proposing to sell gas to the customer at the greater of the highest spot price at Empress, Dawn, Parkway, Niagara, or Iroquois trading points on the day or 150% of Enbridge Gas's reference price. If the failure to deliver is at Parkway or the ECDA, the customer will not receive the PDCI for that day.

183. Currently, if a customer in the EGD rate zone fails to deliver their DCQ on any day, there is a sale of gas to the customer at a rate equal to 150% of the highest price on the day of the failure at Niagara (ECDA) and Iroquois (EEDA). The charge is intended to incent customer behaviour to ensure the DCQ arrives daily.

184. If a customer in the Union North rate zones fails to deliver their DCQ, Enbridge Gas is not obligated to replace the gas the customer failed to deliver. However, if Enbridge Gas chooses to replace the supply, the customer must reimburse Enbridge Gas for the cost of the replacement supply. The current approach results in little incentive for a customer to be concerned with ensuring the obligated delivery is made because there is no penalty associated with the reimbursement to Enbridge Gas.

185. If a customer in the Union South rate zone fails to deliver their DCQ, like the Union North rate zones, Enbridge Gas is not obligated to replace the gas the customer failed to deliver but if Enbridge Gas chooses to replace the gas, the customer must reimburse Enbridge Gas. In addition, a fixed failure to deliver charge is applied to the quantity not delivered for each day the DCQ is not delivered. The current fixed failure to deliver charge is not based on market pricing and may not represent a large enough incentive relative to the market price for gas at the time of the failure.

186. If a customer fails to deliver their DCQ, the proposed approach for the harmonized bundled DP service is to sell the gas to the customer under a failure to deliver gas supply charge equivalent to the greater of the highest spot price at the Empress, Dawn, Parkway, Niagara, or Iroquois trading points on the day, or 150% of the Enbridge Gas reference price. The inclusion of several trading points recognizes that a reason for the failure to deliver could be that the customer diverted its DCQ that day to another point for economic opportunity. Setting the minimum at 150% of

the Enbridge Gas reference price ensures the customer is incented to meet their DCQ obligation even at times when market prices may be less than the reference price. Enbridge Gas will not be obligated to make a purchase, but the customer's BGA balance would reflect the sale, and the premium relative to the reference price would be recorded as a credit in the gas supply deferral and variance accounts to the benefit of all sales service customers. In addition, if the customer fails to deliver their Parkway DCQ, the customer will not receive the PDCI for that day.

187. This market-based failure to deliver charge provides incentive for the customer to meet their DCQ obligation under all market condition without the need for a fixed failure to deliver charge.

8.2. Failure to Balance a Supply Shortfall Position

188. Enbridge Gas is proposing to use the approach currently used in the Union South rate zone, for customers that do not meet their winter checkpoint obligations in February.

189. Currently, if a customer in the Union South rate zone fails to balance a supply shortfall position in their BGA at the winter checkpoint in February, the customer is charged for the sale of gas at the greater of the highest daily spot price at Dawn in the month they were supposed to balance or the month after or the Enbridge Gas reference price. Any premium on the sale of the gas relative to the reference price is recorded as a credit in the gas supply deferral and variance accounts. This option is simple and incents action under varying market pricing conditions.

190. If a customer in the EGD rate zone fails to balance a supply shortfall position to within the 5.5% tolerance at the end of their pool's term, there is a sale of gas to the customer at a rate equal to 120% of the annual average actual price at AECO

adjusted for Nova's AECO to Empress tolls and fuel plus the utilities applicable average transport costs to the franchise area. Any difference in the sale price versus the reference price is recorded in the gas supply deferral and variance accounts. This option is complex and the averaging of the price over 12 months may result in a price that does not incent customer action, especially when the balancing month occurs during high or extreme pricing which is typically seen in the winter when demand is high and storage volumes are low.

191. Since customers in the Union North rate zones do not currently have balancing obligations, a negative balance in the BGA is settled at the Enbridge Gas reference price. This pricing mechanism provides little incentive for a customer to balance.

192. Enbridge Gas is proposing to apply an unauthorized account draft charge priced using the current approach in the Union South rate zone, as the approach provides the appropriate incentive for customers to balance their supply shortfall positions.

8.3. Failure to Balance an Excess Supply Position

193. Enbridge Gas is proposing to use the approach currently used in the Union South rate zone for customers that do not meet their fall checkpoint obligations in September.

194. In the Union South rate zone, if a customer fails to balance an excess supply position in the BGA at the fall checkpoint in September, the customer is charged the unauthorized storage overrun rate, which is currently $6/GJ/month. The unauthorized storage overrun charge continues for each month until the customer removes the excess gas. This option is simple, incents customer action and is consistent with the semi-unbundled service.

195. If a customer in the EGD rate zone fails to balance an excess supply position in the BGA to within tolerance at contract expiry and is above the + 5.5% threshold at the end of the pool's term, then there is a purchase of gas by Enbridge Gas from the customer at a rate equal to 80% of the average actual price at AECO adjusted for Nova's AECO to Empress tolls and fuel plus the utilities applicable average transport costs to the franchise area. Any difference in the sale price versus the reference price is recorded in the gas supply deferral and variance accounts. This approach is complex and averaging of the price over 12 months may result in a price that does not incent customer action, especially in times of low pricing which is typically seen at the end of the injection season when extra gas is unwanted, and storage is at or near full capacity.

196. Since customers in the Union North rate zones do not currently have balancing obligations, a positive balance in the BGA is settled at the Enbridge Gas reference price. This pricing mechanism provides little incentive for a customer to balance.

197. Enbridge Gas is proposing to apply an unauthorized account overrun charge priced using the current approach in the Union South rate zone, as it provides appropriate incentive for customers to balance excess supply positions in their BGA.

9. Eliminated Services

198. In the previous sections, Enbridge Gas outlined its proposals to harmonize the bundled DP service into a single service. With those proposals, certain services or service elements were proposed to be eliminated either because they are no longer used or because they will be replaced by the harmonized service. These included:
    a) Effective January 1, 2024:
        i. Elimination of the need for WTS customers to provide fuel in kind (Section 3.3);

ii. Elimination of Diversions as a balancing transaction service (Section 6.2); and

b) Upon implementation of service harmonization, effective April 1, 2026:

i. Elimination of Empress point of receipts (Section 4.2)

ii. Elimination of OTS deliveries into the EEDA (Section 4.2)

iii. Elimination of renewal balancing obligations (Section 5.4)

iv. Elimination of balancing transaction services unique to the EGD rate zone (Section 6.2)

199. In addition to the above, Enbridge Gas proposes to eliminate the Western Buy/Sell Service in the EGD rate zone, effective January 1, 2024, as there is no longer a need for the service. The Western Buy/Sell Service was used before the current bundled DP services were created and before gas marketers were able to use Distributor Consolidated Billing to bill end-use customers for their supply on Enbridge Gas's gas bill. There was one remaining buy/sell arrangement offered in the EGD rate zone that continued until October 31, 2018. This service is no longer used or necessary and there are no impacts associated with this proposal.

SEMI-UNBUNDLED DIRECT PURCHASE SERVICE

TOM BYNG, SPECIALIST INTEGRATION
AMY MIKHAILA, MANAGER RATE DESIGN

1. The purpose of this evidence is to request OEB approval of the harmonized semi-unbundled direct purchase (DP) service and related charges. Semi-unbundled service is a combination of distribution and DP services. Under the semi-unbundled DP service, the customer manages its gas supply and related storage service. Proposals with respect to semi-unbundled distribution service are provided at Exhibit 8, Tab 4, Schedule 2.

2. Based on a comprehensive review of the current services, Enbridge Gas is proposing to harmonize and simplify the semi-unbundled DP service to provide a consistent and improved customer experience. The proposals are effective April 1, 2026, unless otherwise noted in evidence. The implementation timing of the harmonized services is dependent on changes to internal and customer-facing business applications and processes, which is provided at Exhibit 8, Tab 4, Schedule 1.

3. A summary of the semi-unbundled DP proposals is provided in Table 1.

Table 1
Summary of Semi-unbundled DP Harmonization Proposals

Line No.	Proposed EGI
	Applicability
1	Expand from South Service Area to include Central Service Area
	Points of Receipt
2	DCQ delivered to Dawn unless required by Enbridge Gas at Parkway and/or Enbridge Central Delivery Area (ECDA)
	Storage Allocation
3	Maintain existing methods to allocate space and deliverability but limit deliverability to 5% of space
	Utility/Customer Supplied Options
4	Eliminate unused utility supplied fuel option
5	Retain both customer and utility supplied deliverability options
	Compliance Charges
6	Failure to deliver DCQ - sale of gas to customer at the greater of the highest spot price in the day or 150% of reference price
7	Maintain unauthorized storage space overrun charge of $6/GJ and rename supplemental inventory charge as unauthorized gas supply overrun
8	Fixed unauthorized storage injection/withdrawal overrun charge of $1.75/GJ
	Eliminated Services
9	Unused supplemental services Interruptible Withdrawal Right

4. This evidence is organized as follows:
    1. Current Service
    2. Harmonization Opportunities
    3. Service Applicability

4. Points of Receipt
5. Storage Allocation Methodology
6. Utility / Customer Supplied Options
7. Balancing Transactions
8. Compliance Charges
9. Eliminated Services

1. Current Service

5. The current semi-unbundled DP service is unique to the Union South rate zone. This service is contracted with a distribution service under Rate T1, Rate T2, and Rate T3. The semi-unbundled service has two service types, which are defined as the base service with an obligated Daily Contract Quantity (DCQ)[1] for all planned consumption, and a modified service with a non-obligated DCQ for the purpose of this evidence. Semi-unbundled customers are also subject to storage allocation methodologies to determine storage space and storage injection/withdrawal rights. The current service descriptions are organized as follows:

    1.1 Base Service
    1.2 Non-Obligated DCQ
    1.3 DCQ
    1.4 Storage Allocation Methodology
    1.5 Balancing Transactions

1.1. Base Service

6. Under the base semi-unbundled DP service, a customer contracts to deliver a fixed DCQ of gas supply to Enbridge Gas every day of the year. To manage the variances between the DCQ and consumption, the customer receives an allocation

[1] DCQ is a fixed quantity of gas supply the customer is obligated to deliver to Enbridge Gas every day of the year to meet their forecast annual consumption.

of storage space and storage injection/withdrawal rights. The storage allocation methodologies recognize that the customer has a fixed DCQ of gas supply. A customer contracts for their gas supply and storage service with their firm and/or interruptible distribution service in the same contract.

7. Under the semi-unbundled service, the customer is required to nominate their DCQ and balancing transactions. The customer does not directly nominate its use of storage. Daily differences between gas consumed and gas delivered by the customer is allocated at the end of the gas day as either an injection into or withdrawal from the customer's contracted storage account. As such, the storage service provided to the customer is known as a no-notice service.

1.2. Non-Obligated DCQ

8. The base service has been modified since it was first introduced in 1986. The following two changes provided an option for non-obligated deliveries.

9. As a result of the Natural Gas Electricity Interface Review (NGEIR)[2] proceeding, new, large gas power generation customers with daily firm demand requirements greater than 1,200,000 m^3/day deliver their own supply through non-obligated deliveries and are also subject to a different allocation methodology for storage space and storage injection/withdrawal rights. Due to their size, these customers contract for their service under Rate T2.

10. Through Union's 2016 Rates[3] proceeding, all other Rate T2 customers with a DCQ at Dawn were provided the option of contracting for those Dawn deliveries as non-

[2] EB-2005-0551, Decision and Order, November 7, 2006.
[3] EB-2016-0245, Decision and Order, December 8, 2016.

obligated deliveries at Dawn accompanied by a unique storage allocation methodology. This service is referred to as the Customer Managed Service.

11. As a result of these changes, there are a few larger customers that have contracted under Rate T2 whose deliveries of gas at Dawn are not obligated to be delivered each day. Instead, these customers deliver gas each day based on their planned consumption for that day. Since the characteristics of their contracted service are more aligned with the unbundled DP service, Enbridge Gas proposes to reclassify customers with non-obligated deliveries at Dawn as unbundled DP. Further, consistent with NGEIR, any new, large power customers with daily firm demand requirements greater than 1,200,000 m^3/day will contract for the unbundled DP service and will not be able to contract for the traditional semi-unbundled DP service. Specific proposals related to the unbundled services contracted by these customers are provided at Exhibit 8, Tab 4, Schedule 5.

12. The remainder of this evidence will detail proposals related to the base semi-unbundled service.

1.3. DCQ

13. The semi-unbundled DP DCQ is calculated the same as it is for bundled DP customers in the Union South rate zone, where the forecast annual consumption for the point(s) of consumption is divided by the number of days in the contract term.

14. As the current semi-unbundled DP service is in the Union South rate zone, the customer's allocation of DCQ between Dawn and Parkway is set on the same basis as bundled DP in the Union South rate zone. Further details are provided at Exhibit 8, Tab 4, Schedule 3, Section 3. Customers that are required to maintain a Parkway Delivery Obligation (PDO) by Enbridge Gas receive a Parkway Delivery

Commitment Incentive (PDCI) per the PDO Framework[4]. A description of the PDO Framework is provided at Exhibit 4, Tab 7, Schedule 1.

1.4. Storage Allocation Methodology

15. There are two methods to calculate storage space entitlements under cost-based rates. The aggregate excess (AE) method compares consumption for the November 1 to March 31 period to gas delivered by the customer through its DCQ for the same period. This method is more appropriate for a customer that has consumption that is weather sensitive and, as such, a higher level of consumption in the winter months. Because the AE method could result in a significantly lower or a possibly negative allocation if the customer's consumption is more process oriented, an alternate method was approved by the OEB[5]. Under this alternate method, storage space is calculated by multiplying the customer's DCQ by 15 days. The customer can contract up to a maximum storage space level up to greater of the two quantities. If the customer would like more storage space than the cost-based allocation methods provide, they may contract for more storage space at market-based prices, subject to availability.

16. There are also two OEB-approved methods to calculate storage injection/withdrawal rights under cost-based rates[6]. One method is based on the difference between the customer's firm contract demand and their obligated DCQ, which allows a customer to supplement their daily deliveries of gas with withdrawals from storage to meet their consumption. The other method results in a quantity equal to the customer's DCQ, which allows a customer to inject their full DCQ on a day when they are consuming zero but required to deliver their DCQ. The two methods recognize that the storage injection/withdrawal rights are combined for the

[4] EB-2013-0365, Settlement Framework, Appendix B, June 3, 2014.
[5] EB-2007-0725, Decision and Order, August 28, 2007.
[6] Ibid.

purposes of customer contracting and rate design. As such, customers can contract for a maximum level up to the greater of the two quantities. If the customer would like more storage injection and/or withdrawal rights than the cost-based allocation methods provide, they may contract for more at market-based prices, subject to availability.

1.5. Balancing Transactions

17. Semi-unbundled DP customers have access to the same suite of balancing transaction services as Union South bundled DP customers and are subject to the same availability. Please see Exhibit 8, Tab 4, Schedule 3, Section 6 for a description of the balancing transactions.

18. Semi-unbundled DP customers are required to nominate their DCQ and any balancing transactions that they want to use to proactively manage their storage balance. The daily difference between scheduled DCQ, scheduled balancing transactions, and measured consumption is allocated to storage as either an injection into or a withdrawal from customer contracted storage space.

2. Harmonization Opportunities

19. Service harmonization allows Enbridge Gas to align, simplify and enhance services to meet customer needs. The approach to harmonization and guiding principles used are provided at Exhibit 8, Tab 4, Schedule 1.

20. Enbridge Gas sought feedback from customers to assess the service harmonization and other service proposals for the semi-unbundled DP service as part of the customer engagement process. In phase three of the customer engagement, customers provided feedback on points of receipt, expansion of the semi-unbundled service beyond the Union South rate zone, and the 5% limit or cap on cost-based storage withdrawal rights. That feedback is provided in the respective sections of

this evidence. In the customer engagement, Enbridge Gas did not request feedback on proposals that provided additional options to customers, removed unused services, or reduced customer obligations based on the assumption that customers would not be negatively impacted by these types of changes. Please see Exhibit 1, Tab 6, Schedule 1 for details of the customer engagement process.

21. A comparison of the primary components of the semi-unbundled DP service for the Union South rate zone compared to the proposed service is summarized in Table 2 with further details provided in the following sections.

Table 2
Summary of Semi-Unbundled DP Proposed Changes

Line No.	Particulars	Union South Rate Zone	Proposed EGI
		(a)	(b)
1	Service Applicability	Union South Rate Zone	South Service Area and Central Service Area (1)
		Minimum annual consumption of 2,500,000 m^3	Contract demand of at least 13,000 m^3/day
2	Points of Receipt	Dawn, Parkway	Dawn, Parkway, ECDA
3	Storage Allocation Methodologies	Storage allocation methodologies	Storage allocation methodologies with 5% limit on deliverability
4	Utility / Customer Supplied Fuel	Utility or customer supplied fuel options	Customer supplied fuel

Note:
(1) Previously the Union South rate zone and the ECDA in the EGD rate zone.

3. Service Applicability

22. As noted above, the semi-unbundled DP service is currently only available in the Union South rate zone. Enbridge Gas is proposing that the service be available to customers with a firm and/or interruptible contract demand greater than or equal to 13,000 m^3/day, and to expand the applicability of the semi-unbundled DP service to bundled customers (sales service and bundled DP) in both the South and Central service areas upon the implementation of the harmonized services. The South and Central service areas are provided at Exhibit 8, Tab 4, Schedule 1, Figure 2.

23. The current applicability for the service in the Union South rate zone is based on annual consumption. Customers must have a minimum annual consumption of 2,500,000 m^3 to qualify for the service today. Setting the applicability based on daily contract demand is more consistent with the criteria for other distribution rate classes. In addition, setting the minimum quantity at 13,000 m^3/day is equivalent to the proposed applicability for the harmonized unbundled services thereby providing consistency in the applicability of both semi-unbundled and unbundled DP services. Finally, the proposed minimum quantity allows all current semi-unbundled customers to continue to be eligible for this service[7].

24. Expanding the semi-unbundled DP service beyond the South service area is operationally dependent on the following conditions:
    a) Customer provides their supply on an obligated basis (DCQ);
    b) Availability of utility assets to meet storage space and deliverability requirements; and
    c) Availability of transportation owned and operated by Enbridge Gas between storage and the customer's plant. Since the semi-unbundled DP service is a

[7] With exception to the customers with a non-obligated DCQ, as described in Section 1.2.

no-notice service, Enbridge Gas needs to be able to increase or decrease deliveries from storage to the customer's plant without having to transact with another pipeline company.

25. Bundled DP customers in the Central service area meet all these requirements:
    a) Supply is delivered by the customer on an obligated basis at either Dawn or the ECDA;
    b) Enbridge Gas is currently using its assets, such as storage and load balancing services, to manage the BGA used by bundled DP customers, such that there is little to no incremental storage assets required; and
    c) The Central service area is well connected from a transportation perspective, as it is mostly served directly from Enbridge Gas owned facilities using the Dawn Parkway System and partially from TransCanada transportation contracts to the ECDA delivery area. As noted in the bundled DP receipt point proposal, the ECDA is adjacent to the South service area which provides a high degree of interconnectivity to Enbridge Gas's own facilities.

26. Bundled DP customers in the North and East service areas do not meet all the requirements today as these service areas require contracts with TransCanada to transport the gas supply to the TransCanada delivery areas[8]. As Enbridge Gas relies on these transportation contracts to serve these areas, Enbridge Gas does not have the same level of transportation interconnectivity to Dawn that would allow it to provide firm no-notice service storage service to these customers.

27. While it may be possible in concept to extend this service elsewhere, Enbridge Gas is not physically and operationally able to offer a similar service to the North and

[8] Manitoba Delivery Area (MDA), Western Delivery Area (WDA), Sault Ste. Marie Delivery Area (SSMDA), Northern Delivery Area (NDA), Northern Central Delivery Area (NCDA), Eastern Delivery Area (EDA), and Enbridge Eastern Delivery Area (EEDA).

East service areas based on existing assets. Enbridge Gas would need to purchase additional transportation capacity and/or other third-party services, likely with a term commitment and capacity build, to provide the semi-unbundled DP service to the North and East service areas. Given the assets are not available to extend the service to the North and East service areas, Enbridge Gas proposes to limit the semi-unbundled DP service to the South and Central service areas.

28. In phase three of the customer engagement, most customers that expressed an opinion were in favour of expanding the availability of the service into the ECDA, and approximately half that number were in favour of extending the availability of the service further even if it meant Enbridge Gas contracting for additional storage and/or transportation capacity and/or enhanced services from third parties. Very few customers indicated that the availability should not be expanded. The customer engagement results are provided at Exhibit 1, Tab 6, Schedule 1, Attachment 1, pages 491-492.

4. Points of Receipt

29. Enbridge Gas is proposing that customers located in Union South rate zone (South service area) continue to deliver gas to Dawn or Parkway as currently contracted, and customers located in the ECDA (Central service area) will continue to deliver gas at Dawn or ECDA as currently contracted. The terms of the proposed Parkway Delivery Obligation Framework will include both Parkway and ECDA, as provided at Exhibit 4, Tab 7, Schedule 1.

30. In phase three of the customer engagement, customers were asked whether they were interested in delivering their DCQ to Ojibway or Kirkwall. Only one customer responded to this question indicating an interest of 300 GJ/day[9] at Ojibway. As

[9] 300 GJ/day is less than 0.1% of total obligated deliveries for all DP customers.

there was limited interest, Enbridge Gas is not proposing to offer additional points of receipts beyond those currently available. The customer engagement results are provided at Exhibit 1, Tab 6, Schedule 1, Attachment 1, pages 489-490.

5. Storage Allocation Methodology

31. Semi-unbundled DP customers manage their own firm storage space entitlement as well as firm storage injection and withdrawal rights. As provided in Section 1, storage space and storage injection/withdrawal rights are calculated annually as part of the contract renewal process. The calculations of storage space and storage injection/withdrawal rights are independent of each other, and the choices of storage space and storage injection/withdrawal rights chosen by customers result in a wide range of deliverability percentages.

32. Based on contracted quantities, there are some customers that currently receive a disproportionate level of cost-based deliverability. The contracted deliverability ranges from a high of 91.2% to a low of 1.2%[10]. In comparison, the overall peak daily withdrawals by sales service and bundled DP customers combined is approximately 2%. Customers at the upper end of the range have a high firm contract demand to meet their plant needs when it runs but a low DCQ because their plant is not forecast to run many days which results in a relatively low annual consumption. As a result, these customers may have indirectly contracted for a higher level of deliverability when the injection/withdrawal right for the customer is set based on the difference between their firm contract demand and DCQ.

33. Enbridge Gas currently supplements the storage assets it owns with market-priced services to meet the storage space and storage deliverability needs of its in-franchise customers, including semi-unbundled DP customers. The overall cost to

[10] Based on 2021 actual contracted deliverability.

provide storage space and storage deliverability is shared by all customers. Customers taking semi-unbundled DP service pay for their portion of Enbridge Gas's total costs to meet their storage space and storage deliverability requirements through their storage space and storage injection/withdrawal charges.

34. Without intervention, maintaining capacity to provide the higher deliverability for a subset of customers requires Enbridge Gas to incur additional costs to meet these needs on design day, which increases the average cost of storage to all customers.

35. To address the large range of contracted withdrawal rights, Enbridge Gas proposes a maximum limit on individual customer cost-based withdrawal rights of 5% of their contracted storage space. Setting the limit at 5% is consistent with the level at which non-utility storage is offered as high deliverability storage. Storage injection and withdrawal rights would continue to be calculated under the current allocation methodologies but if the resulting deliverability, as a percentage of cost-based space, is greater than 5% then the withdrawal quantity would be reduced to the maximum limit of 5%.

Table 3
Semi-Unbundled Storage Deliverability

Line No.	Particulars (1)	Number of Customers	Contracted Deliverability	Consumption Based Deliverability (2)	DCQ Based Deliverability (3)
		(a)	(b)	(c)	(d)
	Impact Range:				
1	None	36	<=5.0%	0.3% - 10.6%	0.6% - 7.4%
2	Low	16	5.1% - 6.7%	(6.2%) - 4.4%	1.4% - 6.7%
3	Moderate	7	6.8% - 19%	5.3% - 10.9%	5.4% - 6.7%
4	High	3	>20%	20.6% - 152.6%	1.4% - 6.7%
5	Total	62			

Notes:
(1) Based on 2021 actual customer information.
(2) Consumption based deliverability equals firm contract demand less obligated DCQ.
(3) DCQ based deliverability is set at the obligated DCQ.

36. Table 3 provides a summary of the impact of the proposal to limit contracted deliverability to 5% of storage space. Customers have been grouped into four categories based on the impact to them (none, low, moderate and high impact). Table 3 provides the following for each category:
    a) The number of customers (column a);
    b) The associated range of contracted deliverability percentages by customer determined by dividing the customer's contracted cost-based storage withdrawal right by the contracted cost-based storage space (column b);
    c) The ranges of consumption-based deliverability percentages where the quantities are calculated based on the difference between the customer's firm contract demand and their obligated DCQ (column c); and
    d) The supply-based deliverability percentages where the quantities are calculated based on DCQ (column d).

37. The consumption-based deliverability represents the maximum amount a customer can physically withdraw from storage to meet consumption on design day. Customers may have chosen to contract for less than either of the consumption-based or DCQ-based amounts.

38. The proposed 5% limit has little to no impact to most customers as shown in Table 3 and continues to allow for some variability between customer profiles. Of the 62 total customers, 36 customers have no impact, and 16 customers have low impact.

39. The 16 customers with a low impact may have set their combined injection/withdrawal rights equivalent to their DCQ to be able to inject their full DCQ into storage if their plant is shut down and they are unable to suspend their DCQ. As shown in Table 3, column (c), the consumption-based deliverability percentages for these customers are within the 5% limit. As such, placing a limit on cost-based withdrawal rights does not impact the maximum amount a customer can physically withdraw from storage and also, not necessarily reduce their access to cost-based injection rights. While the base level of firm injection right would be set at the same level as the limited withdrawal right, the customer would be able to contract for incremental firm injection rights to enable them to inject their full DCQ at cost-based rates.

40. The remaining 10 customers with a moderate to high impact will have their withdrawal rights reduced to the 5% limit. These customers will have several options available to manage within the limit or could contract for another service, such as bundled or unbundled DP service. The options to manage within the limit include:

a) Supplementing their DCQ through additional deliveries of gas supply in the winter months by either nominating incremental gas supply deliveries or by contracting for a higher winter DCQ; and
b) Contracting for additional storage withdrawal rights at market-based pricing.

41. In phase three of the customer engagement, approximately two out of three of those who responded with an opinion were in favour of the 5% limit on cost-based storage withdrawal rights. The customer engagement results are provided at Exhibit 1, Tab 6, Schedule 1, Attachment 1, pages 493-494.

42. As provided in Exhibit 1, Tab 6, Schedule 1, Enbridge Gas has met with customer associations and, upon request, individual customers. Enbridge Gas has also contacted all customers that are in the low, moderate, and high impact categories. Those customers that provided comments have indicated they are able to work within the proposal.

6. Utility / Customer Supplied Options

43. When the semi-unbundled service was first created, the Utility purchased the compressor fuel required to inject gas into storage, withdraw gas from storage, and transport gas to the customer's plant. These costs were recovered from customers through storage and transportation commodity rates.

44. In the OEB's Union 1990 Rates Decision[11], customers were provided the option to provide the required fuel in kind at their own cost instead of paying for fuel at the Utility's cost of gas. Customers selecting this option provide fuel based on the fuel ratios listed on the applicable rate schedule. Since these customers have gas in storage, the applicable fuel ratios are applied to the quantities injected or withdrawn

[11] E.B.R.O. 456 – Union 1990 Test Year, September 28, 1989

from storage and transported to the customer's plant, and the resulting fuel quantities are automatically withdrawn from the customer's storage balance. As a result, it is simple and convenient for customers to provide fuel in kind.

45. All semi-unbundled customers have opted to provide fuel in kind and have done so for some time. As such, Enbridge Gas is proposing to simplify the service by removing the option of utility supplied fuel, effective January 1, 2024. This proposal is consistent with the proposal to remove the utility provided fuel option from ex-franchise services, as provided at Exhibit 8, Tab 4, Schedule 6. There are no customer or operational impacts associated with this proposal.

46. This proposal also has no impact on customers having the option to choose between supplying their own deliverability inventory or having Enbridge Gas provide the deliverability inventory[12]. Customers that provide their own deliverability inventory are required to maintain a balance in their storage account equal to 20% of their contracted space. If their storage balance declines below 20%, their daily contracted withdrawal rights are ratcheted downwards accordingly. Once their storage balance increases back up to 20% or greater, the customer will have full access to their withdrawal rights.

47. Today, there is a mix of customers that continue to rely on Enbridge Gas to provide deliverability inventory and those that have opted to provide their own deliverability inventory at reduced rates. As such, there is no need to change the deliverability options available to semi-unbundled customers.

[12] Deliverability inventory is the quantity of gas (20% of contracted storage space) that must be maintained in storage to provide late season storage withdrawals.

7. Balancing Transactions

48. Enbridge Gas proposes to adopt the suite of balancing transactions currently available to bundled and semi-unbundled DP customers in the Union South rate zone for the Enbridge Gas franchise area. As such, there are no further proposed changes to the balancing transactions available to semi-unbundled DP customers. For further details on balancing transactions, please see Exhibit 8, Tab 4, Schedule 3, Section 6.

8. Compliance Charges

49. This section outlines the harmonized charges applicable to customers who fail to deliver the obligated DCQ and/or fail to manage their storage balance within their contracted space. The proposed compliance charges are a component of Rider A in the rate handbook, as provided at Exhibit 8, Tab 2, Schedule 7. The current and harmonized charges are described as follows:

    8.1 Failure to Deliver

    8.2 Unauthorized Storage Space Overrun

    8.3 Unauthorized Storage Injection/Withdrawal Overrun

8.1. Failure to Deliver

50. Currently, all bundled and semi-unbundled DP customers in the Union South rate zone that fail to deliver their DCQ are subject to the same charges and contractual remedies. To maintain consistency across services, Enbridge Gas proposes to set the failure to deliver charge the same as the proposed bundled DP service, which is set based on sale of gas to the customer at the greater of the highest spot price in the day or 150% of the reference price. A description of the proposed failure to deliver charge is provided at Exhibit 8, Tab 4, Schedule 3, Section 8.

8.2. Unauthorized Storage Space Overrun

51. Semi-unbundled DP customers are required to manage their storage balance between zero and their maximum contracted storage space. Where a customer provides their own deliverability inventory, the customers are required to manage their storage balance between 20% of their contracted space and their maximum contracted storage space.

52. Currently, if a semi-unbundled DP customer fails to manage their storage balance within their contracted storage space, the unauthorized storage overrun rate of $6/GJ/month is applied to the greatest excess for each occurrence. An occurrence is defined as a continuous period of time for which the customer has gas in storage in excess of their maximum contracted storage space. If a customer has more than one occurrence within a month, the unauthorized overrun charge is applied to each occurrence.

53. If a semi-unbundled DP customer fails to manage their storage balance above zero during the term of their contract, the unauthorized storage overrun charge applies. As such, the gas is not withdrawn from storage and instead, is sold to the customer at a rate equal to the greater of highest daily spot price at Dawn in the month, or the following month, but not less than the reference price. Any premium on the sale of the gas relative to the reference price is recorded as a credit in the gas supply deferral and variance accounts. This approach is simple and incents action under varying market pricing conditions.

54. Enbridge Gas proposes to continue to apply the current approach described above to semi-unbundled customers that fail to manage their storage balance within their contracted storage space subject to one change. Enbridge Gas currently sells the gas under a supplemental inventory charge. Upon harmonization, it is proposed

that the supplemental inventory charge be renamed as an unauthorized account draft charge to better reflect the nature of the charge and to be consistent with the charge applied to bundled DP customers that fail to balance a supply shortfall position in their BGA as provided at Exhibit 8, Tab 4, Schedule 3, Section 8.2.

8.3. Unauthorized Storage Injection/Withdrawal Overrun

55. Semi-unbundled DP customers are required to manage their storage injection and withdrawals as contracted. If a semi-unbundled DP customer exceeds their storage injection/withdrawal right on the day, the unauthorized storage injection/withdrawal overrun charge applies to any injection/withdrawal activity above the maximum contracted amount.

56. Enbridge Gas proposes the unauthorized storage injection/withdrawal overrun charge be set at $1.75/GJ. Enbridge Gas's current approved rate design for the unauthorized storage injection/withdrawal overrun charge is set equal to the first block Rate M1 delivery charge plus Rate M1 storage converted to $/GJ. As a result, the unit rate for the overrun charge changes with changes in the Rate M1 unit rates. The current approved unauthorized storage injection/withdrawal overrun charge is $1.779/GJ[13]. Enbridge Gas proposes to set the charge at $1.75/GJ for 2024 and maintain it at this fixed level, as the current level provides sufficient incentive for customers to manage within their contracted storage injection/withdrawal parameters.

9. Eliminated Services

57. Enbridge Gas is also proposing to eliminate the following services described in this section of evidence:

9.1 Supplemental Services

[13] Based on the April 2022 QRAM application, EB-2022-0089.

9.2 Interruptible Withdrawal Right

58. Enbridge Gas has also proposed to eliminate the option for utility supplied fuel to inject gas into storage, withdraw gas from storage, and transport gas to the customer's plant, effective January 1, 2024, as described in Section 6.

9.1. Supplemental Services

59. Enbridge Gas is proposing to eliminate the following supplemental services that are available in the Union South rate zone under Schedule "A" and the Rate R1, Rate T1, Rate T2 and Rate T3 rate schedules, effective January 1, 2024:
    a) Firm Gas Supply Service;
    b) Firm Backstop Gas;
    c) Reasonable Efforts Backstop Gas; and
    d) Supplemental Gas Sales

60. These services were first introduced in 1986 as part of the original Union South T-Service service offering. Since the services were introduced, the Utility has introduced various other balancing service options, which have eliminated the need for these services. Enbridge Gas has no record of any customer using these services in the last several years and as such, there are no customer impacts associated with this proposal.

9.2. Interruptible Withdrawal Right

61. Enbridge Gas is proposing to eliminate the interruptible withdrawal right service option currently available under the Rate T1, Rate T2, and Rate T3 rate schedules, effective upon harmonization. The interruptible withdrawal right is no longer required due to a lack of customer interest. Only a few customers have contracted for this service in the last 10 years. All but one of those customers have chosen

other options in the last few years. The remaining customer will have a new contract without this service in 2024. Enbridge Gas does not anticipate any customers requiring this service in the future and proposes to eliminate this service effective upon service harmonization.

UNBUNDLED DIRECT PURCHASE SERVICE

TOM BYNG, SPECIALIST INTEGRATION
AMY MIKHAILA, MANAGER RATE DESIGN

1. The purpose of this evidence is to request OEB approval of the proposed harmonized unbundled direct purchase (DP) service and related charges. Unbundled service is a combination of distribution and DP services. Under the unbundled DP service, the customer manages their gas supply on a daily basis. Proposals with respect to unbundled distribution service are provided at Exhibit 8, Tab 4, Schedule 2.

2. Based on a comprehensive review of current services, Enbridge Gas is proposing to harmonize and simplify the unbundled DP service to provide a consistent and improved customer experience. The proposals are effective April 1, 2026, unless otherwise noted in evidence. The implementation timing of the harmonized services is dependent on changes to internal and customer-facing business applications and processes, which is provided at Exhibit 8, Tab 4, Schedule 1.

3. A summary of the unbundled DP service proposals is provided at Table 1.

Table 1
Summary of Unbundled DP Harmonization Proposals

Line No.	Proposed EGI
	Applicability
1	Firm and/or interruptible contract demand of at least 13,000 m^3/day
	Storage
2	Single cost-based storage allocation method with requirement to nominate use
	Interruptible System Sales
3	Eliminate system sales to DP customers; consolidate service with the balancing service
	Balancing
4	Daily and cumulative quantities for most customers set to 115% and 150% of firm CD respectively. Large customers with significant variability in daily and/or hourly consumption required to manage within 10% of firm CD (and, where necessary, also manage their balancing hourly)
	Compliance
5	Failure to deliver obligated Parkway Daily Contract Quantity (DCQ) or failure to maintain a balance above lower limits will result in a sale of gas to customer at the greater of the highest spot price in the day or 150% of reference price
6	Failure to maintain a balance below upper limit will result in an unauthorized storage overrun charge of $6/GJ
	Eliminated Services
7	Eliminate contract pooling/fuel manager option

4. This evidence also addresses the Enbridge Gas commitment to report on the revenue neutrality of the Customer Managed Service (CMS) and the

appropriateness of the service design, as agreed to as part of the Settlement Agreement in Union's 2017 Rates Application[1].

5. This evidence is organized as follows:
    1. Current Services
    2. Harmonization Opportunities
    3. Service Applicability
    4. Storage Service
    5. Replacement of Interruptible Sales Service
    6. Unbundled Balancing Service
    7. Compliance Charges
    8. Unbundled Contract Pooling/Fuel Manager Elimination
    9. Customer Managed Service Reporting

1. Current Services

6. Unbundled DP service is the gas supply service component and related storage and balancing services offered to unbundled distribution customers. Under the unbundled DP service, the customer actively manages their gas supply each day by nominating deliveries of gas to their point(s) of receipt to meet their planned consumption. The customer may contract for an allocation of storage under storage allocation methodologies that recognize that the customer does not have an obligated Daily Contract Quantity (DCQ) for all of their planned consumption provided Enbridge Gas has the assets to provide the service. Depending on the current service, the customer may be required to nominate the use of their contracted storage as well as their gas supply. The customer may also contract for a balancing service to capture the daily and cumulative differences between

[1] EB-2016-0245, Oral Hearing Transcripts, Volume 1, p.39.

nominated quantities and actual consumption. Currently, each rate zone has different versions of unbundled DP service. The following sections will describe the details of the current services in each of the rate zones.

1.1. EGD Rate Zone

7. In the EGD rate zone, unbundled DP service is contracted under Rate 125 for large customers[2] and Rate 300 for smaller customers[3]. There are four large gas-fired power generation customers that currently contract for service under Rate 125 and no customers forecast to contract for service under Rate 300.

8. There are two methods to allocate storage space at cost-based rates. The aggregate excess (AE) method compares forecast consumption for the November 1 to March 31 period to average daily deliveries of gas during the same period based on forecast annual consumption. This calculation yields a storage space allocation consistent with the storage space used by the utility to meet the needs of a bundled DP or sales service customer.

9. The other method to allocate storage space at cost-based rates was approved in the Natural Gas Electricity Interface Review (NGEIR)[4] for gas-fired power generation customers per the formula: (Maximum hourly demand x 17 hours) / 10% x 0.57.

10. This method assumes that the gas-fired power generation customer will provide supply equal to 17 times the maximum hourly demand for the facility. If the plant does not operate that day, and if no other means to balance is available, this quantity may need to be injected into storage. Assuming high deliverability storage

[2] Contract demand of more than 600,000 m^3/day or more.
[3] Contract demand up to 600,000 m^3/day with no stated minimum.
[4] EB-2005-0551, OEB Decision and Order, November 7, 2006.

of 10% is available to meet their needs, this would result in a space demand of 17 times hourly demand, divided by 10%. This is then multiplied by 0.57, which represents the gap between system peak demand and the amount of gas delivered through pipeline supplies based on the Gas Supply Plan at the time for the EGD rate zone, to determine the allocation of space.

11. Regardless of the method used to determine the allocation of storage space, cost-based deliverability is set at 1.2% of cost-based storage space, meaning that a quantity equivalent to 1.2% of the storage space is allowed to be injected into or withdrawn from storage in a day.

12. Storage is currently offered under Rates 315 and Rate 316. Under both services, storage space and deliverability are provided at Dawn. The deliverability rates charged under Rate 315 also include the cost of transportation between Dawn and the customer's delivery area. There are currently no customers forecast to contract for either storage service. All four Rate 125 customers have instead contracted for enhanced market-based storage services. These customers have also contracted for ex-franchise transportation services with Enbridge Gas and services with TransCanada which they nominate along with their gas supply to their own connection point to the TransCanada Mainline.

13. Daily and cumulative balancing is provided under a Load Balancing Service (LBS) based on the load balancing provisions in the rate schedule. It is a firm service subject to daily curtailment through an operational flow order (OFO). The LBS quantities for Rate 300 customers are set at 60% of the customer's firm contract demand. The daily quantities and cumulative balance quantities could be positive or negative for the full quantity thereby providing a full range equal to 120% of the customer's firm contract demand.

14. Most Rate 125 customers have dedicated services connected directly to a third-party pipeline. These customers contract with that third-party pipeline to provide a balancing service at that connection. In most cases, the customer does not use the LBS as they balance and incur costs directly from the third-party pipeline as part of the dedicated service. There is only one customer without a dedicated service connected directly to a third-party pipeline that uses the LBS.

15. LBS quantities for Rate 125 customers are initially set at 60% of the customer's firm contract demand and under normal operations, cumulative quantities could be positive or negative for the full quantity subject to seasonal restrictions. Rate 125 customers are expected to operate daily within a tighter range in the LBS than Rate 300 customers. Under normal operations in the winter, the daily imbalance is limited to 10% of the total LBS quantity (10% of 60% of firm CD or 6% of firm CD) on the negative side with full access to 60% of the firm contract demand on the positive side thereby providing a full range equal to 66% of firm contract demand. These seasonal limitations are reversed under normal operations in the summer.

1.2. Union North Rate Zones

16. In the Union North rate zones, customers contract for unbundled service under the Transportation Service (T-service) option. For the purposes of this evidence and comparability with other services, the T-service offered in the Union North rate zones will be referred to as an unbundled service.

17. The unbundled service is available to general service (Rate 01 and Rate 10), firm contract (Rates 20 and 100)[5] and interruptible contract (Rate 25)[6] customers. The interruptible Rate 25 service is either contracted on its own for a customer with no

[5] Rate 20 requires a minimum CD of 14,000 m^3 and Rate 100 requires a minimum CD of 100,000 m^3/day at a load factor of 70%.
[6] Rate 25 requires minimum CD of 3,000 m^3/d.

firm load or as a companion service to the firm services offered under Rate 20 or Rate 100. There are currently a total of 68 customers that have contracted for unbundled service in the Union North rate zones.

18. Cost-based storage was allocated to customers through a one-time election in 2001. The methodology to determine their space at the time was based on a two-step process: first, storage was allocated to the North service area[7] using the AE methodology; and second, storage was allocated to each delivery area and customer based on the difference between peak day demand and allocated firm transportation capacity. Cost-based storage deliverability is set at 1.2% of the cost-based storage space. In addition to storage, this service also includes firm transportation between storage and the delivery area. There are currently five customers that continue to have an allocation of storage through the one-time election in 2001.

19. Daily and cumulative balancing is provided under an interruptible Customer Balancing Service (CBS). The service relies on the availability of unutilized firm capacity. The CBS has minimum and maximum limits with the difference between these limits set equal to the customer's firm CD but not less than 1,132 GJ/day. This minimum quantity would also apply to customers that have interruptible service and no firm service. For most customers, the contracted CBS quantity must be maintained as a positive balance. Upon request and subject to credit, customers can have 25% of the contracted CBS quantity as a negative balance and 75% of their contracted CBS quantity as a positive balance.

[7] The North service area at the time was comprised of the following TransCanada delivery areas: MDA, WDA, SSMDA, NDA, NCDA and EDA.

20. Customers that have significant variability in their hourly flow and are large enough to adversely impact the Enbridge Gas system, like large gas-fired power generation customers, are required to manage their balancing within a tighter range (firm contract demand / 20 hours x 2). Providing these customers with CBS limits based on their full contract demand would result in continual curtailments of the CBS thereby eroding the benefits of the CBS for all customers. This tighter range recognizes that approximately 1/20th of the customer's firm contract demand flows each hour and provides the equivalent of two hours of consumption. It also recognizes that these customers have storage and other balancing services with Enbridge Gas and third-party pipelines. Where necessary, these customers are also to manage their balancing within hourly limits as well as daily limits. There is currently one customer with an hourly CBS.

21. The daily ability to inject gas into or withdraw gas from the CBS can be interrupted based on the Utility's daily operational capability subject to Enbridge Gas's priority of service (POS). The POS listing of services is used to determine the interruptible transactions to be scheduled on a gas day. This POS allows Enbridge Gas to schedule interruptible services when demands exceed capacity in an equitable and transparent manner. The POS listing is posted on Enbridge Gas's website.

22. In addition, customers could be provided five days notice to reduce their cumulative positive or negative quantity to zero.

23. Most customers have also contracted for an interruptible sales service under Rate 25 to assist in meeting their balancing needs. The service relies on the availability of unutilized firm capacity. The interruptible sales quantity is set equal to the greater of 15% of the customer's firm CD but no less than 30,000 m^3/day (or 1,132 GJ/day).

24. All customers nominate their deliveries of supply and their use of storage. The daily difference between scheduled nominated supply, nominated storage, and measured consumption is first allocated to the CBS and then Rate 25 sales service.

25. In 2017, Enbridge Gas introduced a new supplemental firm transportation service from Dawn to the customer's TransCanada delivery area in the Union North East rate zone as part of the Dawn Reference Price and North T-Service proceeding[8]. Several customers have contracted for this service to transport supply from Dawn to Parkway and then from Parkway to their TransCanada delivery area. This transportation from Dawn service is a long-term service to their unbundled contract that is underpinned by long term contracts with TransCanada. As such, there are no changes required to this service.

1.3. Union South Rate Zone

26. Unbundled DP service is currently available as a service option under Rate T2 in the Union South rate zone. Although not labelled as an unbundled service, it exhibits most of the same characteristics as unbundled services in the other rate zones including non-obligated deliveries for customer supply.

27. As a result of the NGEIR Decision[9], new, large gas-fired power generation customers with a firm daily contract demand of 1,200,000 m^3/day or more deliver their own supply through non-obligated deliveries and are subject to a unique storage allocation methodology. Storage space at cost-based rates is allocated per the formula of peak hour x 24 hours x 4 days and deliverability at cost-based rates is set at 1.2% of cost-based storage.

[8] EB-2015-0181.
[9] EB-2005-0551, OEB Decision and Order, November 7, 2006.

28. Under this service, customers nominate their deliveries of gas supply each day. The daily difference between scheduled nominated gas supply and measured consumption is allocated to storage as either an injection into or a withdrawal from the customer's contracted storage space. There are currently three customers with this service.

29. Through Union's 2016 Rates proceeding[10], all Rate T2 customers[11], except for large gas-fired power generation customers, were provided the option of contracting for non-obligated deliveries at Dawn with any required Parkway deliveries remaining obligated under the CMS. Consistent with the Parkway Delivery Obligation (PDO) Framework, customers that are required to maintain a PDO receive the Parkway Delivery Commitment Incentive (PDCI), as provided at Exhibit 4, Tab 7, Schedule 1.

30. Customers that elect the CMS option receive an allocation of storage space equivalent to 9 x their firm contract demand (9 x FCD) with 1.2% deliverability at cost-based rates. Under this service, customers nominate their supply and use of storage.

31. CMS customers balance with a Daily Variance Account (DVA) equivalent to their firm contract demand (or 1 x FCD) for both storage space and deliverability. The daily difference between scheduled nominated quantities and measured consumption is allocated to the DVA. Although the space for the DVA is provided on a firm basis, injections into and withdrawals from the DVA are interruptible based on the Utility's operational capabilities.

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[10] EB-2016-0245, OEB Decision and Order, December 8, 2016.
[11] Rate T2 requires a firm contract demand of 140,870 m^3/day or more.

32. Customers can contract for additional storage space and/or deliverability at market-based prices, subject to availability. There is currently one customer that has contracted for the CMS option.

2. Harmonization Opportunities

33. Service harmonization allows Enbridge Gas to align, simplify and enhance services to meet customer needs. The approach to harmonization and guiding principles used are provided at Exhibit 8, Tab 4, Schedule 1.

34. Each rate zone provides different versions of an unbundled DP service. There are areas of these services that can be aligned with respect to service applicability, storage allocation methodologies and balancing provisions. Proposals to align the unbundled DP service are provided in the following sections.

35. Enbridge Gas sought feedback from customers to assess the service harmonization and other service proposals for the unbundled DP service as part of the customer engagement process. In phase three of the customer engagement, customers provided feedback on the replacement of sales service available to unbundled DP customers with an expanded balancing service, and the harmonization of balancing accounts. The feedback is provided in the respective sections below. Please see Exhibit 1, Tab 6, Schedule 1 for details of the customer engagement.

36. Storage proposals were still under development during phase three of the customer engagement. Enbridge Gas subsequently met with individual customers impacted by the storage proposals once they were developed and have incorporated their feedback in the storage section below.

37. In the customer engagement, Enbridge Gas did not request feedback on proposals that provided additional options to customers, removed unused services, or reduced customer obligations based on the assumption that customers would not be negatively impacted by these types of changes.

38. A comparison of the primary components of the unbundled DP service in each rate zone compared to the proposed service is provided at Table 2 with further details provided in the following sections.

Table 2
Summary of Unbundled DP Components

Line No.	Particulars	EGD Rate Zone	Union North Rate Zone	Union South Rate Zone	Proposed EGI
		(a)	(b)	(c)	(d)
1	Service Applicability	No defined minimum CD	All customers	Firm CD of 140,870 m^3/d or more	Firm and/or interruptible CD of 13,000 m^3/d or more
2	Storage Service	yes	limited one time allocation	yes	yes
3	Interruptible Sales Service	no	yes	no	no
4	Balancing Service	LBS	CBS	DVA	UBS

3. Service Applicability

39. Enbridge Gas proposes that customers will be required to have a minimum firm and/or interruptible contract demand level of 13,000 m^3/day to qualify for the harmonized unbundled service.

40. Applicability for unbundled DP service differs by rate zone today.
    a) EGD rate zone – available to all contract rate customers;
    b) Union North rate zones – available to all contract rate customers and some general service customers; and
    c) Union South rate zone – available only to large contract rate customers with a firm contract demand of 140,870 m^3/day or more.

41. The harmonized applicability recognizes that the unbundled service is operated on a daily or hourly basis, allows all current unbundled customers whose consumption is measured daily to maintain an unbundled service, and aligns with the semi-unbundled service. This harmonized applicability also provides an unbundled option to a broader group of customers than is currently available in the Union South rate zone.

42. There are currently a few Rate 10 general service customers in the Union North rate zones that have unbundled DP for their gas supply. General service is a bundled distribution service where customers have little involvement in daily management of the service. Consistent with this, general service customer consumption is measured monthly. Since the unbundled service is operated on a daily or hourly basis, general service is not appropriate for unbundled service. If the customers elect to contract for distribution service with a daily contract demand of at least 13,000 m^3/day, they will be able to maintain unbundled service arrangements. However, general service customers who are unable to or who elect to not contract for the harmonized unbundled service will be moved to a bundled service with the customer able to choose either bundled DP or sales service.

4. Storage Service

43. The storage allocation methodologies for cost-based storage to unbundled customers differ between the rate zones today. Enbridge Gas proposes to reduce the number of methods used to allocate cost-based storage space and deliverability on a harmonized basis. Customers who would like to contract for more storage space and/or deliverability will continue to be able to either purchase services from third-parties or purchase additional storage services at market-based prices from Enbridge Gas, subject to availability.

44. The harmonized cost-based storage service option will be available to unbundled customers under the harmonized rate class Rate E38 as a companion service to the E22 or E24 unbundled distribution service.

45. The following subsections outline the proposed storage service:

    4.1 Storage Space
    4.2 Storage Deliverability
    4.3 Storage Nominations

4.1. Storage Space

46. Enbridge Gas is proposing to harmonize the storage space allocation methodology for unbundled customers. Table 3 summarizes the current approved methodologies for the allocation of storage space.

Table 3
Summary of Unbundled Cost-Based Storage Space Allocation

Line No.	Rate Zone	Space Methodology
1	EGD	Aggregate excess (A/E): winter consumption - (average daily consumption x 151 winter days) or [(maximum hourly demand x 17) / 10%] x 0.57
2	Union North	One-time allocation to Union North rate zones based on Aggregate Excess then allocated to delivery area/customer based on peak day - allocated firm transportation capacity
3	Union South	Large power generation customers: peak hour x 24 hours x 4 days Customer Managed Service (CMS): firm contract demand x 9
4	Proposed EGI	Peak hour x 24 hours x 4 days + (required Parkway delivery obligation x 15 days)

47. The AE methodology used in the EGD rate zone is best suited to a customer that has obligated deliveries for all its planned consumption and consumes more gas in the winter than at other times in the year. There are currently no unbundled customers in the EGD rate zone with storage allocated under this methodology.

48. The alternate methodologies that were developed for gas-fired generators through the NGEIR proceeding[12], although different, yield very similar results. The EGD rate zone's method provides storage space equivalent to 85 hours (i.e., 17 / 10% x 0.57) of firm contract demand while the Union South rate zone's method provides an equivalent to 96 hours (i.e., 24 x 4) of firm contract demand. The Union South rate zone method is very simple to understand and is currently in use by four customers whereas the EGD rate zone method is more complicated and not used by any

[12] EB-2005-0551.

customers today. As such, and consistent with NGEIR Decision[13], Enbridge Gas proposes that current Union South rate zone method apply on a harmonized basis.

49. This methodology is proposed to be used for other unbundled customers who currently contract for a cost-based storage service. However, recognizing that some of these customers may also be required by Enbridge Gas to have a portion of their supply as obligated deliveries at Parkway, the above storage space allocation method is proposed to be modified to include an additional quantity of storage space related only to the obligated Parkway portion of their deliveries. The storage space for the obligated Parkway portion is based on the approved[14] 15 times DCQ methodology used to allocate storage space to semi-unbundled customers.

50. Customers that would like more storage space than the cost-based allocation provides may contract for more storage space at market-based prices, subject to availability.

51. Cost-based storage space is not available to those customers with a dedicated service connected directly to a third-party pipeline. These customers deliver their supply directly to their own connection with the third-party pipeline. As a result, Enbridge Gas does not have the assets to transport gas withdrawn from storage at Dawn to that connection. Instead, these customers contract for ex-franchise storage and transportation services with Enbridge Gas and the third-party pipeline.

52. Customers with CMS will experience a reduction in their storage space allocation. Based on discussions with the affected customer that took place after the phase three customer engagement, the customer indicated they would have preferred that the allocation not change. However, with the recognition of the Parkway obligation

[13] EB-2005-0551, OEB Decision and Order, November 7, 2006.
[14] EB-2007-0725, OEB Decision with Reasons, April 29, 2008.

in the storage space allocation along with the expanded Unbundled Balancing Service (UBS) as detailed in Section 6, the change is more acceptable to this customer.

53. As noted in Section 1, there are currently five unbundled customers in the Union North rate zones with a storage service that received their storage allocation through a one-time election process in 2001, which has subsequently been maintained by Enbridge Gas. This storage service requires capacity on TransCanada to facilitate transportation between storage and the customer's delivery area. In accordance with policy and consistent with that one-time election, customers have kept those allocated quantities regardless of whether their firm contract demand subsequently increased or decreased over the years. The allocations and storage allocation policy for this service were not changed through the Storage Allocation proceeding[15]. As such, it is proposed that the long-standing allocations to these five customers be maintained. Should these customers elect to discontinue their storage service or adopt the proposed storage allocation methodology, the one-time allocation will no longer be available to the customer.

54. There are currently a number of unbundled customers in the Union North rate zone without storage service. Enbridge Gas does not hold the necessary peak storage and firm transportation capacity between Dawn and the delivery areas to provide storage service to these customers. Enbridge Gas would have to acquire storage and transportation services in the market which may be at a greater cost than the current storage service and is beyond the scope of service harmonization. Up to this point in time there has been very little interest for this service.

[15] EB-2007-0725.

4.2. Storage Deliverability

55. In all rate zones, deliverability is currently allocated at 1.2% of cost-based storage space for unbundled customers.

56. Consistent with the current allocation of cost-based deliverability for all current unbundled customers, Enbridge Gas proposes that cost-based deliverability for the harmonized service is also allocated to unbundled customers at 1.2% of cost-based space.

57. Customers that would like more storage deliverability than 1.2% may contract for more storage deliverability at market-based prices, subject to availability.

4.3. Storage Nominations

58. Enbridge Gas proposes that all unbundled customers nominate their daily use of storage in addition to nominating their supply.

59. Customers in the EGD and Union North rate zones, as well as the CMS customer in the Union South rate zone, are already required to nominate their use of storage.

60. The three large gas-fired power generation customers in the Union South rate zone that currently take service under Rate T2 are currently not required to nominate their use of storage; nor do these customers currently have a balancing service. Each day, like other large gas-fired power generation customers, these customers provide hourly consumption and delivery profiles outside of the nomination process to provide an indication of their use of the Utility's system and to help the Utility plan its daily operations. These customers also are to inform Enbridge Gas of any changes from that profile as soon as they are aware of them.

61. Consistent with all other customers with non-obligated supply deliveries, it is appropriate for customers to nominate their use of storage as it is a component of the supply used to meet their daily needs. Instead of providing consumption profiles through a separate process, as part of the harmonized service customers will nominate their use of storage along with any deliveries of supply at the timely nomination window and update their nominations, as necessary, throughout the gas day at each of the subsequent standard nomination windows [16].

62. Large gas-fired power generation customers in the EGD and Union North rate zones have the option to contract for a market-priced storage service that provides firm access to their contracted injection and withdrawal rights at each of the standard five nomination windows. The service (F24-S) also provides access to eight additional nomination windows to better match supply to consumption throughout the gas day. Gas-fired power generation customers in the Union South rate zone will also have the option to contract for this service enhancement to meet their needs during the gas day.

63. Like other unbundled customers, these customers will be provided a UBS account to manage the small differences between their measured consumption and nominated gas supply and nominated storage injections/withdrawals.

64. During the discussions with customers that took place after the phase three customer engagement process, Enbridge Gas reviewed its storage proposals with impacted customers. A couple of the large gas-fired power generation customers in the Union South zone were concerned that the requirement to nominate storage would result in a loss of flexibility and potential balancing risks. In response to these

[16] North American Energy Standards Board nomination cycles.

concerns, Enbridge Gas outlined its plan to integrate the nomination process with the current daily profiling process and the additional options that can be added to their base service to help them effectively maintain flexibility and manage their risks. These additional options serve to meet the needs of these customers and provides consistency in the treatment of large gas-fired power generation customers served by Enbridge Gas.

5. Replacement of Interruptible Sales Service

65. Enbridge Gas proposes to eliminate the sale of system supply under Rate 25 to unbundled DP customers and to expand the customer's balancing service currently provided under CBS by an equivalent quantity. As provided in Exhibit 8, Tab 4, Schedule 3, Section 3.1, Enbridge Gas is proposing to eliminate sales service to bundled DP customers in the Union North rate zones because it is unique to that rate zone and inconsistent with the customer's choice to supply themselves. Likewise, Enbridge Gas proposes to eliminate sales service to unbundled DP customers in the Union North rate zones. To offset the impact of this change to unbundled DP customers, this service option is being replaced by higher daily and cumulative limits for the harmonized balancing account than currently available. The proposed harmonized balancing service is provided at Section 6.

66. Customers in the Union North rate zones are currently able to contract for sales service under Rate 25 for up to 15% of their firm contract demand, subject to a minimum of 1,132 GJ (approximately 30,000 m^3). This service is interruptible based on the Utility's daily operational capability, as it relies on unutilized firm capacity. The sale of system supply to DP customers is unique to the Union North rate zones.

67. These same customers also contract for CBS up to 100% of their firm contract demand, subject to a minimum of 30,000 m^3/day (approximately 1,132 GJ). The CBS is also a service that relies on unutilized firm capacity and is therefore provided as an interruptible service based on the Utility's daily operational capability.

68. Today, both interruptible services are used by unbundled DP customers to meet their daily balancing needs. Each day, gas consumed by the customer in excess of what they had delivered that day is first met with gas withdrawn from the customer's CBS, with the remainder, if any, allocated to sales service. The main difference between these services is that customers must replace the gas that was allocated to the CBS.

69. Enbridge Gas proposes to effectively consolidate the two services that unbundled DP customers in the Union North rate zones use today to balance into a single balancing service. The daily quantity for the harmonized balancing service will be set at the sum of the Rate 25 sales service and CBS quantities that customers contract today, which equates to a daily quantity equivalent of 115% of the customer's firm contract demand (15% for sales service and 100% for balancing service). Recognizing that each of the services today have a minimum quantity of 1,132 GJ, the consolidated balancing service will be subject to a minimum quantity of 2,264 GJ.

70. The setting of the cumulative balancing quantity allows a customer time to replace the quantity of gas that would have been previously consumed under sales service with their own gas supply. There is an inherent lag of one gas day between the availability of actual consumption information and the next timely nomination window for gas supply. Factoring in additional days for holidays and weekends,

Enbridge Gas proposes to set the cumulative quantity in the balancing service to the equivalent of 150% of the customer's firm contract demand, subject to a minimum of 2,953 GJ (2,264 GJ / 115% x 150%), thereby allowing a reasonable average of 3 1/3 days between consumption and replacement of gas by the customer.

71. Eliminating the sale of system supply to unbundled DP customers offered under Rate 25 in the Union North rate zones and consolidating the two balancing services into one harmonized balancing service eliminates a unique aspect of the Union North rate zone service and simplifies the current service with minimal, if any, adverse impacts to customers. This proposal also allows Enbridge Gas to apply the proposed balancing services to all rate zones, as described in the following section of evidence.

72. In phase three of the customer engagement, two thirds of the customers that expressed an opinion on this proposal were in favour of it. The customer engagement results are provided at Exhibit 1, Tab 6, Schedule 1, Attachment 1, pages 495-496.

6. Unbundled Balancing Service (UBS)

73. Currently, each rate zone has a balancing service as a component of the unbundled DP service. Table 4 summarizes daily and cumulative limits and operational characteristics of the LBS, the CBS, and the DVA. It is proposed that these services be harmonized into a single UBS, with exceptions where necessary as noted in this evidence. The UBS is based on the CBS as modified in Section 5 and renamed to clearly identify that it is part of the harmonized unbundled DP service.

Table 4
Summary of Unbundled DP Balancing

Line No.	Particulars	EGD Rate Zone	Union North Rate Zones	Union South Rate Zone	Proposed EGI
		(a)	(b)	(c)	(d)
1	Current balancing service	LBS	CBS	DVA	UBS
2	Number of customers	1	68 (1)	4 (2)	73 (3)
	Regular Operations:				
3	Daily quantity	60% x firm CD (4)	100% x firm CD (1)	100% x firm CD	115% x firm CD (3)
4	Cumulative quantity	2 x 60% x firm CD	100% x firm CD (1)	100% x firm CD	150% x firm CD (3)
5	Curtailment process (5)	OFO	POS	POS	POS

Notes:
(1) Includes 1 customer with daily and cumulative CBS quantities set at firm CD / 20 x 2.
(2) Includes 1 DVA and 3 semi-unbundled customers reclassified as unbundled customers.
(3) Includes 4 customers with daily and cumulative UBS quantities set at firm CD / 20 x 2.
(4) EGD Rate 125 has a 10% seasonal limitation on daily quantity.
(5) OFO is used to curtail firm service; Interruption subject to POS.

74. The following subsections outline the proposed UBS, as follows:

6.1 UBS Daily and Cumulative Limits

6.2 Operational Interruption of the UBS

6.3 Pricing of the UBS

6.1. UBS Daily and Cumulative Limits

75. Enbridge Gas proposes to set the daily and cumulative limits based on the current CBS as modified for the elimination of the interruptible sales service option currently available to unbundled DP customers in the Union North rate zones, as provided in Section 5. The proposed UBS limits are:

a) Daily limit of 115% of the customer's firm contract demand or a minimum quantity of 2,264 GJ; and
b) Cumulative limit of 150% of the customer's firm contract demand or a minimum of 2,953 GJ.

76. Enbridge Gas proposes that the limits apply to all unbundled DP customers on a harmonized basis subject to the exception of:
    a) Customers with a dedicated service line directly connected to a third-party pipeline do not qualify for the UBS, consistent with the LBS (per Section 1.1); and
    b) Customers, like large gas-fired power generation customers, that have significant variability in hourly consumption and are large enough to adversely impact the services provided to other customers are required to manage their balance within tighter limits (firm contract demand / 20 hours x 2) and, where necessary, hourly limits apply in addition to daily limits (per Section 1.2).

77. In phase three of the customer engagement, two-thirds of the customers that expressed an opinion on this proposal were in favour of it. The customer engagement results are provided at Exhibit 1, Tab 6, Schedule 1, Attachment 1, pages 497-498. The specific limitations for large gas-fired generators were determined and reviewed with those specific customers after phase three of the customer engagement.

78. The one customer in the EGD rate zone with an LBS is a large gas-fired power generation customer with significant variability in their hourly consumption. Under the UBS, they will be required to balance within the tighter UBS limits (firm contract demand / 20 hours x 2). Enbridge Gas has the flexibility in the Central service area

that the customer will not be required to balance hourly. These limits are tighter than their current service, but the customer also currently contracts for enhanced hourly services with Enbridge Gas and TransCanada to their delivery area to meet their hourly requirements and as such, have the capability to manage their balancing within these limits.

79. The one customer in the Union North rate zone currently with an hourly CBS is a large gas-fired power generation customer and will continue to operate under the UBS with the same parameters and requirements. Enbridge Gas does not have the flexibility in the North service area to allow the customer to manage the UBS solely on a daily basis.

80. For the one industrial customer in the Union South rate zone with a DVA, similar to the other current customers with a daily CBS, this change provides a little more daily and cumulative balancing under normal operations than what they currently have which provides some offset to the reduction in their storage allocation as detailed in Section 4.

81. The other semi-unbundled service customers in the Union South rate zone that are to be reclassified as unbundled service customers do not currently have a balancing account as they do not nominate their use of storage today and differences between actual consumption and nominated supply is allocated as either a storage injection or withdrawal. As described in Section 4.3, these customers will be required to nominate their use of storage under the unbundled service and will receive a UBS account. These customers are also large gas-fired power generation customers and will be required to balance within the tighter UBS limits. Enbridge Gas has enough flexibility in the South service area that it will only require these customers to balance their UBS account daily.

82. Enbridge Gas proposes that the standard contracted cumulative quantity be maintained as a positive balance as it reduces the customer's credit exposure with Enbridge Gas. However, customers will have the option to contract for up to 50% of their contracted cumulative quantity below zero, subject to meeting the associated incremental credit requirements.

6.2. Operational Curtailment of the UBS

83. Enbridge Gas proposes that the harmonized UBS operate as an interruptible service, subject to the interruption process currently used in the Union rate zones. There is no operational difference between curtailment through the OFO process used in the EGD rate zone or the interruption process used in the Union rate zones. Both processes are driven by operational constraints, and both require customers to be notified.

84. Daily injections into and withdrawals from the UBS will be interruptible based on Enbridge Gas's daily operational capability and managed through Enbridge Gas's POS process provided in Section 1.2.

85. It is also proposed that the cumulative balance in the UBS be interruptible based on operational capability as it currently is for the CBS. However, the need to bring a cumulative balance to zero is much less likely to occur than the interruption of daily quantities. For example, when daily withdrawals are interrupted, it is expected that customers will provide their daily nominations of gas such that they will not withdraw but instead inject gas into the UBS. While this directly helps in the management of daily operational constraints, the daily injections also indirectly help manage cumulative balances that are counter flow to the operational constraint as well.

86. Enbridge Gas has been amenable to temporary increases in positive or negative CBS limits during extended interruption periods of daily CBS activity. This will continue to be the case for the UBS, with reductions in negative limits subject to credit.

87. Similar to the DVA, for those customers that also have a cost-based storage account (as described in Section 4) as a companion to their unbundled service, transfers will be allowed between the customer's storage and UBS accounts when injections into or withdrawals from the UBS are interrupted. Because these transfers are between the customer's UBS and companion storage account, they are allowed to incur underground at no charge. These transfers are only available during storage curtailments to help the customer manage their account balances within their contracted limits.

6.3. Pricing of the UBS

88. There are two proposed charges for the UBS: the balancing commodity charge, and the daily balancing charge. Unbundled customers are required to manage within their contracted UBS parameters and may be subject to compliance charges if they exceed the contracted quantities. The proposed compliance charges are described in Section 7.

Balancing Commodity Charge

89. The balancing commodity charge provides a contribution towards the recovery of fixed assets used to provide the service, such as storage space, storage deliverability and related transportation to move gas to/from storage. The proposed balancing commodity charge is applied to the customer's daily UBS activity (injections/withdrawals) for all customers in all service areas.

90. To derive the balancing commodity charge, Enbridge Gas first determined the usage of storage and transportation assets based on an analysis of CBS activity. The CBS was used for the analysis as 68 of the 73 UBS customers currently have a CBS. The analysis looked at the net activity for each gas day over 2018 to 2021 to determine the proportion of net CBS activity that was in the same direction of seasonal flow. For example, a net CBS injection would be injected into storage in the summer months and a net CBS withdrawal would be withdrawn from storage in the winter months. Based on this analysis approximately 15% of the net CBS activity was in the same direction of seasonal flow.

91. Once the usage of storage and transmission assets was established, Enbridge Gas applied the net usage of 15% to the proposed 2024 unbundled commoditized storage demand and commodity rate, including transportation to/from storage, to derive the UBS commodity rate of $0.117/GJ. The derivation of the charge is provided at Exhibit 8, Tab 2, Schedule 9.

Daily Balancing Charge

92. The daily balancing charge is a cost-based rate set to recover a proportionate share of LBA and related charges from TransCanada incurred to provide the service. The daily balancing charge is set monthly based on the actual charges incurred from TransCanada. Both the LBS in the EGD rate zone and the CBS in the Union North rate zone have a daily balancing charge set to recover LBA and related costs.

93. The daily balancing charge will be a common unit charge applied to the UBS activity (injection/withdrawals) for unbundled customers located in the Central, North and East service areas. Enbridge Gas does not have an LBA with TransCanada to serve the South service area, as this service area is directly

connected to the Enbridge Gas system and as such, customers in the South service area will not be charged the daily balancing charge.

Customer Bill Impacts

94. The proposed UBS charges result in increases for balancing charges for most customers compared to the current approved charges. Current approved charges for CBS transactions have not been updated in many years and are no longer representative of cost-based charges. The total estimated increase varies based on individual customer activity. However, balancing charges represent approximately 0.1% of a customer's total bill and the increases to these charges are immaterial to the total bill impacts to any customer.

7. Compliance Charges

95. This section outlines the harmonized charges to customers who fail to deliver their obligated DCQ where required and/or fail to manage their harmonized balancing account within their contracted quantities. The current and proposed charges are described below:

7.1 Failure to Deliver

7.2 Unauthorized Storage Space and Injection/Withdrawal Overrun

7.3 UBS Account Overrun

7.1. Failure to Deliver

96. While all unbundled customers have non-obligated deliveries for most of their daily supply, some unbundled customers may be required by Enbridge Gas to have obligated deliveries for their supply at Parkway. To maintain consistency across services with obligated deliveries, Enbridge Gas proposes to set the failure to deliver gas supply charge the same as the proposed bundled DP service, as provided at Exhibit 8, Tab 4, Schedule 3, Section 8.

7.2. Unauthorized Storage Space and Injection/Withdrawal Overrun

97. Unbundled customers are required to manage their storage space balance and injection/withdrawal activity within the contracted limits. Failure to manage within contracted parameters results in overrun. Enbridge Gas proposes to set the unauthorized storage space and injection/withdrawal overrun charges the same as the proposed semi-unbundled DP service, as provided at Exhibit 8, Tab 4, Schedule 4, Section 8.

7.3. UBS Account Overrun

98. Unbundled DP customers are required to manage their UBS account within its contracted daily and cumulative limits.

99. If an unbundled DP customer consumes more gas than they delivered and more than the gas available from the UBS account, the customer is in a supply shortfall position for the day. Consistent with customers that fail to deliver their DCQ obligation as described in Section 7.1, the gas will be sold to the customer at a failure to deliver charge equal to the greater of the highest spot price at the Empress, Dawn, Parkway, Niagara, or Iroquois trading points on the day, or 150% of the Enbridge Gas reference price. Any premium on the sale of the gas relative to the reference price is recorded as a credit in the gas supply deferral and variance accounts. This proposal is simple and incents action under varying market pricing conditions.

100. If an unbundled DP customer fails to manage their cumulative UBS balance below their maximum contracted level, Enbridge Gas proposes the customer be charged an unauthorized account overrun charge of $6/GJ/month. This proposal incents customer action to manage their cumulative UBS balance and is consistent with the

proposals for bundled DP customers provided at Exhibit 8, Tab 4, Schedule 3, Section 8 and semi-unbundled DP customers provided at Exhibit 8, Tab 4, Schedule 4, Section 8.

8. Unbundled Contract Pooling/Fuel Manager Elimination

101. Enbridge Gas is proposing to eliminate the EGD unbundled contract pooling and Union fuel manager service options, effective January 1, 2024, as no customers have elected to take these services. These services were approved as part of the EGD and Union NGEIR[17] Settlement Agreements in 2006, as described below.

102. In the EGD rate zone, pooling of Rate 125 contracts for legally related customers who meet the Business Corporations Act (Ontario) definition of "affiliates" may be pooled to allow the management of those contracts by a single manager. The single manager would be jointly liable with the individual customers for all of their obligations under the contracts, while the individual customers would remain severally liable for all of their obligations under their own contracts. Customers would not be permitted to change rate classes as a result of contract pooling.

103. In the Union South rate zone, multiple qualifying points of consumption not under common ownership may be managed by a common fuel manager. The service option was intended to provide gas-fired generators and other customers additional opportunities to manage imbalances, without impacting the calculation of delivery charges applicable to each point of consumption. The fuel manager would be responsible for providing the necessary credit requirements for all points of consumption, managing all points of consumption in aggregate, and receiving the monthly invoice. In addition, the fuel manager would be jointly liable with each of the point of consumption contracting parties for all obligations under the contract

[17] EB-2005-0551, OEB Decision and Order, November 7, 2006.

while all individual point of consumption contracting parties would remain severally liable for their obligations related to their individual point of consumption portion of the bill.

104. As there are no customers who have taken this service in either the EGD or Union rate zones, there are no customer impacts associated with this proposal.

9. Customer Managed Service Reporting

105. The OEB approved the Settlement Agreement associated with the Union South rate zone CMS for Rate T2 customers in Union's 2017 Rates Application.[18] As part of the Settlement Agreement, the Company agreed to report on the revenue neutrality of the service and how it implemented the service on a revenue neutral basis at the time of its rebasing proceeding.

106. In addition, the Company agreed to revisit the appropriateness of the design of the CMS in the context of rebasing. As described in this section of evidence, Enbridge Gas is proposing a harmonized unbundled service for all customers and has considered the current CMS in the design of the unbundled service.

107. CMS was designed to permit 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. The service included a monthly billing adjustment for the remainder of the IR term to compensate for lost revenue associated with firm cost-based injection/withdrawal rights contracted by customers prior to taking the service. The monthly billing adjustment was required because the contracted quantities of firm injection/withdrawal rights decreased with the CMS while the

[18] EB-2016-0245, OEB Decision and Order, December 8, 2016.

underpinning assets the Company sets aside to provide the service do not substantially change.

108. The monthly billing adjustment maintains revenue neutrality associated with annual firm injection/withdrawal rights because a customer who contracts for CMS continues to be charged the same level of annual firm injection/withdrawal rights after electing the CMS as they would have been charged prior to the CMS. The CMS monthly billing adjustment is calculated as the difference in the customer's existing contracted quantities of annual firm injection/withdrawal rights and the quantities contracted for with the CMS. If a customer incurs overrun on injection/withdrawal, the monthly billing adjustment will be credited against any charges for overrun.

109. An example of the revenue neutrality of the CMS is provided in Table 5 using illustrative customer contracted amounts[19] and the unit rates from the month of April 2022. In this example, it is assumed customers who elected CMS contracted for 40,000 GJ of firm injection/withdrawal rights prior to CMS and 15,000 GJ with CMS. The monthly billing adjustment for these customers total 25,000 GJ, which is the difference between the contracted firm injection/withdrawal rights prior to and with CMS (40,000 GJ - 15,000 GJ = 25,000 GJ). As shown in Table 5, the monthly revenue is $72,800 prior to taking CMS and with CMS, which supports the revenue neutrality of the CMS during the IR term.

[19] Actual customer contracted amounts are not provided in the illustration of the revenue neutrality of the CMS to maintain the confidential nature of individual customer contract parameters, as there is currently only one customer that takes service under CMS.

Table 5
CMS Revenue Neutrality Example

Line No.	Particulars	For the month April 2022 Billing Units (GJ)	Unit Rate (1) ($/GJ)	Monthly Revenue ($)
		(a)	(b)	(c)
	Prior to CMS			
1	Contracted Annual Firm Injection/Withdrawal Rights	40,000	1.820	72,800
	With CMS			
2	Contracted Annual Firm Injection/Withdrawal Rights	15,000	1.820	27,300
3	Monthly Billing Adjustment	25,000	1.820	45,500
4	Total	40,000		72,800

Note:
(1) EB-2022-0089 (April 2022 QRAM) Rate T2 Annual Firm Injection/Withdrawal Right, Union provides deliverability inventory.

110. With 2024 Rebasing, there is no need to continue with the monthly billing adjustment for existing CMS customers as the updated contracted annual firm injection/withdrawal rights are reflected in the 2024 forecast used to set rates.

111. Following 2024 Rebasing, the risk of lost revenue continues to exist for any new customers electing the CMS (or the unbundled service following rate harmonization). The lost revenue is associated with changes in contracted amounts of cost-based annual firm injection/withdrawal rights. Enbridge Gas does not expect the lost revenue to be material but will include any such amounts as a result of customers switching rate classes or services in the proposed Rate Harmonization Variance Account. As such, Enbridge Gas proposes to eliminate the monthly billing adjustment for customers who elect the CMS or an unbundled service following 2024 Rebasing, effective January 1, 2024.

EX-FRANCHISE SERVICES

ANDREA SEGUIN, DIRECTOR STORAGE AND TRANSPORTATION SALES

1. The purpose of this evidence is to request OEB approval of the harmonized ex-franchise services. Enbridge Gas is proposing to harmonize and simplify the current ex-franchise services to provide a consistent and improved customer experience. The proposals will be effective April 1, 2026, unless otherwise noted in this evidence. The implementation timing of the harmonized services is dependent on business application and process changes, which are provided at Exhibit 8, Tab 4, Schedule 1.

2. Enbridge Gas offers point-to-point transportation services at various receipt and delivery points on the Enbridge Gas system. The ex-franchise services are offered to natural gas shippers including marketers, power generators, producers, distributors, and storage pool operators. All regulated ex-franchise services, including services with no proposed changes, are described in this evidence.

3. Although Enbridge Gas is proposing to harmonize the ex-franchise services as outlined below, there will be no substantive changes to the terms of the current services as a result of this harmonization.

4. Enbridge Gas is proposing new harmonized ex-franchise rate classes, which have been incorporated in this evidence. For a complete list of all proposed rate classes, please see Exhibit 8, Tab 2, Schedule 1, Table 4.

5. A summary of the proposed ex-franchise services compared to the current services offered in the EGD and Union rate zones by rate class is provided in Table 1. Each service is described in this evidence.

Table 1
Summary of Proposed Enbridge Gas Ex-franchise Services by Rate Class

Line No.	Service Description	Proposed Rate Class	Current Rate Class: EGD rate zone	Current Rate Class: Union rate zones
		(a)	(b)	(c)
1	Transportation Services	Rate E70	Rate 331 Rate 332	Rate M12 Rate C1 Rate M17
2	Producer Services	Rate E80 Rate E82	Rate 401	Rate M13 GPA (1)
3	Wholesale Transportation Services	Rate E60	N/A	Rate M17
4	Storage Pool Transportation Services	Rate E72	N/A	Rate M16

Note: Gas Purchase Agreement (GPA)

6. This evidence is organized as follows:
    1. Transportation Services
    2. Producer Services
    3. Ex-franchise Wholesale Services
    4. Storage Pool Transportation Service
    5. Services and Charges Proposed for Elimination

1. Transportation Services

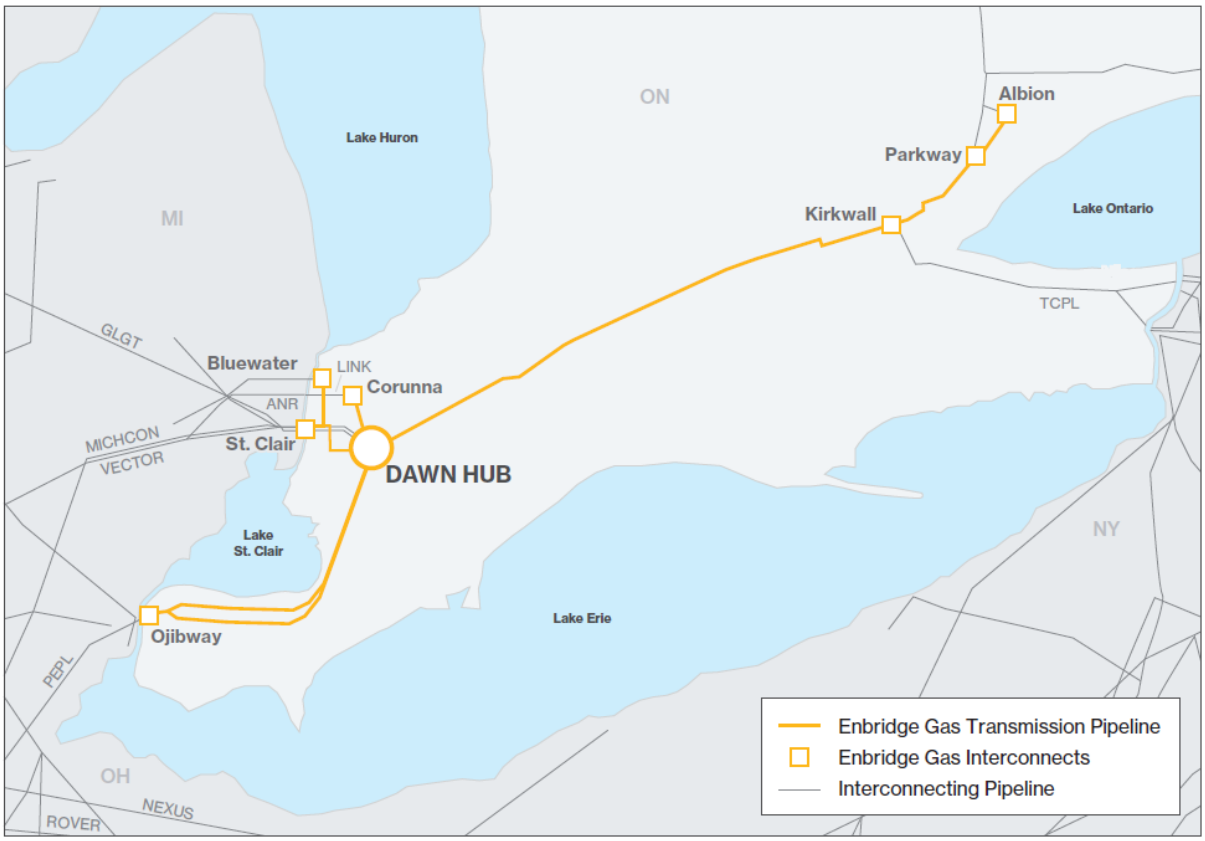
7. Enbridge Gas is proposing to combine the current ex-franchise transportation services offered under Rate 331 and Rate 332 in the EGD rate zone and Rate M12, Rate C1, and the Dawn Parkway System component of Rate M17 in the Union rate

zones into one transportation service offered under the proposed harmonized rate class Rate E70.

1.1. Current Transportation Services

8. Enbridge Gas currently offers ex-franchise point-to-point transportation services on the Enbridge Gas system. Figure 1 provides a map to illustrate the transportation receipt and delivery points.

Figure 1: Transportation Receipt and Delivery Points



9. There are currently ex-franchise point-to-point transportation services offered to customers under the following rate classes. These services include:
    a) Tecumseh Transportation Service (Rate 331);
    b) Parkway to Albion King's North Transportation Service (Rate 332);
    c) Dawn Parkway Transportation Service (Rate M12); and
    d) Cross-Franchise Transportation Service (Rate C1).

Tecumseh Transportation Service (Rate 331) – EGD Rate Zone

10. The transportation service offered under Rate 331 provides firm and interruptible transportation from the Corunna compressor station (Corunna (ANR) previously referred to as Tecumseh)[1] to Dawn. The service has been currently offered for a term of up to one year with no renewal rights.

Parkway to Albion King's North Transportation Service (Rate 332) – EGD Rate Zone

11. The transportation service offered under Rate 332 provides firm transportation from Parkway to Albion King's North on the Albion Pipeline[2]. The Albion Pipeline was built by EGD as part of the GTA Project[3]. The build was coordinated under the 2013 to 2020 TransCanada Settlement Agreement[4] with two other projects: Union's Brantford to Kirkwall/Parkway D Project[5] and TransCanada's Kings North Project.

12. Under the terms of the Settlement Agreement, EGD retained 800 TJ/d (or 40%) of the capacity on the Albion Pipeline to serve in-franchise customers, with the

[1] Corunna (ANR) is the interconnect between the LINK pipeline and the Corunna compressor station.
[2] The Albion Pipeline includes the pipeline and facilities that connect the Parkway West Gate Station to Albion Road Gate Station.
[3] EB-2012-0451.
[4] RH-001-2014.
[5] EB-2013-0074.

remaining capacity solely contracted by TransCanada under Rate 332. The service is provided under a long-term agreement and includes renewal rights. The terms of service, allocation methodology and rate schedule for the transportation service between EGD and TransCanada were approved by the OEB in EGD's Application for approval of the tariff for transportation service on the Albion Pipeline[6]. Enbridge Gas has been consulting with TransCanada with regard to incorporating the Rate 332 terms of service into the harmonized transportation service (Rate E70).

Dawn-Parkway Transportation Service (Rate M12) – Union Rate Zones

13. The transportation service offered under Rate M12 provides long-term firm transportation between receipt and delivery points on the Dawn Parkway System (Dawn, Parkway and Kirkwall).

14. The service requires a term of five years or greater and includes a provision for automatic one year contract renewals after the end date of the initial contract. Customers contracting for this service are also subject to compressor fuel adjustments through the yearly commodity required (YCR) process, which trues up the difference between the fuel amount provided by the customer and actual fuel incurred[7]. The fuel adjustments are calculated quarterly and allocated to Rate M12 customers based on their usage during the previous quarter.

15. Under Rate M12, Enbridge Gas also offers customers an option to transport gas bi-directionally between any of the receipt and delivery points on the Dawn Parkway System (M12-X) as well as a firm all-day transportation service with additional nomination windows (F24-T).

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[6] EB-2016-0028, Decision and Order, July 14, 2016.
[7] YCR formula is provided on the Rate M12 rate schedule.

Cross-Franchise Transportation Service (Rate C1) – Union Rate Zones

16. The transportation service offered under Rate C1 provides firm transportation on the Enbridge Gas system, as follows:
    a) Between St. Clair/Ojibway/Bluewater/Dawn-Vector/Dawn-TCPL and Dawn; and
    b) From a receipt and delivery point on the Dawn Parkway System (Dawn, Parkway and Kirkwall).

17. The firm transportation service under Rate C1 is offered for any term on any path. Renewal rights are only granted for contracts with points on the Dawn Parkway System with a term of five years or greater. Renewal rights are not provided for any other path regardless of term. Rate C1 also includes interruptible transportation services.

18. No fuel true up adjustments are applicable to services provided under Rate C1.

1.2. Proposed Transportation Services

19. Enbridge Gas is proposing to combine the transportation services currently offered under Rate 331, Rate 332, Rate M12 and Rate C1, as well as the Dawn Parkway System component of Rate M17, into one transportation service under proposed Rate E70. This consolidation will result in one standard contract, one set of general terms and conditions and one rate schedule to provide the transportation services.

20. Enbridge Gas is proposing to continue to offer the same transportation service options as currently exist today under Rate 331, Rate 332, Rate M12 and Rate C1, including continuing with the current contract renewal rights, as follows:
    a) Customers contracting for Dawn Parkway System transportation service for a term of five years or greater (currently Rate M12) will continue to have a

provision for rolling automatic one year contract renewals after the end date of the initial contract. The contract will continue to renew annually until the customer provides two years notice to Enbridge Gas of their desire to allow the contract to expire.

b) Customers contracting for transportation service less than five years for paths that are not on the Dawn Parkway System will continue to not be offered contract renewal rights (currently Rate C1 and Rate 331).

c) The long-term transportation service from Parkway to Albion King's North will also maintain the current renewal rights per the OEB-approved terms of service[8].

21. Enbridge Gas will also continue to use the YCR process to provide fuel variance adjustments to customers contracting for firm long-term transportation service on the Dawn Parkway System.

22. This proposed consolidation of transportation services will simplify the existing processes by reducing the number of standard contracts and supporting schedules, as well as the number of rate schedules required to provide the services. This approach aligns with feedback received from customers. Consolidating the transportation services will also provide customers with clear and consistent services which will lead to an improved customer experience.

2. Producer Services

23. Enbridge Gas is proposing to combine its existing producer services for the EGD and Union rate zones into one service offered under proposed Rate E80 and to

[8] EB-2016-0028, Decision and Rate Order, July 14, 2016.

continue to offer existing long term RNG producer services under Rate E82 on a limited basis.

2.1. Current Producer Services

24. Enbridge Gas offers services to producers under two rate classes (EGD Rate 401 and Union Rate M13). There are also producers who contract directly to sell local production to Enbridge Gas through a Gas Purchase Agreement (GPA).

RNG Producer Service (Rate 401) – EGD Rate Zone

25. The service offered under Rate 401 enables RNG producers to inject production into the Enbridge Gas system. As part of this injection service, Enbridge Gas builds the facilities required to attach the producers to its distribution system and transports the RNG to delivery points designated by the producer[9]. Producers have the following options to either sell their RNG or use it for their own purposes. The producer can:
    a) Use the RNG to provide all or part of their gas supply requirements at another of their locations served by Enbridge Gas;
    b) Sell the RNG to another Enbridge Gas customer or a customer outside of the Enbridge Gas service area; and
    c) Sell the RNG to Enbridge Gas.

26. The RNG injection service offered under Rate 401 was approved by the OEB in 2018[10].

27. Currently, the fully allocated costs for the RNG injection service, including the capital cost of the injection station, are paid by the producer as a levelized

[9] Subject to Enbridge Gas entering into a contract with the RNG producers for the provision of these services.
[10] EB-2017-0319, Decision and Order, October 18, 2018.

(constant) service charge for each month of the term of the contract with Enbridge Gas using the methodologies set out in E.B.O. 188[11]. A profitability index (PI) of 1.02 is used to set the service fee to ensure all costs will be recovered over the term of the contract for each service.[12]

Producer Service (Rate M13) – Union Rate Zones

28. The services offered under Rate M13 provide transportation service from the production point to Dawn for conventional and RNG producers. The producer can sell the gas to any number of market participants at Dawn[13].

29. The Rate M13 transportation service includes a balancing account to manage daily imbalances between the nominated quantities and the measured production. Producers under the Rate M13 service have a firm daily variability demand (FDVD) used to limit the number of daily injections into and withdrawals from the balancing account. The balancing account includes a cap to the total amount of balancing allowed. The producer is responsible to ensure their balancing account remains within a specific tolerance daily. Any need for balancing beyond the amount provided under Rate M13 service can be purchased by the producer in the market at Dawn from third-party providers, including Enbridge Gas.

30. The capital cost of the injection station is paid in full by the producer through a contribution in aid of construction (CIAC) prior to the station being constructed.

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[11] E.B.O. 188, The Guidelines for Assessing and Reporting on Natural Gas System Expansion in Ontario, January 30, 1998.
[12] EB-2017-0319, Decision and Order, October 18, 2018, p.13.
[13] Producers also have the option to sell their production directly to Enbridge Gas through a GPA that is not part of the Rate M13 service.

2.2. Proposed Producer Service

31. The proposed harmonized producer service will provide one common injection service under Rate E80 for all new producers regardless of location on the Enbridge Gas system or production type. Enbridge Gas will continue to offer RNG producer service under Rate E82 on a limited basis to existing customers that have signed long-term agreements under Rate 401.

32. Under Rate E80, the producer will inject conventional or RNG production, they may choose to use it to meet their own supply requirements, transport the production to the market, or sell it to Enbridge Gas. Specifically, the producer can:
    a) Use their own production to provide all or part of their gas supply requirements at another of their locations within the same delivery area served by Enbridge Gas. This option is limited to producers who also take a bundled DP service[14] within the same area as their production. The customer is required to nominate this service and manage daily imbalances at Dawn;
    b) Sell to another Enbridge Gas customer or customers located outside of the Enbridge Gas service area at Dawn. This option includes transportation under Rate E80 from the production point to Dawn. Producers who choose to bring their supply to Dawn will have the ability to purchase market-based services from the broader Dawn market, including Enbridge Gas. The customer is required to nominate this service and manage daily imbalances at Dawn; and
    c) Sell to Enbridge Gas. This option is dependant upon Enbridge Gas's ability to incorporate production supply into the Gas Supply Plan. A GPA between the producer and Enbridge Gas is required and is available at the sole

[14] The producer and bundled DP customer must be the same legal entity.

discretion of Enbridge Gas. There is no nomination or balancing required by the customer under a GPA.

33. A daily balancing service is required for production transported or used for the producer's own purpose. All imbalances must be managed daily at Dawn. The account limits and FDVD of the balancing account will be determined based on the needs of the individual producer.

34. The proposed capital cost of the site-specific injection station and pipeline will be paid by the producer amortized over the term of their agreement with Enbridge Gas and will use the methodologies set out in E.B.O. 188[15] which requires a minimum PI of 1.0.The proposal to change from a minimum PI of 1.02 to 1.0 is consistent with the OEB Decision in the RNG Enabling Program proceeding, which found that the RNG Injection Service is a distribution activity[16]. OEB staff also noted that an RNG facility project is no different from any other natural gas expansion project where Enbridge Gas would recover the costs over the lifespan of the project and where annual true ups are not performed. As such, the PI of 1.0 ensures all costs will be recovered over the term of the agreement, consistent with economics of distribution expansion projects.

3. Ex-franchise Wholesale Services

35. Enbridge Gas is proposing to expand the applicability of the current ex-franchise wholesale transportation service offered under Rate M17 to new gas distributors in all service areas within the Enbridge Gas franchise area under proposed Rate E60.

[15] E.B.O. 188, The Guidelines for Assessing and Reporting on Natural Gas System Expansion in Ontario, January 30, 1998.
[16] EB-2017-0319, Decision and Order, October 18, 2018, pp.20-21.

3.1. Current Wholesale Transportation Service – Rate M17

36. Enbridge Gas currently offers wholesale service to existing and new ex-franchise gas distributors under firm transportation Rate M17 in the Union South rate zone[17][18].

37. Enbridge Gas also offers wholesale service under existing bundled and semi-unbundled services on a limited basis. The OEB approved limiting the applicability of the wholesale services offered under Rate M9 and Rate T3 in the Union South rate zone to gas distributors that existed in those rate classes at the time Rate M17 was approved[19]. Consistent with this approach, Enbridge Gas is proposing to limit the applicability of Rate 200 in the EGD rate zone to existing customers. A description of the applicability of those wholesale services is provided at Exhibit 8, Tab 2, Schedule 4.

Wholesale Transportation Service (Rate M17) – Union South Rate Zone

38. In 2020, the OEB approved[20] a new firm point-to-point transportation service under Rate M17 for gas distributors. The service was developed in response to changes in competition for natural gas distribution in Ontario. The service is currently available to new entrants and existing gas distributors including those taking bundled and semi-unbundled service in the Union South rate zone.

39. The transportation service offered under Rate M17 provides transportation for gas distributors from Dawn, Kirkwall or Parkway (the points of receipt) to the customer's custody transfer point(s) with Enbridge Gas (the delivery area). The service

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[17] EB-2019-0183, Decision and Order, April 9, 2020, p.1.
[18] Rate M17 is a point-to-point transportation service for gas distributors. It its decision, the OEB approved Rate M17 and limiting Rate M9 and Rate T3 to existing gas distributors that who took the service prior to January 1, 2019.
[19] EB-2019-0183, Decision and Order, April 9, 2020
[20] Ibid.

combines transportation on the Dawn Parkway System with transportation on other Union South transmission lines to the delivery area. The service also includes the ability to balance scheduled deliveries and measured quantities at the customer's delivery area through a limited balance agreement (LBA).

3.2. Proposed Wholesale Services

40. Enbridge Gas is proposing to continue to offer the firm point-to-point transportation service for gas distributors. The proposal includes expanding the applicability of the current ex-franchise wholesale transportation service offered under Rate M17 to all gas distributors within the Enbridge Gas franchise area under Rate E60.

41. As part of the service, Enbridge Gas is proposing to provide balancing services for distributors based on whether they are directly connected to Enbridge Gas's transmission or distribution system. Distributors who are directly connected to Enbridge Gas's transmission system will continue to balance using an LBA and those who are not directly connected to Enbridge Gas's transmission system will manage their daily imbalances using an unbundled balancing service (UBS). A description of the UBS is provided at Exhibit 8, Tab 4, Schedule 5.

42. As part of the rate design, Enbridge Gas is also proposing to separate the current Rate M17 demand charges into two charges. One demand charge for the Dawn Parkway System transportation under Rate E70 and the other to transport gas from the Dawn Parkway System to the customer's delivery area under Rate E60. A description of the proposed rate design is provided at Exhibit 8, Tab 2, Schedule 5.

43. The proposed changes to the wholesale transportation service for gas distributors will allow Enbridge Gas to expand the current service offering to all distributors requesting service from Enbridge Gas. This approach also combines all ex-

franchise Dawn Parkway System transportation service offerings creating transparency, and consistency for gas distributors.

4. Storage Pool Transportation Service

44. Enbridge Gas is proposing to offer the current Rate M16 storage pool transportation service for storage pool operators under proposed Rate E72.

45. The current service offered under Rate M16 provides transportation for embedded storage pools that are connected to Enbridge Gas's transmission or distribution system in the Union South rate zone. These storage pool operators use the transmission and/or distribution system to transport gas between their storage pool and Dawn.

46. There is no comparable EGD service and currently there are no new customers forecasted to contract for this service. The service will be offered under the new Rate E72 rate class and no change to the service is being proposed. A description of the rate design proposal is provided at Exhibit 8, Tab 2, Schedule 5.

5. Services and Charges Proposed for Elimination

47. Enbridge Gas is proposing to eliminate the following services and/or charges, effective January 1, 2024.
    a) Transmission, Compression and Pool Storage Service (Rate 325);
    b) Transmission, Compression and Pool Storage Service (Rate 330);
    c) Union Supplied Fuel (USF); and
    d) Name Change Service Charge.

5.1. Transmission, Compression and Pool Storage Service (Rate 325) – EGD Rate Zone

48. Enbridge Gas is proposing to eliminate the transmission, compression and storage pool service offered under Rate 325 as it is no longer required. EGD and Union jointly contributed to the development of the Black Creek and Dow Moore storage pools. As part of the original operating agreements, EGD provided transmission, compression and pool storage service to Union under Rate 325 and Union contracted for storage space at each of the storage pools. No other party contracts for the Rate 325 service.

49. The Black Creek and Dow Moore storage pools form part of the Enbridge Gas integrated storage operation and the original agreements were terminated upon amalgamation of EGD and Union. As such, Enbridge Gas is proposing to eliminate the Rate 325 service.

50. Enbridge Gas is proposing a cross charge to recognize the non-utility use of the Dow Moore and Black Creek storage pools, which is provided at Exhibit 8, Tab 2, Schedule 5.

5.2. Transmission, Compression and Pool Storage Service (Rate 330) – EGD Rate Zone

51. Enbridge Gas is proposing to eliminate the transmission, compression, and pool storage service offered under Rate 330 in the EGD rate zone as there is no record of any customer having contracted for the service. The service was originally intended to provide transmission, compression, and pool storage service based on the development of a new storage pool, which did not materialize. There are no impacts associated with this proposal.

5.3. Union Supplied Fuel (USF) – Union Rate Zones

52. Enbridge Gas is proposing to eliminate the union supplied fuel (USF) option available to certain in-franchise and ex-franchise transportation customers[21]. Under this option, the utility purchases the fuel required for the applicable transportation service on behalf of the customer. Customers also have the option to provide fuel in kind through customer supplied fuel (CSF), which is the preferred choice of customers. The USF option has had limited use over the years, with no Dawn Parkway System customers having elected to use USF over the past five years. USF will be maintained for Rate M13 and Rate M16 and provided as part of Rate C1 short-term firm and interruptible contracts as there are customers currently taking the USF service under these rate classes.

53. Removal of this option will simplify the service and has no impact on customers. The proposal also allows for the removal of the formula for the yearly commodity revenue requirement (YCRR) offered under Rate M12 for customers that elected the USF option. The YCR process will continue to be available for CSF.

5.4. Name Change Service Charge – Union Rate Zones

54. Enbridge Gas is proposing to eliminate the charges for the name change service that is currently offered under the pricing provisions listed in Schedule 2 Hub Pricing on enbridgegas.com. The name change service allows customers to change the ownership of gas between parties on the Enbridge Gas system. Upon review of the service and comparison to other similar services in the industry, Enbridge Gas determined that charging a fee for name changes does not align with its competitors.

[21] USF is offered under in-franchise Rate T1, T2, T3 and ex-franchise Rate M12, C1, M13, M16 and M17.

55. The name change service will continue to be available to customers at no charge. The 2024 Test Year Forecast reflects the removal of this charge effective January 1, 2024.

INTERRUPTIBLE RATES STUDY

RYAN ORGAN, MANAGER POLICY & SALES SUPPORT
AMY MIKHAILA, MANAGER RATE DESIGN

1. The purpose of this evidence is to present Enbridge Gas's Interruptible Rates Study. This evidence reviews Enbridge Gas's interruptible distribution services[1] and assesses whether modifications to interruptible rates or service design will incent increased adoption of interruptible services by customers.

2. The Interruptible Rates Study was prepared in response to an OEB-directive from the Integrated Resource Planning Proposal proceeding.[2] In the OEB Decision[3], Enbridge Gas was directed to study its interruptible rates to determine how they might be modified to increase customer adoption of this alternative service, which may reduce peak demands. Enbridge Gas was directed to file the Interruptible Rates Study with the Company's next rebasing proceeding.

3. Interruptible services allow for increased utilization of the system while maintaining operational reliability. On a day where a given system is expected to experience peak demands, a notice of interruption is sent to customers who have contracted for interruptible service. The notice of interruption informs the customer at what time they are required to reduce their consumption to their firm contracted parameters. This reduction in consumption provides relief on the affected system and ensures that firm distribution service can be maintained. Customers are issued a return to service notification when the constraint has been resolved.

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[1] Interruptible distribution service is also referred to as interruptible service throughout this evidence.
[2] EB-2020-0091.
[3] EB-2020-0091, Decision and Order, July 22, 2021, page 35.

4. Interruptible services also serve as a useful tool to allow the Company to provide natural gas service to customers in areas where constraints on a system have been identified and firm service is not available. Interruptible service provides customers who can comply with a notice of interruption access to natural gas; however, not all customers are able to take this form of service (described in more detail below) which limits its use.

5. Interruptible services allow for increased utilization of the distribution system and the potential to defer or eliminate the need for facility expansion to meet peak day demands, provided customers choose to take this form of distribution service.

6. As part of this Application, Enbridge Gas is proposing cost allocation and rate design changes to interruptible charges intended to increase the incentive for customers to convert from firm to interruptible service. These proposed changes result in a more consistent price spread between firm and interruptible services.

7. Enbridge Gas is also proposing to include the ability to charge negotiated interruptible rates that are below the posted rate in an effort to incent adoption of interruptible services to support integrated resource planning (IRP). The application of negotiated rates would be limited to targeted geographic areas where a system constraint has been identified. Enbridge Gas will apply for approval of the negotiated rate through an IRP plan application. Negotiated rates below the posted rate for interruptible service will provide a further increase in value from the interruptible service for customers where the system need is the greatest.

8. This evidence is organized as follows:
    1. Current Interruptible Rates and Services

2. Factors Influencing Customer Choice
3. Harmonized Interruptible Rates and Services
4. Summary

1. Current Interruptible Rates and Services

9. This section of evidence provides an overview of the current interruptible rates and services available in the EGD and Union rate zones, as follows:

1.1 Current Interruptible Services Availability
1.2 Current Interruptible Rate Design
1.3 Customer Adoption of Interruptible Services
1.4 Impact of Current Interruptible Services and Compliance on Operations
1.5 How Interruptible Service is Managed by Customers
1.6 Customer Use and Implications for Interruptible Service

1.1. Current Interruptible Services Availability

10. Interruptible services are offered by the Company in all rate zones. The availability of interruptible service is limited to customers who can accommodate an interruption and reduce their demands on the system to their firm contracted parameters when required. Typically, customers meet the obligation of a notice of interruption by switching to an alternate fuel source and in some cases, customers meet the obligation by reducing their level of production.

11. Attachment 1 provides a comparison of the current interruptible service and rate design for each of the current rate classes with an interruptible service, including a comparison of the following:

a) Minimum Annual Volume;
b) Contract Demand;

c) Number of Customers;
d) Rate Design;
e) Non-Compliance Charges; and
f) Applicable Harmonized Rate Class

EGD Rate Zone

12. In the EGD rate zone, customers can contract for interruptible service under Rate 145 or Rate 170.[4] Rate 145 is applicable to sales or bundled DP customers with a minimum annual volume of 340,000 m^3. Rate 170 is applicable to sales or bundled DP customers with a minimum contract demand of at least 30,000 m^3/day and a minimum annual volume of 5,000,000 m^3. Rate 145 and Rate 170 can be contracted as a stand-alone service or as a companion to a firm service contracted under a firm rate class.

Union Rate Zones

13. In the Union North rate zone, customers can contract for interruptible service under Rate 25 as a stand-alone service or as a companion to a firm service contracted under a firm rate class. Rate 25 is an interruptible service for large volume customers with a minimum interruptible contract demand of 3,000 m^3/day and where the total combined firm and interruptible contract demand is 14,000 m^3/day or more.

14. In the Union South rate zone, customers can contract for interruptible service under all contract rate schedules (Rate M4, Rate M5, Rate M7, Rate T1 and Rate T2), excluding wholesale service contract rate schedules. The interruptible service is not

[4] In addition, the Company provides an interruptible service offering to distributors as part of Rate 200 and an unbundled firm and interruptible service under Rate 300. There are no Rate 300 customers in the 2024 customer forecast.

contracted under a separate rate class, but instead is offered on the same rate schedule as the firm service.

1.2. Current Interruptible Rate Design

15. The rate design for interruptible service in the EGD and Union rate zones is not consistent. Table 1 provides a summary of the types of delivery charges applicable to interruptible service for the current rate classes. As shown in Table 1, two of the current nine rate classes have a demand charge and four rate classes offer negotiated interruptible volumetric charges.

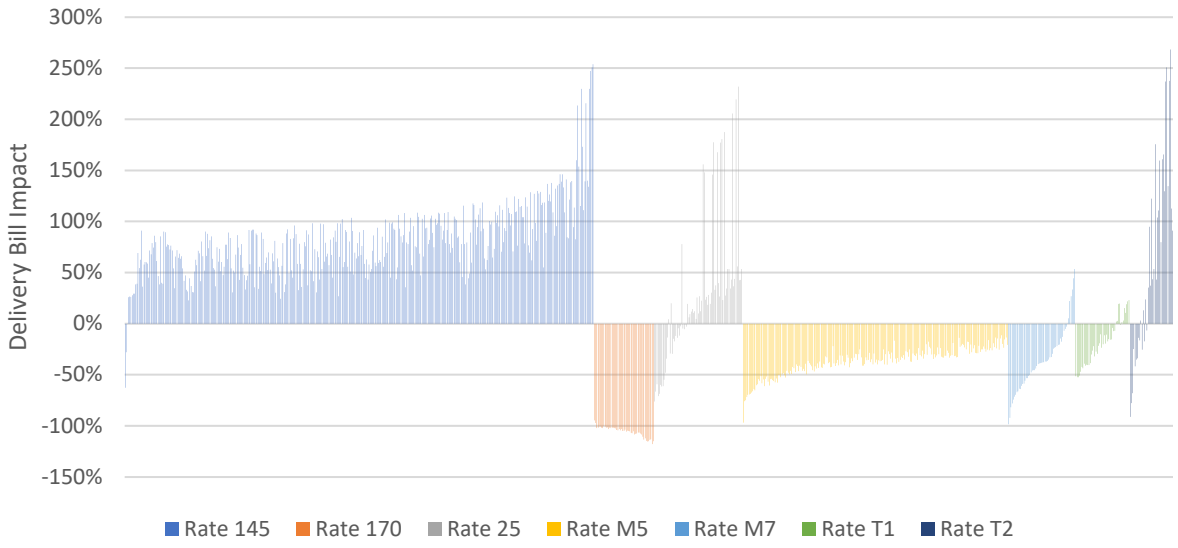
Table 1
Summary of Interruptible Delivery Charges - Current Classes

Line No.	Rate Class	Monthly Customer Charge	Demand Charge	Volumetric Charge
		(a)	(b)	(c)
	EGD Rate Zone			
1	Rate 145	yes	yes	yes
2	Rate 170	yes	yes	yes
	Union North			
3	Rate 25	yes	no	yes - negotiated
	Union South (2)			
4	Rate M4 (I)	yes	no	yes
5	Rate M5 (I)	yes	no	yes
6	Rate M7 (I)	no	no	yes - negotiated
7	Rate T1 (I)	yes (1)	no	yes - negotiated
8	Rate T2 (I)	yes (1)	no	yes - negotiated

Notes:
(1) The monthly customer charge is paid once for both firm and interruptible service within the same rate class.
(2) Union South rate classes have both firm and interruptible service within the same rate class.

16. Enbridge Gas assessed the 2023 prices[5] for firm and interruptible services to determine the price spread between the two services using the current rate classes and rate design. This analysis was intended to determine the current benefit to customers who contract for firm service if they were to convert to interruptible service. Figure 1 provides an illustration of the price spread between firm and interruptible services based on current rates. To derive the price spread, Enbridge Gas calculated the impact on the delivery charges of each firm customer's bill if they were to convert to the applicable interruptible service. The range of impacts across customers in each rate class is a result of the existing rate design where a portion of fixed costs are recovered through volumetric rates.

Figure 1: Delivery Bill Impact of Firm to Interruptible Conversion by Customer (Current Rates)



Notes:

(1) Delivery bill impacts by rate class are presented left to right from the lowest load factor customer to the highest load factor customer.

[5] EB-2022-0133, 2023 Rates at April 2022 QRAM.

(2) For purposes of the analysis, Enbridge Gas used the average negotiated interruptible rate for the rate class where applicable. Customer specific negotiated rate is not available since the customer is currently contracted for firm service. The actual negotiated rate may be different than the rate class average and may not result in the same impacts as presented in Figure 1.

17. As illustrated in Figure 1, interruptible service can range from being more than 100% cheaper to being more expensive than firm service depending on the rate class and load factor of the customer.[6]

18. In the EGD rate zone, interruptible service under Rate 145 is in most cases more expensive than firm service for customers due to the level of the volumetric charge. The volumetric charge is high relative to firm service as result of the annual rate setting mechanism where the Demand Side Management (DSM) unit rate is updated in rates annually to reflect the annual forecast. Due to forecast Rate 145 declining volumes in recent years, the DSM unit rate has increased, which has resulted in a higher interruptible volumetric charge for Rate 145. Interruptible service under Rate 170 is significantly less expensive than firm service for applicable customers due to the level of curtailment credit customers receive under Rate 170.

19. In the Union rate zones, the benefit under interruptible service ranges for customers in any rate class due to the existing interruptible rate design of only volumetric charges and no demand charges. As a result, the benefit of converting to interruptible service is eroded or eliminated for customers who have a high load factor as they are charged based on usage and not demand.

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[6] Load factor is a measure of average annual use of reserved capacity derived as the customer's average annual volume divided by the customer's contract demand expressed as a percentage. Load Factor = Annual Volume/365/Contract Demand.

20. Enbridge Gas recognizes that a range of benefits of this magnitude does not provide a consistent financial incentive for customers to convert to interruptible service, and in some cases, there is currently a financial barrier to doing so. A consistent price spread between firm and interruptible service would provide an increased financial incentive for customers to convert from firm to interruptible services. However, there are other barriers discussed below that have historically prevented customers from converting to interruptible service.

1.3. Customer Adoption of Interruptible Services

21. Table 2 provides the current interruptible customer count and annual volumes by rate class for the 2024 Test Year.[7] Of approximately 1,000 contract customers, 191 customers (or 19%) currently contract for interruptible service. The total forecast interruptible volumes of 674,246 10^3m^3 represent approximately 6% of the total contract firm and interruptible volumes.

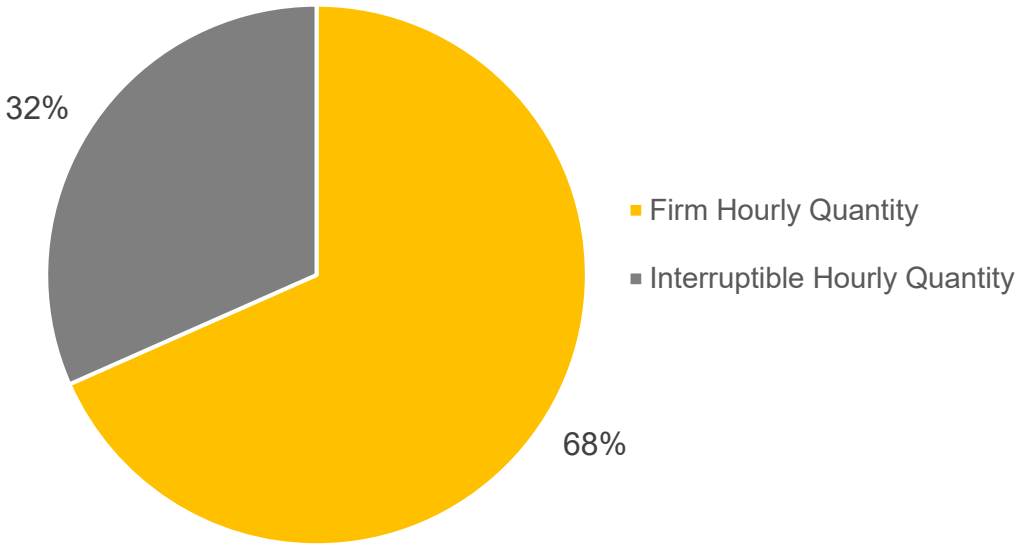
[7] Interruptible customer count based on total forecast number of customers with an interruptible service whether it be in combination with a firm service or as a stand-alone interruptible service.

Table 2
Number of Interruptible Customers & Volumes By Rate Class

Line No.	Rate Zone	Rate Class	Customer Count	2024 Forecast Interruptible Volume (10^3m^3)
			(a)	(b)
1	EGD	Rate 145	16	15,714
2	EGD	Rate 170	22	323,254
3	Union North	Rate 25	72	126,831
4	Union South	Rate M4	3	238
5	Union South	Rate M5	37	55,087
6	Union South	Rate M7	11	73,825
7	Union South	Rate T1	2	37,536
8	Union South	Rate T2	28	41,762
9	Total		191	674,246

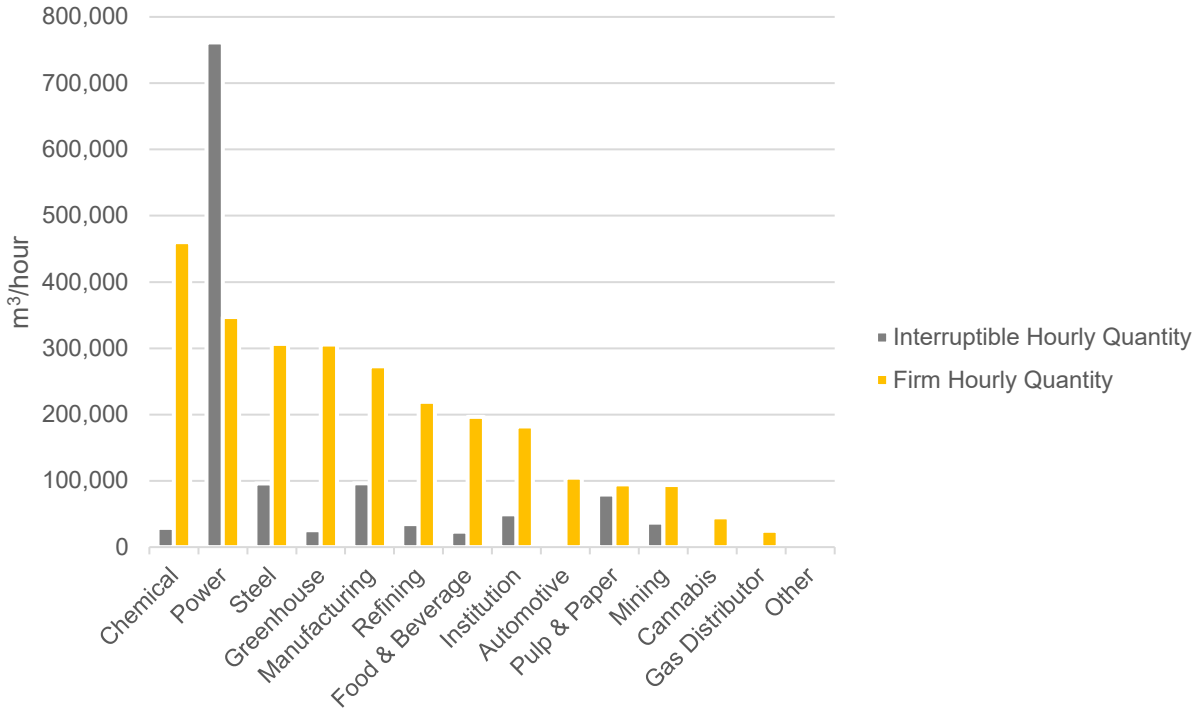
22. Figure 3 illustrates the split between firm and interruptible hourly quantity for all distribution contract rate customers across all rate zones. Hourly quantities are used for distribution planning purposes to ensure that the capability exists to serve that customer's peak requirements. Hourly quantities are a determinant of daily contract demand for distribution service. Approximately one third of all hourly demands for contract customers are served with interruptible service.

Figure 3: Firm vs Interruptible Hourly Quantity



23. Figure 4 illustrates the firm and interruptible hourly quantity by customer segment. The power customer segment represents the largest hourly quantity of all the customer segments, with an hourly quantity of approximately 700 10^3m^3/hour to 800 10^3m^3/hour. All other segments have an hourly quantity of less than 100 10^3m^3/hour.

Figure 4: Firm and Interruptible Hourly Quantity by Segment



1.4. Impact of Current Interruptible Services and Compliance on Operations

24. Enbridge Gas's transmission and distribution systems are designed and modelled with interruptible demands off on a given system on a design day. In other words, the system cannot manage both firm and interruptible demands in design day conditions. This planning assumption influences the level of assets required to serve a given system. In addition, interruptible service does not require upstream gas supply services on design day.

25. Enbridge Gas needs assurance that customers taking interruptible service can and will comply with a notice of interruption. If customers are not able or willing to comply, the reliability of firm services could be put in jeopardy. If the reliability of firm service is compromised, this creates a risk to the safety of customers, the

operations of small businesses and large commercial and industrial customers, and the resiliency of some electricity generation facilities.

26. In 2013, 2014, and 2015, Enbridge Gas experienced a significant level of non-compliance with the notice of interruption provided to interruptible customers in the Union South rate zone. The non-compliance charges at the time were not significant enough to incent customers to ensure they had adequate and functioning alternate fuel systems, or adequate supply on hand. In 2016, the non-compliance charge for customers was increased from a nominal charge to $60/GJ[8]. Table 3 provides the history of interruption non-compliance in the Union South rate zone and highlights how meaningful non-compliance charges incent compliance. The Union South rate zone was used to illustrate this impact because of the level of non-compliance in that rate zone prior to the implementation of the $60/GJ non-compliance charge[9].

[8] The current $60/GJ unauthorized overrun non-compliance charge for the Union rate zones was approved by the OEB in EB-2015-0116, Decision and Order, December 3, 2015.
[9] There was not a sufficient level of interruption in the Union North rate zone in this timeframe to assess the impact of the $60/GJ non-compliance charge. As provided at Exhibit 8, Tab 4, Schedule 2 in this filing, Enbridge Gas proposes to extend the $60/GJ non-compliance charge to the EGD rate zone.

Table 3
Summary of Interruption and Non-Compliance by Year in the Union South Rate Zone

Line No.	Year	Distinct Events	Calendar Days	Impacted Customers	Non-Compliant Customers
		(a)	(b)	(c)	(d)
1	2013	1	3	68	53
2	2014	2	8	83	42
3	2015	18	28	84	44
4	2016	3	3	82	6
5	2017	1	7	1	1
6	2018	3	4	14	2
7	2019	6	9	45	4
8	2020	5	34	3	0
9	2021	12	84	8	0
10	2022	26	58	25	5

1.5. How Interruptible Service is Managed by Customers

27. Enbridge Gas's customers generally fall into four categories with respect to how curtailment of interruptible service is managed.

28. The first group of customers are those who use natural gas as a primary fuel source and have alternate fuel systems on site to backstop their requirements in the event of an interruption. This is the most common scenario and examples of industries include greenhouse and institution customers. These customers will continue to operate during an interruption but will rely on a different fuel source to meet their needs while the interruption is in effect. Typically, these customers will rely on oil, diesel or propane to meet their requirements. During an interruption these customers will need to mobilize resources on site to switch to their alternate fuel source, arrange for deliveries of their alternate fuel source when their on-site supply is exhausted, and incur incremental costs associated with alternate fuel.

29. The second group of customers are those who use natural gas as their only fuel source but can stop or reduce their operations in order to comply with a notice of interruption. This is not a common scenario.

30. The third group of customers are those who use an alternate fuel as a primary fuel source with natural gas as a backstop in the event of a technical issue that impacts their primary fuel source. These customers are only impacted by an interruption if it is concurrent with a technical issue that is preventing them from using their primary fuel source. Examples of these customers include the pulp and paper and chemical segments.

31. The fourth group of customers are power generators. The decision of power customers to take interruptible service is heavily influenced by the commercial arrangements that they have entered into.

1.6. Customer Use and Implications for Interruptible Service

Heat Sensitive

32. Customers who are heat-sensitive are those who require more energy as the ambient temperature drops. Greenhouses and institutional customers are good examples of heat sensitive customers, as these customers generally see a significant variance in demand between the summer and winter months.

33. These heat-sensitive customers will use interruptible service if they have the ability to switch to an alternate fuel source, or if they have the ability to reduce demand by scaling back their operations. It is not common for customers to meet interruptions through a change in their operations.

34. Generally, heat sensitive customers contract for interruptible service if firm service is not available in their area. Some customers who have alternate fuel systems on site for redundancy, which is common in the greenhouse market, may contract for interruptible service to take advantage of the reduced price of interruptible service.

Process Load

35. Customers that primarily use natural gas to facilitate the production of, or as a feedstock into, an end-use product are considered process load customers. Chemical customers who use natural gas as a feedstock are a good example of a process customer.

36. Process load customer demand for energy is influenced more by their level of production than the ambient temperature. Since the demand for natural gas is influenced less by ambient temperatures, there is less of a variance in consumption levels between the summer and winter months.

37. Generally, customers in this category will contract for interruptible service if firm service is not available, and there is an alternate fuel available that meets their requirements when a notice of interruption has been issued.

Power

38. Customers in the Power segment are the largest users of the interruptible service, primarily driven by customers whose original contracts with the Independent Electricity System Operator (IESO) expired and are on shorter-term bridge contracts or participate in capacity auctions. Power customers who have long-term contracts with the IESO primarily contract for firm service because they need to ensure that they can run when called upon.

2. Factors Influencing Customer Choice

39. Enbridge Gas has identified four factors that influence customer choice in electing to take interruptible service. These factors are described in this section of evidence, as follows:

    2.1 Cost of Interruptible Service Relative to Firm Service

    2.2 Frequency of Interruptions

    2.3 Alternate Fuel

    2.4 Non-Compliance Charges

2.1. Cost of Interruptible Service Relative to Firm Service

40. The cost of interruptible service relative to firm service has an impact on the customer's willingness to accept interruptible service.

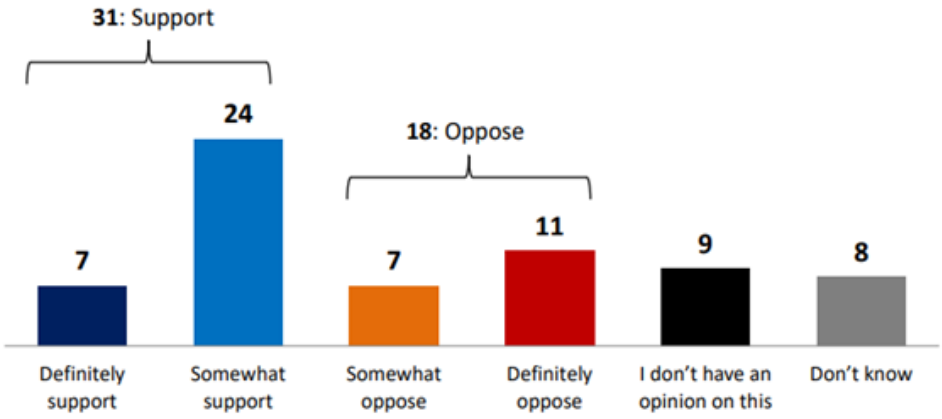
41. During the customer engagement process, all contract customers were asked whether a reduction in interruptible rates would incent them to convert from firm to interruptible service. In the customer engagement, most of the customers who responded indicated that they would support a reduction in interruptible rates. However, feedback provided by customers indicated that, while there is support in principle, they do not expect that converting to interruptible service is practical for them.

42. Figures 5 and 6 are excerpts from the customer engagement, provided at Exhibit 1, Tab 6, Schedule 1, Attachment 1, pages 467-471:

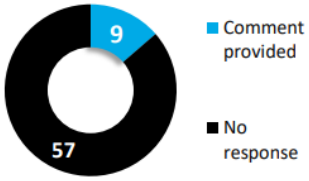
Figure 5: Customer Engagement

Support for Reduction in Interruptible Rates

Q Generally, do you support or oppose Enbridge Gas reducing interruptible rates to potentially reduce or defer the requirement for capital investments?
[asked of all respondents; n=66]

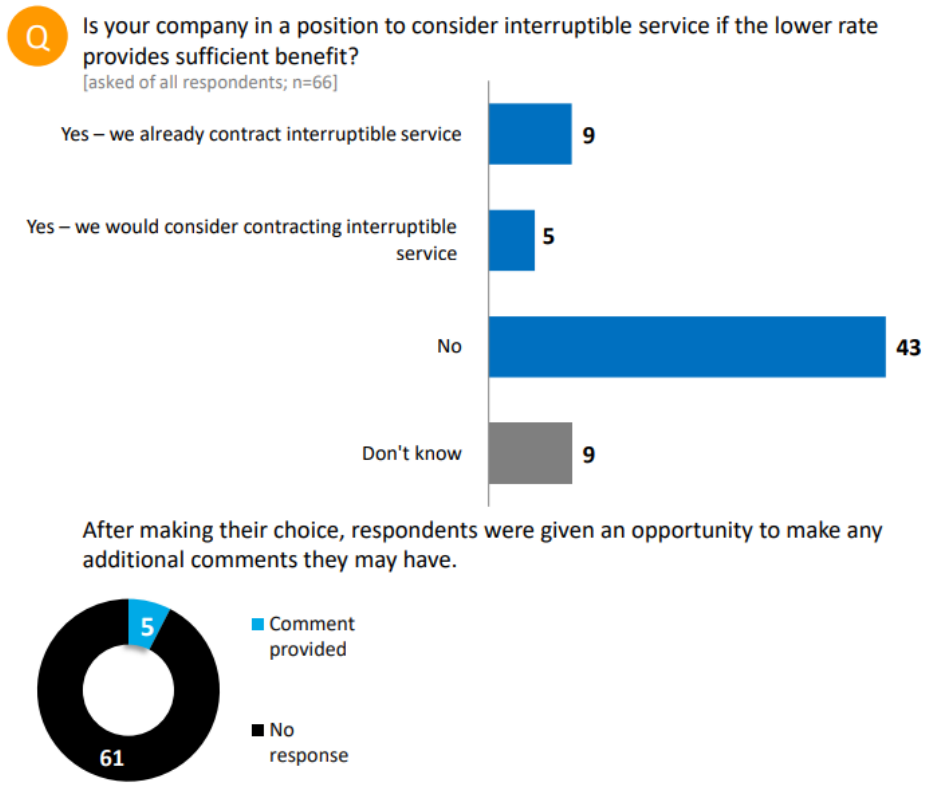


After making their choice, respondents were given an opportunity to make any additional comments they may have.



Support Reducing Interruptible Rates
"Healthcare needs constant supply."
"I support but being a hospital, we cannot participate at this time."
"Support although we would not use this service."
"Support it - but as a continuous manufacturing facility we would not participate."
"We are supportive to the degree that additional firm could become available."
Defer The Requirement
"Interruptible service is not a good fit for us, so we do not have."
Other
"It's a hard trade off - will depend on business owner."
"They are users like the rest of us so they should also pay for their portion."
"We have no interruptible services. Many of our services are essential so difficult to consider interruptible service."

Figure 6: Customer Engagement
Ability for Customers to Adopt Interruptible Service



Comments
"Challenging to have an alternate fuel source."
"Many of our services are essential."
"We cannot accommodate service interruption."
"While we already contract IT, we would directionally prefer more Firm and if lower IT cost made this available, it would be positive for us."
"Would not consider - we require firm service as we use natural gas as feedstock."

43. As indicated by the customer comments above, the rates charged for interruptible service is not the only factor that influences the customer choice and cannot be viewed in isolation. This result is consistent with the ongoing feedback received from customers and Enbridge Gas's experience with interruptible service in the

market. The factors described in the following sections of evidence offset the potential savings from interruptible service.

2.2. Frequency of Interruptions

44. In Enbridge Gas's experience, customers with interruptible service who experience frequent interruptions generally request to convert to firm service. Some customers who previously took interruptible service did so because interruptions were not frequent in their area or interruptions did not occur at all. These customers did not expect actual interruptions to be a significant probability and were willing to take the risk of interruptions as a trade-off for lower distribution charges.

45. When interruptions were called in 2013, 2014 and 2015, many customers who enjoyed the previous stability of the interruptible service requested to convert to a firm service as a result of the interruptions at the time. This increase in demand for firm service could not be met by the existing assets in all areas.

46. In the Union South rate zone, this contributed to a series of facilities expansions, most notably the Panhandle Reinforcement Project[10] which was placed into service in 2017. In that proceeding, 75% of the increased demand (71 TJ/day of the 95 TJ/day increased capacity) was due to requests from customers with interruptible service to convert to firm service[11].

2.3. Alternate Fuel

47. The cost of alternate fuels (generally oil or propane) are higher respectively than natural gas. This price differential is a risk when interruptions are called more

[10] EB-2016-0186.
[11] EB-2016-0186, Exhibit B.APPrO.2.

frequently or last for longer periods of time, as the cost advantage of interruptible service can be eroded quickly.

48. In addition to the cost of alternate fuels, customers are increasingly concerned about the incremental impact alternate fuels have on the carbon emissions of their operations. The most common alternate fuels used by customers are oil, diesel, and propane. These alternate fuels have a higher carbon intensity than natural gas. Through the customer engagement process, some customers expressed that converting to interruptible service wasn't a viable option because of the impact alternate fuels would have on their emissions targets.

2.4. Non-Compliance Charges

49. Non-compliance with a notice of interruption results in charges being applied to customers bills and the potential for the interruptible service to be withdrawn. In the Union North and Union South rate zones, the non-compliance charge is $60/GJ. In the EGD rate zone, customers receive curtailment credits if they contract for interruptible service. If customers in the EGD rate zone do not comply with an interruption, these credits are reversed and there are additional unauthorized overrun charges applied, which are tied to market pricing. The financial impact of these non-compliance charges, which are required to ensure that customers comply with a notice of interruption, factors into a customer's decision to contract for interruptible service. Enbridge Gas's proposed non-compliance charge is $60/GJ. Details on Enbridge Gas's proposal for interruption non-compliance charges is provided at Exhibit 8, Tab 4, Schedule 2.

3. Harmonized Interruptible Rates and Services

50. As part of this Application, Enbridge Gas is proposing three changes to interruptible rates intended to increase the incentive for customers to convert from firm to

interruptible service. The first two proposed changes are to the cost allocation and rate design of interruptible services that result in a consistent harmonized interruptible rate design and increased price spread between firm and interruptible rates, as provided in Section 3.1. The third proposed change is a targeted approach to support IRP, as provided in Section 3.2.

3.1. Harmonized Interruptible Rate Design

51. As part of Enbridge Gas's cost allocation and rate design proposals, the Company is proposing to allocate costs and design rates on a harmonized basis to achieve a consistent price spread of a meaningful magnitude between firm and interruptible service. Enbridge Gas recognizes that the current interruptible rate design results in a wide range of benefits to customers, which does not provide a consistent financial incentive for customers to convert to interruptible service, and in some cases, there is currently a financial barrier to doing so.

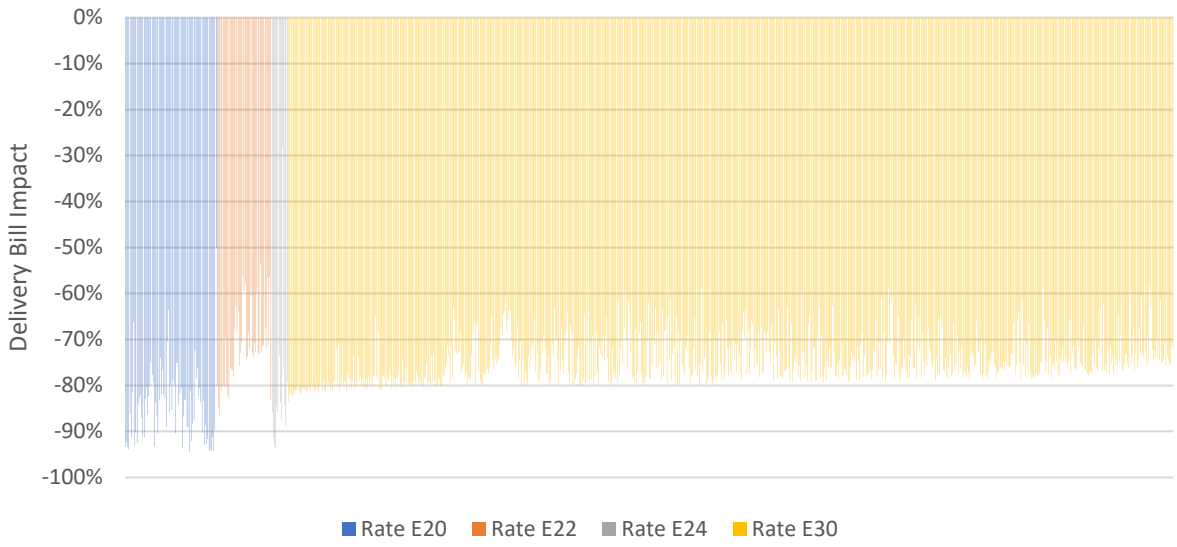
52. To achieve a consistent and meaningful price spread, Enbridge Gas has proposed a change to the cost allocation and rate design of interruptible services.

53. For the cost allocation, Enbridge Gas is proposing to reduce the proportion of demand-related costs allocated to interruptible services in the 2024 Cost Allocation Study, relative to the proportion of costs previously allocated by EGD and Union in past cost allocation studies. A reduced proportion of allocated costs to interruptible services allows for an increase in the price spread between firm and interruptible services to incent adoption of the interruptible service by customers. The change to the cost allocation is effective January 1, 2024. The cost allocation process is provided at Exhibit 7, Tab 1, Schedule 2.

54. For the rate design, the Company is proposing to design harmonized rates based on a straight fixed variable rate design where fixed costs are recovered through a monthly customer charge and demand charges for all services including interruptible service. A straight fixed variable rate design with a demand charge provides a more consistent price spread between firm and interruptible services for all customers regardless of the customer's rate class, size or load factor. A more consistent price spread ensures customers will receive value from the interruptible service relative to firm service. The implementation of the harmonized rate classes is proposed to be effective April 1, 2026. The rate design for in-franchise rate classes is provided at Exhibit 8, Tab 2, Schedule 4.

55. Figure 7 provides an overview of the price spread between firm and interruptible delivery charges by customer under proposed harmonized rate classes. The price spread was calculated as the impact on the delivery charges of each firm customer's bill if they were to convert to interruptible service.

Figure 7: Delivery Bill Impact of Firm to Interruptible Conversion by Customer (Harmonized Rates)



56. As a result of the proposed changes to cost allocation and rate design for the harmonized rate classes:
    a) There is an increase in the spread between delivery charges customers incur under a firm service and the delivery charges customers would incur under an interruptible service; and
    b) There is a more consistent benefit to customers across rate classes, which results in a more consistent price spread for the harmonized rate classes compared to the current rate classes, as illustrated in Figure 1. The price spread between firm and interruptible delivery charges is more consistent at approximately 80%.

3.2. Modification to Interruptible Services as Part of IRP Plan Applications

57. Enbridge Gas is proposing the ability to charge negotiated interruptible rates that are below the posted rate in an effort to incent adoption of interruptible services to

support IRP. These negotiated rates would be used to provide incremental incentive for firm customers to convert to interruptible service to defer or reduce the scope of facilities projects to support incremental demands. The negotiated rates in these scenarios may result in negative rates which could provide customers with a net delivery credit on their bill. The difference between total charges as posted rates compared to negotiated rates would be captured in a deferral account to be disposed of to customers.

58. The benefits of offering interruptible service at a rate below the posted rate will be explored and presented in the context of IRP plan applications, in addition to any other IRP alternatives proposed at that time.

59. The proposed approach of offering negotiated interruptible rates in the context of an IRP plan application ensures that these adjustments are being made in situations where there is an impact to the facilities required to serve incremental demands. It allows for flexibility to adjust the rate based on the needs of a specific project and ensures that the proposed reduction in interruptible rates are considered holistically with other alternatives.

4. Summary

60. Interruptible service has been a useful tool to help mitigate the assets required to serve peak demands. To maintain the integrity of the system, customers who take interruptible service need to ensure that they can reduce their consumption to the level of firm service that they have contracted for, if any, upon receipt of a notice of interruption. Customers rely on the ability to switch to alternate fuel sources or the ability to shut down all or a portion of their operations to comply with a notice of interruption.

61. The cost of alternate fuel supply, the ongoing maintenance and operations of those alternate fuel systems, the impact of non compliance, the impact on carbon emissions and the cost differential between interruptible and firm service are all factors that influence customer choice.

62. The current rates for interruptible service provide inconsistent benefits to customers who choose to take that form of service. Enbridge Gas's proposed interruptible rates based on a harmonized cost allocation and rate design methodology provide an appropriate price spread between firm and interruptible rates which is more meaningful, on average, than 2023 rates. The harmonized rates also provide a predictable cost outcome for customers who choose to elect interruptible service by reducing the variance in the spread of firm and interruptible rates between rate classes, and between individual customers in each rate class.

63. Although the spread between interruptible and firm rates is increasing, it is difficult to predict the impact this will have on customer adoption. It is logical to expect the change will make interruptible service more attractive than it otherwise would be, but as discussed above, other factors can influence a customer's choice to adopt interruptible service.

64. Enbridge Gas's proposal to use negotiated rates within the context of an IRP plan application is prudent as it allows for a targeted approach to provide further incentives for customers to adopt interruptible service. This approach is more efficient than reducing interruptible rates beyond what has been calculated through the harmonized cost allocation methodology for all customers. The proposed approach will limit cross subsidies between firm and interruptible to situations where there is a demonstrated benefit of doing so. This proposal also provides

transparency as any proposed rate reduction can be evaluated against alternatives proposed through the IRP plan application.

Comparison of Current Rate Classes with Interruptible Service

Line No.	Particulars	EGD Rate Zone		Union North Rate Zone	Union South Rate Zone				
		Rate 145	Rate 170	Rate 25	Rate M4	Rate M5	Rate M7	Rate T1	Rate T2
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	2024 Number of Customers	16	22	72	3	37	11	2	28
2	Minimum Annual Volume (MAV)	340,000 ^{m3}/year	5,000,000 ^{m3}/year	N/A (1)	350,000 ^{m3}/year (2)	350,000 ^{m3}/year (2)	N/A (1)	2,500,000 ^{m3}/year (combined firm and IT)	N/A (1)
3	Contract Demand (CD)	N/A	CD => 30,000^{m3}	CD of 3,000 ^{m3}, or 14,000 ^{m3} if combined with firm	Combined Firm and IT CD between 2,400 ^{m3} and 60,000 ^{m3}	Combined Firm and IT CD between 2,400^{m3} and 60,000^{m3}	CD => 60,000^{m3} (combined firm, IT, seasonal)	Firm CD < 140,870^{m3}	Firm CD => 140,870^{m3}
4	Rate Design	• Monthly customer charge • Single posted demand rate • 3 tiered volumetric posted rates • Curtailment credit = 50 cents/m3 * MDV for Dec-Mar	• Monthly customer charge • Single posted demand rate • 2 tiered volumetric posted rates • Curtailment credit = 110 cents per m3 * MDV for Dec-Mar	• Monthly customer charge • Monthly transportation account charge for T-Service • No demand charge • Negotiated delivery commodity rates	• Monthly customer charge • No demand charge • Volumetric posted rates based on 4 tiers per IT CD range • Days use discount - discounts volumetric rate based on days use of CD	• Monthly customer charge • No demand charge • Volumetric posted rates based on 4 tiers per IT CD range (common for M4/M5) • Days use discount - discounts volumetric rate based on days use of CD	• No monthly customer charge • No demand charge • Negotiated IT delivery commodity rates	• Monthly customer charge paid for each Point of Consumption • No demand charge • Negotiated IT delivery commodity rates	• Monthly customer charge paid for each Point of Consumption (counted with firm service in analysis) • No demand charge • Negotiated IT delivery commodity rates
5	Non-Compliance Approach	Reversal of curtailment credits, unauthorized overrun commodity	Reversal of curtailment credits, unauthorized overrun commodity	$60/GJ (235 cents/m3) interruption non-compliance charge.	$60/GJ (235 cents/m3) interruption non-compliance charge.	$60/GJ (235 cents/m3) interruption non-compliance charge.	$60/GJ (235 cents/m3) interruption non-compliance charge.	$60/GJ (235 cents/m3) interruption non-compliance charge.	$60/GJ (235 cents/m3) interruption non-compliance charge.
6	Harmonized Rate Class	Rate E30	Rate E30	Rate E22, E24, or E30	Rate E30	Rate E30	Rate E30	Rate E20	Rate E20 or E24

Notes:
(1) MAV may be applied for billing purposes.
(2) There is no MAV eligibility criteria for rate class, a MAV will be applied for billing purposes.

HARMONIZATION OF TERMS AND CONDITIONS OF SERVICE

TRACY LYNCH, DIRECTOR CUSTOMER CARE OPERATIONS
ROB DIMARIA, MANAGER CONTRACTING & COMPLIANCE
JANEE O'DONOHUE, SUPERVISOR PRODUCT & PROCESS DEVELOPMENT

1. The purpose of this evidence is to inform the OEB of the harmonization of Enbridge Gas's Conditions of Service and General Terms and Conditions (GT&C) applicable to in-franchise and ex-franchise contract service. The intent of the harmonization is to reflect that Enbridge Gas is operating as an amalgamated utility and no longer requires separate documents for the EGD and Union rate zones. The Conditions of Service and GT&C have also been updated to reflect other proposals included in this Application.

2. Enbridge Gas is providing the Conditions of Service and a description of changes that have been made as required by the Filing Requirements[1]. Similarly, Enbridge Gas is informing the OEB about the harmonization of the in-franchise contract GT&C but does not require OEB approval for these and Enbridge Gas is requesting OEB approval of the ex-franchise contract GT&C in accordance with the OEB's Storage and Transportation Access Rule (STAR)[2].

3. This evidence is organized as follows:
    1. Conditions of Service
    2. In-franchise Contract General Terms and Conditions
    3. Ex-franchise General Terms and Conditions

[1] Filing Requirements For Natural Gas Rate Applications, February 16, 2017.
[2] EB-2008-0052, Issuance of new Rule – Storage and Transportation Access Rule (STAR)

1. Conditions of Service

4. The purpose of this section of evidence is to describe the changes to the Conditions of Service. Enbridge Gas is proposing to harmonize the current Conditions of Service for the EGD and Union rate zones to provide a common document for the Enbridge Gas franchise area, effective January 1, 2024.

5. The Conditions of Service describe Enbridge Gas's operating practices and policies with respect to gas distribution service and customer care. Enbridge Gas publishes its Conditions of Service documents in accordance with the requirements set out in Section 8.2.1 of GDAR[3]. Enbridge Gas is also required under Section 8.5 of GDAR to provide notice to the OEB of revisions to the Conditions of Service in advance of notice sent to customers.

6. Enbridge Gas has maintained separate Conditions of Service documents for the EGD and Union rate zones, which are published on the Company's website[4]. The harmonized Conditions of Service are provided at Attachment 1.

1.1 Process to Harmonize

7. The current Conditions of Service documents for the EGD and Union rate zones are largely comparable in scope and content and in many cases the policies and practices are already aligned. The intent of harmonization is to focus on updates required to consolidate the documents, rather than change the way Enbridge Gas serves its customers overall.

[3] EB-2005-0453, OEB Amendments to the Gas Distribution Access Rule, March 27, 2006, p.25
[4] Enbridge Gas Inc. Conditions of Service. https://www.enbridgegas.com/ConditionsofService

8. The focus areas of harmonizing the Conditions of Service included:
    a) Creating a consistent customer experience;
    b) Eliminating duplication;
    c) Removing language that is no longer relevant and applying updates to reflect the integrated utility more accurately;
    d) Reflecting relevant proposals being put forward in this Application; and
    e) Eliminating the need for a customer to self-identify which document applies to them by determining which rate zone they reside within.

1.2 Summary of Proposed Changes

9. The Conditions of Service have been updated to reflect other proposals included in this Application, such as proposed changes to:
    a) The discontinuance of the OBA Program provided at Exhibit 1, Tab 14, Schedule 4;
    b) Customer attachment policies provided at Exhibit 1, Tab 15, Schedule 1, Attachment 1;
    c) Miscellaneous service charges provided at Exhibit 8, Tab 3, Schedule 1, including the excess footage rule and charge;
    d) Combined rate handbook and rate schedules provided at Exhibit 8, Tab 2, Schedule 7, Attachment 1; and
    e) Service design changes, including the removal of the consolidated billing option in the Union rate zone, provided at Exhibit 8, Tab 4, Schedule 2.

10. The Conditions of Service have also been updated to remove the franchise listings, as they are no longer required. Customers can use the online tool available at www.enbridgegas.com to determine if Enbridge Gas's service is available to them using their postal code.

11. The Conditions of Service for the EGD rate zone also included a clause that the customer will pay for Enbridge Gas's costs for installation of a new gas service in the event the customer did not take service within six months of installation. In practice, this occurrence is uncommon and there is no record of having charged customers. The Union rate zones did not contain a similar condition. As such, the clause was not included in the harmonized Conditions of Service.

1.3 Customer Communication

12. To provide customers with access to the Conditions of Service, Enbridge Gas will continue to post the Conditions of Service document on the Enbridge Gas website[5]. Enbridge Gas will notify customers of the transition from the current Conditions of Service for the EGD and Union rate zones to the updated harmonized Conditions of Service for Enbridge Gas. Enbridge Gas will make changes to the Conditions of Service to reflect the proposed harmonized services prior to the implementation date in 2025 and 2026, pending OEB approval in this Application. The rates and service harmonization proposals are provided at Exhibit 8, Tab 2 and Exhibit 8, Tab 4, respectively. In accordance with GDAR[6] and consistent with current practice, Enbridge Gas will also continue to provide notice to the OEB of any revisions made to the Conditions of Service in advance of notice being sent to customers.

2. In-franchise Contract General Terms and Conditions

13. The purpose of this section of evidence is to inform the OEB of the harmonization of the GT&C for in-franchise contract services, including distribution contract and direct purchase (DP) services. The OEB does not approve the in-franchise contract

[5] Enbridge Gas Inc. Conditions of Service. https://www.enbridgegas.com/ConditionsofService.
[6] EB-2005-0453, OEB Amendments to the Gas Distribution Access Rule, March 27, 2006, p.25

GT&C currently, and Enbridge Gas is not requesting OEB approval in this Application, but only providing the information for completeness.

14. The harmonized contracts for these services including the in-franchise contract GT&C will be posted on the Enbridge Gas website at www.enbridgegas.com. The in-franchise contract GT&C are currently in the process of being harmonized and will apply to the current approved distribution contract and DP services for all existing rate zones (EGD, Union North and Union South). The harmonized in-franchise contract GT&C are expected to be effective mid-2023, subject to further communications and discussions with customers as described below. Please also see Section 2.4 for a description of the future changes to rates and services and how these affect the GT&C.

15. The intent of the harmonized structure, further described in Section 2.1, is to eliminate duplication, reduce the number of contract types by region and service (where possible), and to use common contract wording. The in-franchise contract GT&C for all distribution contract and DP services will be consistent among the Enbridge Gas franchise area operating as one amalgamated utility. This harmonization will provide a simpler contract framework for distribution contract customers and DP market participants using distribution contract and/or DP services.

16. The meaning and intent of the harmonized contracts, including the GT&C, transaction rules and schedules, will largely remain the same but may be worded differently using common language.

2.1 Contract Structure

17. The harmonized contract includes the following components: schedules, GT&C and transaction rules. Customers will execute a schedule for distribution contract and/or DP services to create a contract. A comparison of the existing contracts and the harmonized contract is provided at Attachment 2. The attachment illustrates the current contract components for the EGD and Union rate zones compared to the EGI harmonized contract components.

18. The GT&C set out the terms and conditions applicable to all distribution contract and DP services. The GT&C incorporate by reference the following as part of the harmonized contract:
    a) Schedules – There will be schedules for distribution contract and DP services for each rate zone. The schedules will bind the in-franchise contract customer and/or energy marketer to the entire contract and the parameters set out in the schedule. Parameters in the schedule may include items such as contract demand and minimum annual volume. The schedule(s) will be the only document the contracting parties will be required to execute;
    b) Transaction Rules - The transaction rules set out operating rules for each type of service in each rate zone, bringing the existing transacting and operating rules for each of the rate zones into one document. The current service transaction and operating rules and systems remain unchanged for the EGD and Union rate zones, as the underlying services will have not changed during the transition to the harmonized contracts. Please see Section 2.4 for future changes to the GT&C, including changes for proposed harmonized rates and services; and

c) Rate Orders – Rate orders include OEB orders, the rate handbook and rate schedules approved by the OEB for contract rates or DP services. Rate orders take precedence over the other components of the contract.

2.2 Process to Harmonize

19. The content of the harmonized GT&C provisions will remain similar to the current EGD and Union in-franchise contracts. The changes are primarily structural, with minimal changes to content. Many of the current provisions, although worded differently or in different components of the contract, have the same intent. Currently, there are multiple contracts with duplicate or repetitive clauses with the same purpose and meaning, sometimes written slightly differently. The use of common contract language and definitions in a single harmonized GT&C eliminates multiple versions of contract terms and provides consistency across the distribution contract and DP services contracts.

20. The contract harmonization process included a review of all existing in-franchise contracts directly related to the distribution contract and DP services. Similar and repetitive provisions were identified and harmonized. Language specific to a service or rate was moved from the main body of the GT&C to the transaction rules. See Section 2.1 for further explanation of the structure of the harmonized contracts.

21. Current contract parties will receive a formal notice that Enbridge Gas has transitioned to the harmonized GT&C as part of the communication plan provided in Section 2.3. New or renewal contracts and schedules will use the harmonized in-franchise contract GT&C and contract structure, as provided in Section 2.1.

2.3 Customer Communication

22. All current distribution contract customers and the DP market participants will be informed of the changes described in this section of evidence. A series of communication will begin November 2022 including an invitation to attend a webinar where contract harmonization will be explained in further detail.

23. After the webinar, the harmonized GT&C, transaction rules, and other supporting documents will be posted on the Enbridge Gas website for customer review. After they are notified of the posting, distribution contract customers and DP market participants will have 30 days to provide comments.

24. Customer comments will be considered in finalizing the harmonized contract. Once finalized, the posted information will be updated, and customers will be informed of the changes and the implementation date.

2.4 Future Changes

25. The harmonized GT&C will have provisions to address future changes to the GT&C and transaction rules, similar to the provision in the current GT&C for the Union rate zones. This provision allows changes to become effective for all customers on a common date through a posting and notification process.

26. Enbridge Gas will make further updates to the in-franchise contract GT&C to reflect the proposed harmonized distribution contract and DP services prior to the implementation date, pending OEB approval in this Application. The rates and service harmonization proposals are provided at Exhibit 8, Tab 2 and Exhibit 8, Tab 4, respectively. The GT&C, transaction rules and schedules may be modified to remove provisions specific to rate zones or specific to a service.

27. At least 60 days prior to implementation of the harmonized services, the revised GT&C and transaction rules will be posted on the Enbridge Gas website along with any other documentation to help customers understand the changes, at which time customers will be notified of the effective date for the changes. This communication will be part of the engagement that will be provided to customers to help them transition to the harmonized services.

3. Ex-franchise General Terms and Conditions

28. The purpose of this section of evidence is to request OEB approval of harmonized ex-franchise GT&C applicable to ex-franchise transportation services. Proposed harmonization of the ex-franchise GT&C will create consistency in language and structure, reduce redundancy and improve customer experience.

29. The ex-franchise GT&C form part of the standard ex-franchise transportation service contracts and currently exist for all transportation services. In accordance with the STAR, Enbridge Gas includes the ex-franchise GT&C in the tariff and posts the standard terms of service on the Enbridge Gas website at www.enbridgegas.com/storage-transportation/rates-tariffs.

30. Attachment 3 summarizes the list of the proposed changes to the ex-franchise GT&C effective January 1, 2024. Attachment 4 summarizes the list of the proposed changes to the ex-franchise GT&C effective April 1, 2026.

31. The proposed ex-franchise rate schedules reference the ex-franchise GT&C stating that the ex-franchise GT&C can be found on the Enbridge Gas website at www.enbridgegas.com, and as such, Enbridge Gas will no longer file them in each Application as part of the rate order, effective January 1, 2024. This reference on

the rate schedules forms part of the tariff. In accordance with STAR[7] and consistent with current practice, Enbridge Gas will continue to request OEB approval for any proposed changes to the ex-franchise GT&C. The ex-franchise rate schedules form part of the proposed rate handbook, which is provided at Exhibit 8, Tab 2, Schedule 7, Attachments 1 and 2.

32. Separate but similar, the ex-franchise GT&C exist for ex-franchise transportation services in the EGD and Union rate zones. A review was conducted and found that while most of the content aligned, there are opportunities to simplify, create consistent language and make certain updates to the ex-franchise GT&C for current transportation services. These updates are proposed to be effective January 1, 2024 and are provided in Section 3.1.

33. Enbridge Gas also identified changes to the ex-franchise GT&C to incorporate the ex-franchise rate and service harmonization proposals provided at Exhibit 8, Tab 2, Schedule 5 and Exhibit 8, Tab 4, Schedule 6, respectively. These changes to the harmonized ex-franchise GT&C will take effect April 1, 2026, to align with the implementation timing of the harmonized rate classes and services, subject to OEB approval as part of this Application.

34. There are three contracts that started prior to STAR and continue to operate under prior versions of the ex-franchise GT&C in place at the time. These contracts and versions of the ex-franchise GT&C will remain in effect until contract expiry or upon implementation of the harmonized service, whichever comes first.

[7] EB-2008-0052, Issuance of new Rule – Storage and Transportation Access Rule (STAR), December 9, 2009.

3.1 Proposed Changes to the GT&C for Current Ex-franchise Services

35. This section of evidence outlines the proposed changes to the ex-franchise GT&C effective January 1, 2024, for the current ex-franchise transportation services. These changes are relatively minor and serve to simplify and create consistency in language and structure. These changes also assist with the transition to the harmonized ex-franchise GT&C that incorporate the harmonized rates and services proposals, as provided in Section 3.2.

36. The proposed changes to the ex-franchise GT&C based on the current transportation services are provided at Attachment 3, and include, but are not limited to:
    a) Combining all schedules into one schedule;
    b) Updating definitions;
    c) Addition of RNG gas quality and specifications;
    d) Aligning interest rates for late payments with the in-franchise interest rate;
    e) Addition of applicability clause to Force Majeure;
    f) Additions to Default and Termination;
    g) Shippers Representation and Warranties;
    h) Nominations;
    i) Legal name;
    j) Service names; and
    k) References changed from Unionline to Enerline.

37. The structural and content changes are incorporated into each of the ex-franchise GT&C, for each rate class (Rate M12, Rate M13, Rate M16, Rate M17, and Rate C1). Rate 331 and Rate 332 GT&C will remain unchanged until proposed harmonized rates and services take effect.

38. The proposed ex-franchise GT&C changes for January 1, 2024, are provided at Attachment 5 for each rate class.

3.2 Proposed Changes to the GT&C for Harmonized Ex-franchise Services

39. This section of evidence outlines the proposed changes to the ex-franchise GT&C for ex-franchise transportation services that incorporate the rates and service harmonization proposals, effective April 1, 2026.

40. Enbridge Gas is proposing a common ex-franchise GT&C for ex-franchise transportation services offered under the harmonized Rate E70 (currently Rate M12, Rate C1, the Dawn Parkway service offered under Rate M17, Rate 331 and Rate 332). A summary of changes to the ex-franchise GT&C is provided at Attachment 4.

41. Recognizing the unique attributes of the remaining services, Enbridge Gas proposes standalone ex-franchise GT&C for the harmonized Rate E72 (currently Rate M16), and Rate E80 (currently Rate M13 and Rate 401). A summary of changes to the ex-franchise GT&C for these services is provided at Attachment 6.

3.3 Contract Structure

42. In accordance with STAR, the ex-franchise transportation contracts will be posted to the Enbridge Gas website[8] six (6) months prior to the effective date.

[8] Enbridge Gas Inc. Standard Contracts & Agreements. Storage and Transportation. http://www.enbridgegas.com/storage-transportation/doing-business-with-us/standard-contracts

43. Enbridge Gas will inform and engage with contract holders to transition from the current contracts to the harmonized contracts to ensure there is a seamless transition.

ENBRIDGE GAS INC.

CONDITIONS OF SERVICE
for the EGD and Union Rate Zones
January 1, 2024

Contents

Preface **4**

1. Enbridge Gas Franchise Area and Gas Distribution Services **5**

2. Gas Distribution Services **5**

2.1. Gas Supply and Delivery 5

2.2. Multiple Rate Schedules 5

2.3. Interruptions in Gas Distribution and/or Supply 5

2.4. Force Majeure 5

2.5 Quality of Gas 6

3. Rate Schedule **6**

3.1 Changes in Rate Schedules 6

4. Initiation of Service **6**

4.1 Main Extensions 6

4.2. Service Installations 7

4.3. Location of Meter and Service Regulators 7

4.4 Inspections of New Installations 8

4.5 Alterations 8

4.6 Customer Responsibilities Regarding Building Piping Appliances & Equipment 9

5. Maintenance of Service **9**

5.1. Turning Off and Turning on Gas Supply 9

5.2. Meter Exchange and Testing 10

6. Customer Service for Residential and Low-Income Customers **10**

6.1. Setting up an Enbridge Gas Account 10

6.2. Meter Reading 11

6.3. Security Deposits and Credit Checks 11

6.4. Bill Issuance and Payment 12

6.5. Correction of Billing Errors 15

6.6. Discontinuance of Gas Supply or Delivery 15

6.7. Arrears Management Programs 16

6.8. Allocation of Payments between Gas and Non-Gas Charges 17

6.9. Management of Landlord/Tenant Accounts 17

6.10. Management of Customer Accounts 17
6.11. Customer Services for Eligible Low-Income Customers 18
6.12. Our Customer Service Process 19
APPENDIX A: Defined Terms 20

Preface

Enbridge Gas Inc., or “Enbridge Gas” as referred to herein, has been providing natural gas services in a safe and reliable manner for more than 170 years, and currently provides service to over 3.8 million homes and businesses throughout Ontario.

These Conditions of Service describe in summary form Enbridge Gas’s operating practices and policies and are provided as part of our commitment to providing our customers with safe and reliable gas services. Certain defined terms are set out in Appendix A for ease of reference.
Enbridge Gas reserves the right to modify the contents of the Conditions of Service at any time. These Conditions of Service are meant as standards and do not supersede any terms and conditions set out in the Rate Handbook or agreed to in our service contracts with customers.

1. Enbridge Gas Franchise Area and Gas Distribution Services

Enbridge Gas provides gas distribution services to more than 300 municipalities across Ontario. A tool to confirm service areas is available at www.enbridgegas.com.

2. Gas Distribution Services

2.1. Gas Supply and Delivery

Gas will be delivered and (if a customer purchases its gas from Enbridge Gas) supplied to our customers within our franchise area under the following circumstances:

- there is sufficient supply of gas;
- there is sufficient capacity in Enbridge Gas's distribution system; and
- the supplying and/or delivering of gas is economically feasible.

2.2. Multiple Rate Schedules

A customer can take service under multiple contract rate distribution rate schedules at a single point of consumption provided the customer meets all of the requirements for applicability, which are found in each rate schedule as approved by the Ontario Energy Board from time to time.

2.3. Interruptions in Gas Distribution and/or Supply

Customers may be required to interrupt or discontinue the use of gas if the supply of gas is jeopardized by any of the following:

- in the event of actual or threatened shortage of gas due to circumstances beyond the control of Enbridge Gas;
- when interruption or restriction is ordered by any government or agency having jurisdiction; or
- for any force majeure event (described in Section 2.4 below).

Enbridge Gas shall not be liable for any loss of production, nor for any damages whatsoever due to such interruption or discontinuance. Enbridge Gas may also interrupt service from time to time for repair and maintenance of facilities. Except in the case of an emergency, Enbridge Gas will provide affected customers with reasonable notice of such interruption.

2.4. Force Majeure

Customers of Enbridge Gas shall not have any claim against Enbridge Gas for damages sustained as a result of the interruption or cessation of gas deliveries caused by force majeure, meaning events that are not reasonably within the control of Enbridge Gas and which Enbridge Gas cannot prevent or overcome with reasonable due diligence, which include without limitation:

- acts of God, the elements;
- labour disputes, strikes, lockouts;
- fires, accidents;
- the breakage or repair of pipelines or machinery;
- interruption by an upstream gas transporter;
- depletion or shortage of gas supply; and,
- order of any legislative body or duly constituted authority.

2.5 Quality of Gas

The gas to be delivered shall be natural gas or its equivalent from our present or future sources of supply and shall:

- have a heating value of a minimum 36 megajoules per cubic metre; and
- be commercially free from objectionable matter

NOTE: The gas delivered to customers attached to field gathering lines may vary from pipeline quality gas due to local well conditions.

3. Rate Schedule

3.1 Changes in Rate Schedules

In the event the Ontario Energy Board approves any amendments to the rate schedules of Enbridge Gas, the amended price or terms and conditions shall apply to services provided under the rate schedules after the effective date established by the Ontario Energy Board.

4. Initiation of Service

A potential customer that has applied for natural gas service is referred to in this section as the "applicant".

4.1 Main Extensions

Enbridge will extend its gas main within its franchise area to serve new customers when it is feasible to do so, in accordance with Enbridge Gas's feasibility policy and procedures. Enbridge Gas will consider the following when determining feasibility:

- the number of potential new customers;
- any impact to existing users of the services involved;
- the amount of natural gas to be used; and,
- the cost of extending the gas main.

If the cost of the extension is not economically feasible, the applicant(s) will be required to pay a contribution in aid of construction (or "CIAC") or an Expansion Surcharge in accordance with the Enbridge Gas feasibility policy and procedures and Rate Handbook. Enbridge Gas will determine the amount and terms for either the CIAC or

Expansion Surcharge and communicate such terms to the applicant(s).

4.2. Service Installations

Enbridge Gas reserves the right to designate the location at which the service line will enter a building. The normal point of entry will be through the wall nearest to the gas supply. Where no additional cost is involved, the service line may be installed to accommodate requirements of the applicant for service at Enbridge Gas's discretion.

For new residential services, Enbridge Gas will provide and install one service line per civic address at no charge to the customer provided that the distance between the customer's property line and the location of the gas meter on the house is 20 metres or less in total length.

Service and meter installations in excess of 20 metres from the property line will be charged for each additional metre at a rate prescribed in Rider G of the Rate Handbook. Calculations of these additional charges is based on the actual length of the service installed and are collected through the first gas bill. In certain circumstances, an Expansion Surcharge may be used as a method to pay for these additional charges.

For commercial and industrial customers, Enbridge Gas uses an economic analysis model to cost commercial and industrial services. If the service does not meet an economic feasibility benchmark, a customer will be expected to pay a CIAC in order to meet our economic feasibility benchmark.

If CIAC is required, Enbridge Gas will communicate this to the customer for approval prior to initiating the installation of the service. In certain circumstances, an Expansion Surcharge may be used as a method to pay for these additional costs. Enbridge Gas installation costs generally consist of:

- material used at inventory value (including appropriate stores expense);
- direct labour on installation (including appropriate payroll burden);
- transportation and mobile work equipment; and
- contract work

Where an applicant for gas service requests an installation on property that is not owned by the customer such as road allowance, municipal or neighboring property, land rights (in the form of an easement) from the property owner will be required for the installation and maintenance of all necessary gas lines and equipment.

Enbridge Gas will try to restore property to the approximate condition in which it was found before starting our work. This includes property that is excavated or may be disrupted during laying, constructing, repairing or removing our facilities.

4.3. Location of Meter and Service Regulators

Enbridge Gas will supply each customer with a meter of a size and type that will adequately measure the gas supplied. Enbridge Gas will:

4.3.1. Make reasonable efforts to install meters and service regulators so as to be accessible for inspection, reading, testing, maintaining and exchanging.

4.3.2. Not install meters or service regulators in locations prohibited by law, including technical codes and municipal requirements. For example, the following locations are specifically prohibited:

- For meters: (i) under combustible stairways; (ii) unventilated areas; (iii) inaccessible areas; or (iv) within 90 cm (3 feet) of a source of ignition; and
- For service regulators: within 90 cm (3 feet) of a building opening, and within 305 cm (10 feet) of a mechanical air intake).

4.3.3 Install all meters outside the building to which gas is supplied except in rare circumstances where it is not practical. Service regulators must always be installed outside the building. However, Enbridge Gas does permit meters and service regulators to be installed in an external regulator room. There are specific criteria which must be met in order for the installation to be approved. The customer must contact Enbridge Gas in advance of the installation to understand the criteria, agree to the conditions, and obtain approval to proceed.

4.3.4. Provide protection where outside meters and regulators are installed in locations that do not afford reasonable protection from damage.

Anyone who is not an authorized agent of Enbridge Gas shall not be permitted to connect or disconnect the Company's meters or regulators, nor shall any piping be connected to or disconnected from Enbridge Gas's facilities except by representatives of Enbridge Gas or a certificate holder authorized by the Technical Standards and Safety Authority. For instance, for new customer or builder connections, the customer or builder's certified heating, ventilation and air conditioning contractor will be required to connect the customer's piping downstream of the Enbridge Gas meter to the meter.

In addition to the protection that Enbridge Gas provides for meters and regulators pursuant to subsection 4.3.4, customers are responsible for protecting the metering and regulating equipment Enbridge Gas uses to deliver gas to the customer and for keeping it accessible at all times. Enbridge Gas does not assume ownership, responsibility or maintenance of piping beyond the outlet side of the meter or regulator set up.

4.4 Inspections of New Installations

All inspections shall conform to the Technical Standards and Safety Act and regulations made under the Act. In particular, all new installations of supply piping, gas appliances and installations will be inspected prior to gas being introduced to a building in accordance with the Technical Standards and Safety Act and regulations. If an inspection reveals that repairs or adjustments are required, the customer will be advised and repairs or adjustments to the customer's equipment must be completed by the customer prior to the gas being turned on.

Enbridge Gas provides one initial safety inspection for all new premises at no cost. If the site is not ready, or the inspection is rejected, additional safety inspections will be required. Enbridge Gas will charge for additional inspections in accordance with Rider G of the Rate Handbook.

4.5 Alterations

Alterations or service relocation requests will be dealt with as follows:

- The cost of work done to relocate existing equipment solely at the request of the customer will be charged to the customer.

- The undepreciated cost of any equipment abandoned as a result of relocation for the customer's convenience or replacing equipment to increase their capacity to accommodate a customer's requirements may be charged to the customer.

4.6 Customer Responsibilities Regarding Building Piping Appliances & Equipment

As an applicant for service, a customer shall:

- at their own expense, install all piping, controls, safety devices and other attachments necessary from the meter to the equipment or appliances served;
- be responsible for maintaining all building piping, appliances and equipment in a good and safe condition. Such maintenance will be at the customer's own expense; and
- ensure the building piping, appliances and equipment are installed in accordance with all applicable laws and Enbridge Gas requirements. For instance, Enbridge Gas has special requirements for multi-unit residential premises with and without sub-metering. An Enbridge Gas Customer Connections representative can provide further information about these requirements upon request.

Building piping includes pipe, whether indoors, outdoors, exposed or buried, which brings gas from the "point of consumption" to each point of utilization including plugged or capped gas valves.

If there is a leakage or escape of gas on a customer's premises, the customer is required to notify Enbridge Gas immediately by calling our emergency number at 1-866-763-5427.

Enbridge Gas shall not be liable to the customer for any damages. The customer shall indemnify Enbridge Gas from and against all loss, costs, damages, injury, or expense associated with any injury or damage to persons or property arising, either directly or indirectly, from or incidental to the escape of gas or products of combustion of gas from building piping, venting systems or appliances on the customer's side of the point of consumption.

For the purposes of inspecting or repairing or of altering or disconnecting any service pipe within or outside the building, the customer shall ensure that free access is permitted to Enbridge Gas at all reasonable times, and upon reasonable notice given and request made, to all parts of every building or other premises to which gas is supplied.

5. Maintenance of Service

5.1. Turning Off and Turning on Gas Supply

In an emergency, the gas supply to appliances may be turned off in the interest of safety. Only a qualified person holding an appropriate certificate from the regulatory authority having jurisdiction may turn on the supply of gas to appliances which have been turned off. Except in the case of a notification of a hazard, the turning on and off of the gas supply for purposes of installing, servicing, removing, or repairing gas appliances may only be done by a person certified to perform this work by the regulatory authority having jurisdiction.

5.2. Meter Exchange and Testing

5.2.1 Meter Exchange

Enbridge Gas is required to periodically exchange gas meters for government inspection pursuant to Measurement Canada legal requirements.

To complete the meter exchange, Enbridge Gas will shut off the gas supply to your existing meter, replace it with a new meter and then relight and inspect all of your natural gas equipment. There is no charge for this service.

If Enbridge Gas is required to exchange your meter, the Company will contact you via letter or telephone. Please call the number provided to make an appointment. The inspector who comes to your property will carry valid Enbridge Gas photo ID and you may ask to see it before providing access to your property. There may be times where there has been no response to our attempts to contact you. In those cases, the meter will be exchanged and left off. A card will be left at your property requesting you to call our service department for an appointment; please call our service department and Enbridge Gas will return to unlock your meter and to relight your natural gas appliances.

5.2.2 Meter Testing

Should a meter fail to register the amount of gas used, consumption shall be estimated by Enbridge Gas and supply and/or delivery charges shall be paid for by the customer in accordance with such estimate. Should a customer dispute the accuracy of a meter, you can apply to have a government inspection of your meter (please refer to Sections 23 and 24 of the Electricity and Gas Inspection Act). In the event of an erroneous connection or incorrect use of an apparatus, the error shall be deemed to have existed from the time of connection. In the event, through records, determined when an error occurred, the bill will be retroactive to that time.

5.2.3 Resale Prohibited

Gas taken at a point of consumption shall not be resold or redistributed other than in accordance with all applicable laws and regulations and orders of any governmental authority, including the Ontario Energy Board.

6. Customer Service for Residential and Low-Income Customers

For the purposes of this section, “customer” means a residential customer (referred to as “you” in this section). If you are a low-income customer, our Conditions of Service pertaining to eligible low-income customers are set out in Section 6.11. Any property which receives gas distribution services for non-residential purposes is classified as a “commercial” account and this Section 6 would not apply.

6.1. Setting up an Enbridge Gas Account

Whether you are a first-time customer of Enbridge Gas or moving from an existing Enbridge Gas account, you need to notify Enbridge Gas before taking possession of a new home. You agree to pay for services provided and are liable for all gas supplied to the premises and for the safe custody of Enbridge Gas property. New accounts are subject to a new account charge. If you do not set up a new Enbridge Gas account, the Company will consider the premise vacant and eligible for discontinuance of service. Unpaid balances on previous gas accounts may be listed with a collection agency after a

period of approximately 60 days and/or transferred to a current gas account. To open a new account or submit a move request, visit enbridgegas.com/moving. You can also call us at 1-877-362-7434.

6.2. Meter Reading

Enbridge Gas strives to read your meter every other month and will estimate your consumption based on your historical gas usage in between readings. Customers must provide access to Enbridge Gas or its agent for meter reading purposes. This includes refraining from placing plants, permanent structures, and other objects within 60 centimetres (24 inches) around the gas meter as they may be accidentally damaged by meter readers or technicians trying to access the meter. Enbridge Gas representatives will attempt to use the shortest access route from a path or driveway to access the Enbridge Gas meter. During winter weather, where the Enbridge Gas representative is not aware of what may lie beneath the snow, Enbridge Gas cannot guarantee that plants and other objects may not be walked upon. If Enbridge Gas's representative is unable to read the meter, a bill will be issued based on an estimated reading. If Enbridge Gas has been unable to read a meter during normal working hours, arrangements will be made to obtain a reading at the customer's convenience. You can also submit your own meter reading at www.enbridgegas.com/meter or, alternatively, you can call our automated system at 1-800-268-5442.

6.3. Security Deposits and Credit Checks

Security deposits are collected to secure payment for future charges in the event of a customer not paying their bill. To protect against losses, Enbridge Gas reserves the right to request a security deposit from its customers as a condition of supplying gas service in accordance with the following terms:

- A security deposit will not be required for a customer that has a fair, good or excellent payment status with Enbridge Gas or for new customers. A security deposit may be required for a customer who has a poor credit rating or payment history with Enbridge Gas or in the case of meter tampering;
- The requirement for a security deposit may also be waived in the following circumstances:
    - Where the customer has not been a customer of Enbridge Gas over the previous 24 months and enrolls in Enbridge Gas's Pre-Authorized Payment Plan or Equal Monthly Payment Plan;
    - Where the customer has not been a customer of Enbridge Gas over the previous 24 months and provides a letter from another gas or electric utility in Canada confirming good payment history with that utility for a period of 1 year (provided some of the year took place within the previous 24 months);
    - A customer may provide a credit check satisfactory to Enbridge Gas at their expense; or
    - A customer is an eligible low-income customer.
- Any required security deposits are applied directly to the customer's gas account and all bill payment options are acceptable forms of payment for the security deposit.
- The maximum security deposit required for a residential customer is equal to Enbridge Gas's estimate of your monthly bill multiplied by 2.5 and up to a maximum of $250;
- If meter tampering is found on a disconnected meter, the customer may be assessed a new deposit and payment required before gas service is restored (and after safety criteria is met pertaining to the tampering process);
- Security deposits can be assessed and billed when a customer moves in or at time of reconnection (after disconnection for non-payment);

- The security deposit (plus interest) will be automatically refunded to the customer's account if the customer's payment status is excellent or good for a period of 1 year (residential) or 3 years (non-residential);
- Failure to pay a security deposit may result in refusal of new service or disconnection of existing service.

6.4. Bill Issuance and Payment

6.4.1 Your Monthly Bill

The Ontario Energy Board regulates and approves Enbridge Gas's charges. Enbridge Gas charges you the following on a monthly basis, as applicable:

- **Customer Charge**

  All customers pay this recurring monthly amount that covers meter readings, equipment maintenance and 24/7 emergency response. This charge is billed monthly whether or not you consume gas during the month and is approved by the Ontario Energy Board.

- **Transportation to Enbridge Gas**

  The cost of transporting natural gas from Western Canada and the US to Enbridge Gas in Ontario. You can choose to buy transportation services from Enbridge Gas or a marketer (in which case, the price you pay for the Transportation to Enbridge Gas charge depends on the contract terms with your marketer). This charge is billed based on the amount of natural gas consumed.

- **Delivery to You**

  The cost to deliver natural gas safely and reliably through Enbridge Gas's distribution system to your premises.

- **Gas Supply**

  The cost of the natural gas itself. You can choose to buy natural gas from Enbridge Gas or a marketer (in which case the price you pay for the Gas Supply charge depends on the contract terms with your marketer). This charge is billed based on the amount of natural gas consumed.

- **Federal Carbon Charge**

  Pursuant to the Greenhouse Gas Pollution Pricing Act (GGPPA), gas distributors are required to pay to the federal government a fixed carbon charge for use and deliveries of natural gas to customers. This charge is billed based on the amount of natural gas consumed by customers other than industrial emitters who are registered under the GGPPA Output Based Pricing System (OBPS). For any fixed carbon and OBPS charges that Enbridge Gas must pay to the federal government for its transmission and storage facilities, these charges are included in the "Delivery to You" item on the bill.

There are other charges that may appear on your bill from time to time based on events that occur with your account. These include:

- **New Account Charge**

  When customers open a new account, they pay a one-time fee of $25 (plus tax). It covers the cost of your account and meter setup, providing your home with reliable natural gas. The amount of the

monthly charge is approved by the Ontario Energy Board.

- **Late Payment Charge**

  Enbridge Gas charges are to be paid by the due date specified on the bill, which is considered to be twenty days after the bill date also set out on the bill. A late payment charge of 1.5% per month (19.56% effectively per annum) will be applied on any amount not received by the due date until Enbridge Gas receives payment of all unpaid gas distribution charges, including all applicable federal and provincial taxes.

- **Adjustments**

  Your bill may show adjustments to charges from time to time when there is a correction made on your account.

For more information on the charges that appear on your bill, visit the “Understanding Your Bill” section on our website https://www.enbridgegas.com/My-Account/Understand-Your-Bill.

6.4.2 Billing from a Licensed Energy Marketer

If you buy your natural gas supply from a licensed energy broker, your gas supply charges, along with the name of your licensed energy broker will appear in the 'Charges For Natural Gas' section of your Enbridge Gas bill.

6.4.3 Charges from Other Companies

Enbridge Gas provides a billing service to other companies to include their charges on the Enbridge Gas bill. If you have purchased a product or service from a participating company, the charges would appear in the section called “Charges From Other Companies” on your Enbridge Gas bill. These companies are not owned by or affiliated with Enbridge Gas. Enbridge Gas does not recommend, endorse or guarantee the products or services offered by such companies. If you have a question about their products or services, contact them directly. Their contact information is located on your bill. You can learn more about their charges by logging in to your online profile at www.enbridgegas.com/login and visiting the Manage My Account tab. If a charge looks incorrect, you can create a dispute online and it will be investigated. This billing service helps make paying bills more convenient for you. You receive one bill and make one monthly payment to Enbridge Gas Inc. This service also helps to lower rates by sharing costs with the billers.

6.4.4 Billing Options

- **eBill**

  Enbridge Gas offers customers an environmentally friendly and secure bill delivery option in the form of an electronic bill. In addition, customers receiving an eBill have the option to receive a PDF copy of their bill attached to their email or receive their eBill notification via text message. New gas customers will be automatically enrolled in eBill unless they request otherwise. You can view and store up to 24 months of bills electronically through this service. You can sign up or learn more at www.enbridgegas.com/ebill.

- **Equal Monthly Payment Plan**

  The Enbridge Gas Equal Monthly Payment Plan (EMPP) is available to all residential gas heating customers and provides the convenience of paying equal amounts throughout the year to avoid higher bills in winter months. Using your prior year's gas usage, Enbridge Gas forecasts the amount of gas you will use and applies the current gas price to determine your monthly EMPP installment. Equal Monthly Payment Plans are reviewed and reconciled, and customers are billed or credited an EMPP Final Adjustment that represents the difference between the charges for gas actually used from the time you join the plan and the monthly EMPP installments billed to date. The adjustment appears on your bill in the 12th month of your plan. Your new plan starts up automatically. You may cancel your enrollment in EMPP at any time and return to regular billing. Customers are encouraged to monitor their EMPP details (actual gas charges billed to date versus EMPP installments billed to date) and may request a review at any time. You can sign up and monitor your EMPP details online by logging in to your online profile at enbridgegas.com/login. First time gas customers are automatically assigned to the EMPP unless they request otherwise. To learn more and sign-up visit www.enbridgegas.com/EMPP.

6.4.5 Payment Options

- **Pre-Authorized Payment**
  Enbridge Gas also offers a Pre-Authorized Payment Plan (PAP). Signing up for PAP will allow your amount due to be automatically withdrawn from your bank account on the day before the due date. To sign up for PAP login to your online profile at www.enbridgegas.com/login and navigate to the Manage My Account tab.

Other payment options include:

- **Online or in person**
  Pay at a financial institution (to avoid the late payment charge, please allow 7 days for your payment to reach our office).

- **One-time payment**
  Use your banking information to pay your balance online.

- **Credit Card**
  Subject to any convenience or other fees payable to the third party credit card service provider, you may use a valid credit card (that is accepted by the credit card service provider) to make a payment.

- **Western Union**
  For customers with overdue amounts that are at or nearing disconnection for non- payment, you may choose to make a payment for a fee through Western Union.

- **Standard Mail (Cheque or Money Order)**
  You can send a cheque or money order (no cash please), along with the bottom tear- off portion of your bill, to:

Enbridge Gas Inc.
P.O. Box 644
Toronto, ON
M1K 5H1

Please make your cheque or money order payable to "Enbridge Gas Inc." and write your account number on the front. To avoid the late payment charge, please allow 7 days for your payment to reach our office.

6.5. Correction of Billing Errors

When a customer has been billed incorrectly, retroactive billing is required. Retroactive billing ensures that all charges not previously included on the Enbridge Gas bill or previously billed incorrectly on the Enbridge Gas bill are billed correctly to the customer. Retroactive billing can be the result of either a customer error or an Enbridge Gas error. Where billing errors, either through Enbridge Gas or customer error, have resulted in either under or overbilling, the customer may be charged or credited with the amount erroneously billed for a period not exceeding two years. If you have been under-billed, Enbridge Gas will work with you to determine a suitable payment arrangement.

6.6. Discontinuance of Gas Supply or Delivery

6.6.1 Customer Initiated Discontinuance

A customer will continue to be bound by these Conditions of Service and will be obliged to pay for all gas supplied and/or delivered to the premises along with all other charges on the Enbridge Gas bill including late payment charges until Enbridge Gas has terminated the supply of gas following the acceptance of a request for termination from the customer. To inquire about a temporary disconnection contact us at 1-877-362-7434.

6.6.2 Emergency or Safety Related Discontinuance

In addition to service interruption for maintenance and force majeure events, Enbridge Gas may discontinue gas supply and/or delivery to any customer for any of the following reasons:

- for use of gas for any purpose other than that described in the service application, gas supply contract, or rate schedule;
- if Enbridge Gas is refused access for any lawful purposes to the premises to which gas is supplied and/or delivered;
- when Enbridge Gas property on a customer’s premises is in any manner tampered with, damaged, or destroyed;
- when Enbridge Gas has reason to believe that an unsafe condition exists on the premises or may develop from a continuation of gas supply and/or delivery;
- when a gas installation contravenes the provisions of the Technical Standards and Safety Act, associated regulations, or any other applicable enactment; or
- when there is evidence of gas theft. For safety reasons, gas service cannot be reinstated until an inspection is completed by one of our qualified technicians.

Enbridge Gas also reserves the right, at Enbridge Gas's sole discretion, to refuse service under general service rates to customers that present a risk to the safety and/or reliability of the distribution of natural gas. Examples of customers who may be refused service under general service rates include, but are not limited to, customers who are capable of consuming very large quantities of gas sporadically and who, without a contractual limit on consumption on a given day or hour, may jeopardize Enbridge Gas's ability to maintain deliveries to other customers on the distribution system.

6.6.3 Discontinuance of Service for Non-payment

If, for any reason, you are unable to make full payment you are encouraged to create a payment arrangement online by visiting www.enbridgegas.com/login and navigating to the Manage My Account tab, Customers can also call us at 1-877-362-7434.

If the bill is not paid in full and you have not contacted Enbridge Gas to make payment arrangements, under the Public Utilities Act, Enbridge Gas has the right to discontinue gas service. Prior to discontinuance of gas service Enbridge Gas will provide a minimum 48 hours' notice in writing to advise when the disconnection will occur. The written notice includes the dates between which the gas service can be disconnected and payment options for avoiding disconnection. An attempt to call you to discuss your gas account will also be made at this time.

If you are seeking payment assistance through a registered charity, government agency, social service agency or a third party please see Section 6.11 below for information on financial support and customer service rules available for Enbridge Gas's eligible low-income customers. If a rented property will have the service discontinued for any reason, notice of a pending disconnection may be provided by Enbridge Gas to the Landlord (as defined in Section 6.9 below) of the premises.

If your meter has been turned off for non-payment, when payment in full is received by Enbridge Gas (e.g. security deposit or any other charges), Enbridge Gas will reconnect your gas meter within 48 hours. You can reconnect your gas services online by signing into your online profile at www.enbridgegas.com/login and clicking on the red banner at the top of the screen to report a payment and schedule a gas reconnection.

6.7. Arrears Management Programs

Enbridge Gas has different arrears management programs available to customers who are unable to pay their entire bill. Enbridge Gas works with customers depending on their individual circumstances to come up with a mutually agreeable payment arrangement. Customers requiring assistance are encouraged to create a payment arrangement online by visiting www.enbridgegas.com/login and navigating to the Manage My Account tab. Customers can also call us at 1-877-362-7434. Customers who miss making a payment as part of their payment arrangement will be contacted by the use of electronic mail ("email"), a text message, a phone call, or sent a letter giving notice of the missed payment and the date on which their current arrangement will be cancelled.

In the event that you are an eligible low-income customer having difficulty paying your bill, emergency financial assistance is also available. Please see Section 6.11 below for information on financial support available for Enbridge Gas's eligible low-income customers.

6.8. Allocation of Payments between Gas and Non-Gas Charges

Payments are applied to your Enbridge Gas bill charges based upon the oldest billed amounts being paid first. In the event that payment is insufficient to cover all charges invoiced in a month, payments will be allocated to gas charges first. Any charges that remain outstanding past the late payment effective date will incur a late payment charge as mentioned in the Section 6.4.

6.9. Management of Landlord/Tenant Accounts

References to “Landlord(s)” in this document includes the owner, landlord or property management company of a rented property.

Enbridge Gas has processes for recording directions received from Landlords on how to manage accounts at rented properties in between tenants. If you are a Landlord, you can manage your properties online at www.enbridgegas.com. Here you can tell us how you would like the natural gas at your property managed while you are in between tenants.

If ownership of the premises changes, the incoming Landlord is responsible for notifying Enbridge Gas and electing their own preferred option. If the incoming Landlord does not make an election online, they will be deemed to have elected the previous Landlord’s election.

6.10. Management of Customer Accounts

Enbridge Gas is committed to providing excellent service and to ensuring that relationships with customers are conducted with integrity and in a responsible, fair, honest and ethical manner. Consistent with these objectives Enbridge Gas maintains high standards of confidentiality with respect to the personal information in its possession.

Enbridge Gas collects information (including personal information) about our customers from our customers directly and from other sources (for example, credit bureaus), for the purposes identified in our privacy policy (available at https://www.enbridgegas.com/Privacy-policy) including to:

- establish and confirm identity (for example, name, address, phone number, date of birth, Driver’s License, etc.);
- set up an account for gas purchase and delivery; and
- confirm credit history.

Any personal information related to a customer’s account will only be shared with the party named on the account or any third party designated by the customer or as otherwise set out in our privacy policy.

To provide consent for another person or a third party to discuss your account details with Enbridge Gas, you must contact our Enbridge Gas Call Centre at 1-877-362-7434 to advise us of your permission to discuss your account with these parties.

In addition, if a rented property will have the service discontinued for any reason, notice of a pending disconnection may be provided by Enbridge Gas to the Landlord (as defined in Section 6.9 above) of the premises.

To ensure that Enbridge Gas can identify its customers and ensure that it is dealing with the correct person when a customer contacts Enbridge Gas, you will be required to correctly answer confirmatory

questions and, where necessary, update the information associated with your Enbridge Gas account.

6.11. Customer Services for Eligible Low-Income Customers

The Low-Income Energy Assistance Program (LEAP) developed by the Ontario Energy Board is a year-round program to assist eligible low-income customers with their bill payments and natural gas costs. It consists of three elements:

- emergency financial assistance,
- customer service rules, and
- targeted conservation and demand management programs.

The LEAP Emergency Financial Assistance program and the customer service rules are described below. For more information on the LEAP Emergency Financial Assistance program or the LEAP targeted conservation and demand management programs please visit www.enbridgegas.com.

The following definitions are relevant to the LEAP:

- An “eligible low-income customer” means a residential customer who has a pre-tax household income at or below the most recent pre-tax Low-Income Cut-Off, according to Statistics Canada, plus 15%, taking into account family size and community size, as qualified by a Social Service Agency or Government Agency; or has been qualified for Emergency Financial Assistance.

- “Emergency Financial Assistance” means any OEB-approved emergency financial assistance, or other financial assistance made available by a distributor, to eligible low- income customers.

- A “Social Service Agency or Government Agency” means a social service agency or government agency that has partnered with Enbridge Gas to assess eligibility for Emergency Financial Assistance, the customer service rules or the targeted conservation and demand management programs.

For the purposes of the low-income customer service policies, if a customer is qualified as an eligible low-income customer, the customer’s Enbridge Gas account will reflect their low-income status for two years from the date Enbridge Gas was notified the customer was qualified.

If you are an eligible low-income customer, there are service-related standards and practices that are available to you pertaining to security deposits and arrears management including:

- LEAP Emergency Financial Assistance (defined above) provides financial assistance to families in need. Customers who are working with a Social Service Agency or Government Agency will be given 21 days to secure Emergency Financial Assistance before additional collection action will be taken for non-payment.

- Eligible low-income customers that enter into a payment agreement will have the late payment charges waived on the payment arrangement balance. In the event that an eligible low-income customer defaults on an arrears payment agreement, then the option to have late payment charges waived with any future arrears payment agreement will no longer be automatically available. Disconnection of gas service is always a last resort.

To determine if you qualify for LEAP, please contact: United Way Greater Simcoe County (UWGSC) 1-855-487-LEAP (5327). If you qualify, UWGSC will refer to you a local Social Service Agency or

Government Agency who will book an appointment with you to complete the required application and provide your supporting documentation.

6.12. Our Customer Service Process

Step 1: Call the Enbridge Gas Call Centre at 1-877-362-7434
Enbridge Gas Customer Service Representatives (CSRs) are trained to help answer your questions.

Step 2: Ask to Speak to a Supervisor
If you feel that your questions are not being fully addressed by the CSR, please ask to speak to a supervisor. They'll try to work with you to resolve your issue.

Step 3: Contact the Enbridge Gas Customer Ombudsman
If you've spoken to a CSR and a supervisor and are not completely satisfied with the solution provided, the supervisor will offer to elevate your concern to the Enbridge Gas Customer Ombudsman's office. For complete information regarding our customer service process, please visit the Enbridge Gas website: https://www.enbridgegas.com/contact-us/.

APPENDIX A: Defined Terms

cubic metre ("m³") – means the volume of gas which at a temperature of 15 degrees Celsius and at an absolute pressure of 101.325 kilopascals ("kPa") occupies one cubic metre. $10^3 m^3$ equals 1,000 cubic metres.

customer – means, individually or collectively, any Person or Persons receiving one or more of the Services of the Company.

distribution interruption – means an interruption in a customer's gas supply at a Point of Consumption resulting from compliance with a request or an order by Enbridge Gas to discontinue or interrupt the use of gas.

Enbridge Gas – means Enbridge Gas Inc.

expansion surcharges – means surcharges (System Expansion Surcharge or SES, and Temporary Connection Surcharge or TCS) referenced in the Rate Handbook of $0.23/m^3$. The SES is applicable to projects with 50 or more potential customers and the TCS is applicable to projects with less than 50 potential customers. Enbridge Gas's reporting obligations to the Ontario Energy Board depend upon the type of project.

gas – means natural gas or renewable natural gas.

gas appliance – means any device approved by the appropriate governmental authority which uses gas as a fuel or as a raw material.

meter – means a device owned by Enbridge Gas and approved by the appropriate governmental authority and installed to measure the volume of gas delivered to the customer.

month or monthly – means, for the purposes of calculating customers' accounts, a period of approximately 30 days.

person – means an individual, corporation, partnership, firm, joint venture, syndicate, association, trust, trustee, government, governmental agency, board, tribunal, ministry, commission or department or other form of entity or organization and the heirs, beneficiaries, executors, legal representatives or administrators of an individual, and "persons" has a similar meaning.

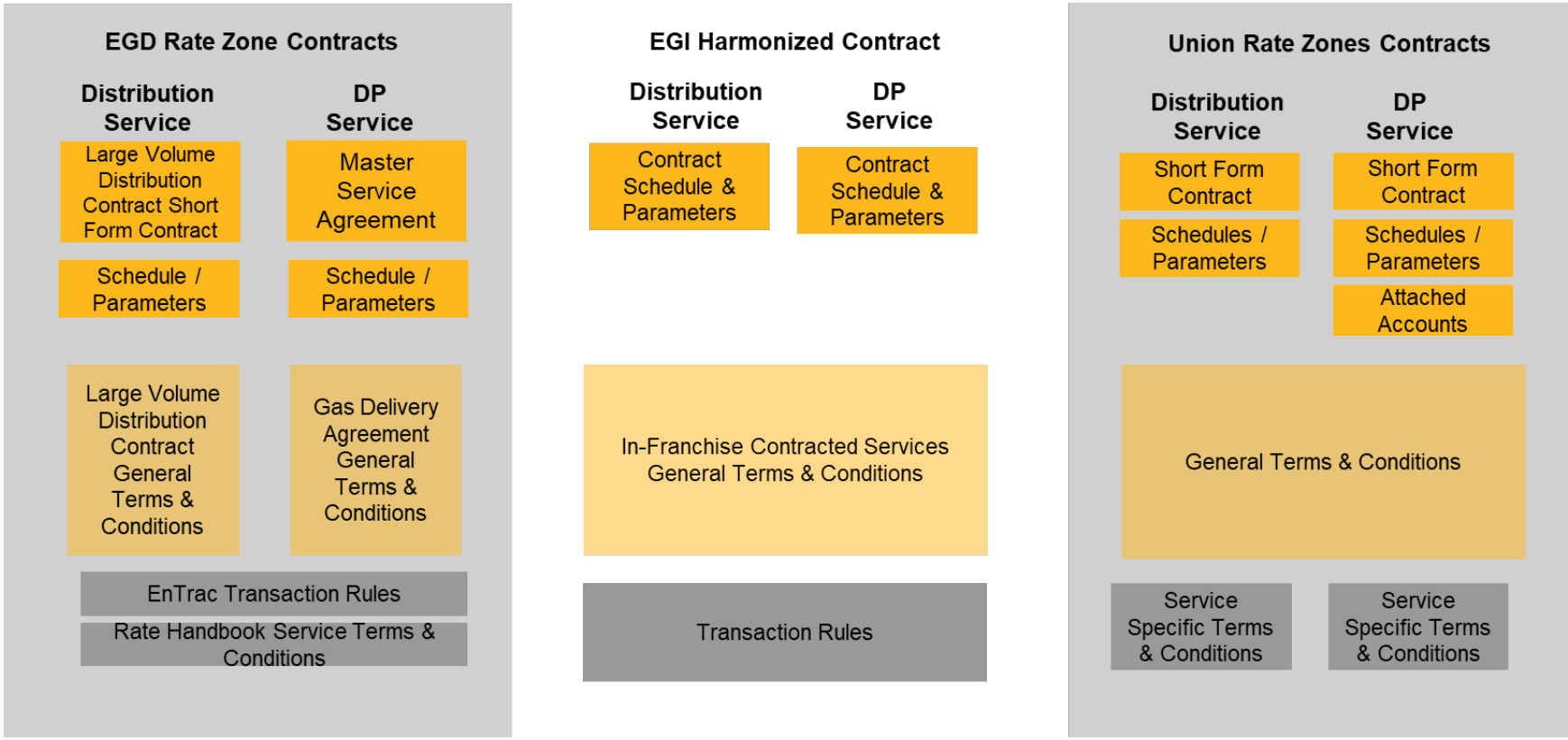
point of consumption – means the outlet side of the meter or meters at which gas is or may be delivered to a customer.

rate handbook – means the Enbridge Gas Rate Handbook, including all rate schedules, approved by the Ontario Energy Board from time to time.

rate schedule – means an alphabetical and/or numbered rate of Enbridge Gas as fixed or approved by the Ontario Energy Board that specifies rates, applicability, character of service, terms and conditions of service and the effective date.

service line – means the pipe or tubing and associated fittings which transmits gas from the pipeline to the meter inlet connection. Where unmetered gas is provided, the service line shall be deemed to terminate at the shut-off valve located closest to the building entry, immediately inside the building wall. Where gas pressure regulation is necessary, the service regulator shall form part of the service line.

Comparison of Current and Harmonized Contracts for Distribution Contract and DP Services



ENBRIDGE GAS INC.

Summary of Structure and Content Changes to Combined General

Terms and Conditions effective January 1, 2024

Line No.	Article/Schedule	Description of Change	Driver	Notes
1	C1 Schedule “A 2010” - General Terms and Conditions	Combined into one Schedule containing the former C1 Schedule “A 2010”, C1 Schedule “B 2010” and C1 Schedule “C 2010”. Corporate Legal Name change from Union Gas Limited (Union) to Enbridge Gas Inc. (Enbridge). Correct any references to Schedules, Articles, Sections or Clauses as required.	Rebasing	(1)
2	C1 Schedule” B 2010” - Nominations	Combined into one Schedule containing the former C1 Schedule “A 2010”, C1 Schedule “B 2010” and C1 Schedule “C 2010”.	Rebasing	(1)
3	C1 Schedule “C 2010” – Points and Pressures	Combined into one Schedule containing the former C1 Schedule “A 2010”, C1 Schedule “B 2010” and C1 Schedule “C 2010”.	Rebasing	(1)
4	C1 Schedule “A” – General Terms and Conditions	Discontinued schedule as all contracts have transitioned to STAR Contracts.	Rebasing	(1)(2)
5	C1 Schedule “B” - Nominations	Discontinued schedule as all contracts have transitioned to STAR Contracts.	Rebasing	(1)(2)
6	M12 Schedule “A” – General Terms and Conditions	Combined into one Schedule containing the former M12 Schedule “A” and M12 Schedule “B”. Corporate Legal Name change from Union Gas Limited (Union) to Enbridge Gas Inc. (Enbridge). Correct any references to Schedules, Articles, Sections or Clauses as required.	Rebasing	(1)(5)
7	M12 Schedule “A 2010” – General Terms and Conditions	Combined into one Schedule containing the former M12 Schedule “A 2010”, M12 Schedule “B 2010” and M12 Schedule “D 2010”. Corporate Legal Name change from Union Gas Limited (Union) to Enbridge Gas Inc. (Enbridge). Correct any references to Schedules, Articles, Sections or Clauses as required.	Rebasing	(1)(6)
8	M12 Schedule “B” - Nominations	Combined into one Schedule containing the former M12 Schedule “A” and M12 Schedule “B”.	Rebasing	(1)(5)
9	M12 Schedule “B 2010” - Nominations	Combined into one Schedule containing the former M12 Schedule “A 2010”, M12 Schedule “B 2010” and M12 Schedule “D 2010”.	Rebasing	(1)(6)
10	M12 Schedule “C” – Fuel Ratios and Rates	Will be renamed Schedule “B”	Rebasing	(1)(4)

ENBRIDGE GAS INC.

Summary of Structure and Content Changes to Combined General

Terms and Conditions effective January 1, 2024 (Continued)

Line No.	Article/Schedule	Description of Change	Driver	Notes
11	M12 Schedule" D 2010" – Points and Pressures	Combined into one Schedule containing the former M12 Schedule "A 2010", M12 Schedule "B 2010" and M12 Schedule "D 2010".	Rebasing	(1)(6)
12	M17 Schedule "A" – General Terms and Conditions	Combined into one Schedule containing the former M17 Schedule "A", M17 Schedule "B" and M17 Schedule "C". Corporate Legal Name change from Union Gas Limited (Union) to Enbridge Gas Inc. (Enbridge). Corporate Legal Name change from Union Gas Limited (Union) to Enbridge Gas Inc. (Enbridge).	Rebasing	(1)(7)
13	M17 Schedule "B" - Nominations	Combined into one Schedule containing the former M17 Schedule "A", M17 Schedule "B" and M17 Schedule "C".	Rebasing	(1)(7)
14	M17 Schedule "C"– Points and Pressures	Combined into one Schedule containing the former M17 Schedule "A", M17 Schedule "B" and M17 Schedule "C".	Rebasing	(1)(7)
15	M16 Schedule "A" - General Terms and Conditions	Discontinued schedule as all contracts have transitioned to STAR Contracts.	Rebasing	(1)(2)
16	M16 Schedule "A 2013" – General Terms and Conditions	Corporate Legal Name change from Union Gas Limited (Union) to Enbridge Gas Inc. (Enbridge). Correct any references to Schedules, Articles, Sections or Clauses as required.	Rebasing	(1)(8)
17	M13 Schedule "A 2013" – General Terms and Conditions	Corporate Legal Name change from Union Gas Limited (Union) to Enbridge Gas Inc. (Enbridge). Correct any references to Schedules, Articles, Sections or Clauses as required.	Rebasing	(1)(9)
18	Definitions	Updated Article introduction statement. Updated definition for "gas"; "Interruptible Service Hub Contract"; "OEB"; "Open Season"; "Taxes"; "Union"; and "TCPL". Addition of definitions for "Facilitating Agreements"; "Long-Term"; "RNG" and "Renewable Gas Specification". Arranged in alphabetical order to reflect all changes or additions.	Rebasing / Denton's Law Firm Review	(1)(3) (6)
19	Definitions	Updated Article introduction statement. Updated definition for "OEB"; "Union"; and "TCPL". Addition of definitions for "RNG" and "Renewable Gas Specification". Arranged in alphabetical order to reflect all changes or additions.	Rebasing	(1)(5)

ENBRIDGE GAS INC.

Summary of Structure and Content Changes to Combined General

Terms and Conditions effective January 1, 2024 (Continued)

Line No.	Article/Schedule	Description of Change	Driver	Notes
20	Definitions	Updated Article introduction statement. Updated definition for “Aid to Construction”; “Delivery Point”; “gas”; “Interruptible Service Hub Contract”; “OEB”; “Taxes”; and “Union” Addition of definitions for “Facilitating Agreements”; “Interruptible Service or Interruptible”; “RNG” and “Renewable Gas Specification” Arranged in alphabetical order to reflect all changes or additions.	Rebasing	(1)(9)
21	Definitions	Updated Article introduction statement. Updated definition for “Aid to Construction”; “Contract year”; “gas”; “Interruptible Service Hub Contract”; “OEB”; “Taxes”; “Union”; and “Union Expansion Facilities”. Addition of definitions for “Facilitating Agreements”; “RNG” and “Renewable Gas Specification”. Added the words “interruptible service” to the definition “Interruptible” to align with other GTC definitions. Arranged in alphabetical order to reflect all changes or additions.	Rebasing	(1)(8)
22	Definitions	Updated Article introduction statement. Updated definition for “gas”; “Interconnect Operating Agreement”; “Interruptible Service Hub Contract”; “Limited Balancing Agreement”; “OEB”; “Taxes”; “Union”; and “TCPL”. Addition of definitions for “Facilitating Agreements”; “RNG” and “Renewable Gas Specification”. Arranged in alphabetical order to reflect all changes or additions.	Rebasing / Denton’s Law Firm Review	(1)(7)
23	Gas Quality	Addition to Section 1b. to include a section to address RNG. Update to Section 2i. to add Fahrenheit conversion. Addition of a. and b. in Section 3 to expand on non-conforming gas that was included in M13 and M16. Addition of Section 5 to incorporate gas quality standards for gas delivered to an Exchange Point on a third-party pipeline operator.	Denton’s Law Firm Review	(1)(3) (4)(7)

ENBRIDGE GAS INC.

Summary of Structure and Content Changes to Combined General

Terms and Conditions effective January 1, 2024 (Continued)

Line No.	Article/Schedule	Description of Change	Driver	Notes
24	Gas Quality	Addition to Section 1b. to include a section to address RNG. Update to Section 2i. to add Fahrenheit conversion. Addition of language to the introduction for Section 3 “Non-conforming Gas”. Addition of Section 7 to incorporate gas quality standards for gas delivered to an Exchange Point on a third-party pipeline operator.	Denton’s Law Firm Review	(1)(8)
25	Gas Quality	Addition to Section 1b. to include a section to address RNG. Update to Section 2i. to add Fahrenheit conversion. Addition of language to the introduction for Section 3 “Non-conforming Gas” to align with other services GTCs. Addition of Section 6 to incorporate gas quality standards for gas delivered to an Exchange Point on a third-party pipeline operator.	Denton’s Law Firm Review	(1)(9)
26	Measuring Equipment	Updated language in Section 2 to align with other services GTCs. Updated Section 7 title to include “of Interconnecting Pipelines(s).	Rebasing	(1)(3) (4)(8)
27	Measuring Equipment	Updated language in Section 2 to align with other services GTCs.	Rebasing	(1)(7) (9)
28	Measurements	Update to Section 1 title and to align some of the section similar language from other services GTCs.	Rebasing	(1)(9)
29	Billing	Update to Section 3 to align with other services GTCs.	Rebasing	(1)(3) (6)(7) (9)
30	Payments	Update to Section 2a. to align with the in-franchise market on the interest rate used for late payments, moving it from a variable prime rate to a standard 1.5%. Additional language in Section 2 for the requirement for Shippers to provide full payment regardless of any amounts being disputed in addition for Shippers to provide notice within 30 days as well as supporting documentation for any dispute.	Denton’s Law Firm Review	(1)(3) (4)(7) (8)(9)
31	Payments	Addition of language to Section 4 “Taxes” regarding withholding tax to align with other services GTCs.		(1)(6) (7)(8) (9)
32	Payments	Update to Section 4 “Set-off” to align the section with language from the other services GTCs.		(1)(8)

ENBRIDGE GAS INC.

Summary of Structure and Content Changes to Combined General

Terms and Conditions effective January 1, 2024 (Continued)

Line No.	Article/Schedule	Description of Change	Driver	Notes
33	Arbitration	Updated Article X to now be named Dispute Resolution. Updated process on how to resolve a dispute. This was aligned with the former Rate 332 GTCs.	Service Harmonization	(1)(3) (4)(7) (8)(9))
34	Force Majeure	Reversed the order of the more general statement of Force Majeure to start the Section 1 entitled "Definition". Updated title of Section 4 (formerly entitled "Notice of Remedy") to "Notice for Force Majeure" and added the requirement that the party claiming the Force Majeure to keep the other party apprised of the event, timing, and the mitigation of the event.	Denton's Law Firm Review	(1)(3) (4)(7) (8)(9)
35	Force Majeure	Addition of Section headers/titles to align with M12 Schedule "A 2010".	Rebasing	(1)(5)
36	Force Majeure	Update to Section 3 "Exclusions" to state each party to a contract will be relieved of obligations during a period of time that performance obligations are not possible due to a Force Majeure event and that neither party shall be entitled to the benefit of the provisions of force majeure.	Denton's Law Firm Review	(1)(3) (4)(7) (8)(9)
37	Force Majeure	Updated language in Section 9 "Proration of Firm Transportation Service" to include pro-ration of the demand charge for force majeure or other system constraints.	Denton's Law Firm Review	(1)(3) (4)(7)
38	Default and Termination	Changes to Article XII to requiring the defaulting party to remedy the Payment Default within 10 days of written notice, which was reduced from 30 days; and remedy other breaches withing 30 days Addition clauses a., b., and c. for optional remedies available to Enbridge for breaches such as the ability to suspend performance under the contract but still accrue demand charges plus interest for further non-payment; withhold any amounts owed by Enbridge to the defaulting party and offset withheld amounts with any amounts owed to Enbridge; or termination of the Contract except for the liabilities incurred before the termination.	Denton's Law Firm Review	(1)(3) (4)(7) (8)(9)
39	Amendment	Added general terms and conditions to the list in this Article.	Rebasing	(1)(3) (4)(7) (8)(9)
40	Allocation of Capacity	Moved the definition in Section 3 for "Long-Term" to the Article 1 "Definitions".	Rebasing	(1)(3) (6)
41	Service Curtailment	Aligned the language in the Section 3 "Maintenance" which was incorporated from M16 Schedule "A 2013.	Rebasing	(1)(3) (6)(7)

ENBRIDGE GAS INC.

Summary of Structure and Content Changes to Combined General

Terms and Conditions effective January 1, 2024 (Continued)

Line No.	Article/Schedule	Description of Change	Driver	Notes
42	Service Curtailment	Aligned the time period in Section 3 “Maintenance” to match other transportation services to end November 1, rather than October 31.	Rebasing	(1)(8)
43	Shipper’s Representation and Warranties	Addition of clauses a., b., and c. to Section 1 that outlines Shippers to have authority, legal capacity and competence to enter into the Contract and provide the obligations required; that the Contract execution is legal, valid, and binding in nature; and transactions under the Contract will not result in any violation of any applicable laws or other agreements which they are bound to. Separated out clause d. to create clause e. and align clause e. with the other services GTCs.	Denton’s Law Firm Review	(1)(3) (5)(7) (8)(9)
44	Miscellaneous Provisions	Added customer information acknowledgement.	Rebasing	(1)(3) (6)(7) (8)(9)
45	Preconditions to Transportation Services	Update to Section 1d. to align language of the clause across all services GTCs.		(1)(3) (6)(7) (8)(9)
46	Preconditions to Transportation Services	Updated Section 1g. to prescribe the Aid to Construction will now be detailed in the Contract.	Rebasing	(1)(9)
47	Nominations	Update references of Unionline to Enerline.		(1)(3) (4)(7)
48	Nominations	Addition of Article XXII from C1 Schedule “B 2010”, M12 Schedule “B 2010” or M17 Schedule “B”. Addition of Clause 15 “Exchanges” to require nominations for the service are completed in accordance with the procedure of the receiving transporter.	Rebasing / Denton’s Law Firm Review	(1)(3) (6)(7)
49	Nominations	Addition of Article XVI from M12 Schedule “B”. Addition of Clause 8 “Exchanges” to require nominations for the service are completed in accordance with the third party pipeline operator of the facility.	Rebasing / Denton’s Law Firm Review	(1)(5)
50	Nominations	Addition of the former C1 Schedule “B 2010” which is referenced in the contract and/or the term “Authorized Quantity”.	Rebasing	(1)(8) (9)
51	Receipt and Delivery Points and Pressures	Addition of Article XXIII from C1 Schedule “C 2010”. Remove Ojibway as being a Delivery Point. Removed Dawn (TSLE), Dawn (Tecumseh), Parkway (Consumers) and Lisgar as they are no longer required.	Rebasing	(1)(3)

ENBRIDGE GAS INC.

Summary of Structure and Content Changes to Combined General

Terms and Conditions effective January 1, 2024 (Continued)

Line No.	Article/Schedule	Description of Change	Driver	Notes
52	Receipt and Delivery Points and Pressures	Addition of Article XXIII from M12 Schedule" D 2010" Update to Parkway EGT location description. Removed Dawn (TSLE), Dawn (Tecumseh), Parkway (Consumers) and Lisgar as they are no longer required.	Rebasing	(1)(6)
53	Receipt and Delivery Points and Pressures	Addition of Article XXIII from M17 Schedule "C".	Rebasing	(1)(7)

Notes:

(1) Effective January 1, 2024, until March 31, 2026.
(2) Applicable to Pre-STAR versions.
(3) Applicable to C1 Schedule "A 2010".
(4) Applicable to both M12 Schedule "A" and M12 Schedule "A 2010".
(5) Applicable to M12 Schedule "A".
(6) Applicable to M12 Schedule "A 2010".
(7) Applicable to M17 Schedule "A".
(8) Applicable to M16 Schedule "A 2013".
(9) Applicable to M13 Schedule "A 2013".

ENBRIDGE GAS INC.

Summary of Structure and Content Changes to Harmonized General

Terms and Conditions effective April 1, 2026 – Rate E70

Line No.	Article/Schedule	Description of Change	Driver
1	Ex-Franchise Transportation Services - General Terms and Conditions	Combined C1 Schedule “A 2010”, M12 Schedule “A 2010” and M17 Schedule “A” and certain clauses from Rate 332 into one harmonized schedule containing all changes previously summarized in Exhibit 8, Tab 5, Schedule 1, Attachment 2. Update any references to Schedules, Articles, Sections or Clauses as required due to harmonization Removed references to old rate classes Removed references to specific Contract Schedules when deemed appropriate.	Service Harmonization
2	C1 Schedule “A 2010” - General Terms and Conditions	Withdrawn Schedule as service will be discontinued.	Service Harmonization
3	M12 Schedule “A 2010” - General Terms and Conditions	Withdrawn Schedule as service will be discontinued.	Service Harmonization
4	M12 Schedule “A” - General Terms and Conditions	Withdrawn Schedule as service will be discontinued.	Service Harmonization
5	M17 Schedule “A” - General Terms and Conditions	Withdrawn Schedule as service will be discontinued.	Service Harmonization
6	Rate 331 - General Terms and Conditions	Withdrawn Schedule as service will be discontinued.	Service Harmonization
7	Rate 331 - FT Service Schedule	Withdrawn Schedule as service will be discontinued.	Service Harmonization
8	Rate 331 - IT Service Schedule	Withdrawn Schedule as service will be discontinued.	Service Harmonization
9	Rate 332 - General Terms and Conditions	Withdrawn Schedule as service will be discontinued	Service Harmonization

ENBRIDGE GAS INC.

Summary of Structure and Content Changes to Harmonized General

Terms and Conditions effective April 1, 2026 – Rate E70 (Continued)

Line No.	Article/Schedule	Description of Change	Driver
10	Rate 332 - FT Service Schedule	Withdrawn Schedule as service will be discontinued.	Service Harmonization
11	Definitions	Combined definitions from M12 Schedule “A 2010” and M17 Schedule “A” and C1 Schedule “A 2010”. Removal of unused or no longer applicable definition “Limited Firm” as this is no longer part of the harmonized transportation service. Addition of definitions “Albion EGI”, “Albion Flow”, “Albion King’s North”, “Albion Pipeline”, “King’s North” and “Operating Agreement” from Rate 332.	Service Harmonization
12	Gas Quality	Addition of language in Section 3a. and b. that had been in M16 Schedule “A 2013” and not previously included in C1/M12/M17.	Service Harmonization
13	Measurement	Incorporated 2e. which was part of M17 Schedule “A” and not included in C1/M12.	Service Harmonization
14	Measuring Equipment	Addition of the word “delivery” in Section 3 which was a reference in M17 Schedule “A” and not included in C1/M12. Addition of relevant language in Section 8 for language “Error in Metering or Meter Failure at Delivery Point” that had been in M17 Schedule “A” and not included in C1/M12.	Service Harmonization
15	Payment	Aligned Section 5 ”Set Off” with the words “in Enbridge’s possession” that had been in M17 Schedule “A” and not included in C1/M12.	Service Harmonization
16	Allocation of Capacity	Aligned Section 1 to remove the requirement for a minimum Contract term of 5 years for existing capacity.	Service Harmonization
17	Renewals	Update Receipt and/or Delivery points that are applicable to the clause in order to cover renewals offered on the current Rate M17 and Rate 332 services.	Service Harmonization
18	Service Curtailment	Removed references to old service names in Section 1.	Service Harmonization

ENBRIDGE GAS INC.

Summary of Structure and Content Changes to Harmonized General

Terms and Conditions effective April 1, 2026 – Rate E70 (Continued)

Line No.	Article/Schedule	Description of Change	Driver
19	Receipt and Delivery Points and Pressures	Addition of new points "Albion King's North" and "Corunna (ANR)" from Rate 331 and Rate 332. Addition of St Clair (MichCon) and Bluewater that had been in C1 Schedule "A 2010" and not included in M12/M17.	Service Harmonization
20	Nominations	Addition of Section 16 to the Article from Rate 332 which states an Operating Agreement between Pipeline Operators may also set out any special conditions for nominations and scheduling.	Service Harmonization
21	Imbalances and Unaccounted for Gas	Addition of Article XXIV "Imbalances and Unaccounted for Gas" from Rate 332, as it applies to Contracts where Enbridge Gas is delivering to Shipper on the Albion Pipeline.	Service Harmonization

ENBRIDGE GAS INC.

Summary of Structure and Content Changes to Harmonized General

Terms and Conditions effective April 1, 2026 – Rate E72

Line No.	Article/Schedule	Description of Change	Driver
1	Ex-Franchise Transportation Services for Embedded Storage Pools - General Terms and Conditions	Renamed M16 Schedule “A 2013” containing all changes previously summarized in Exhibit 8, Tab 5, Schedule 1, Attachment 2. Correct any references to Schedules, Articles, Sections or Clauses as required due to the harmonization. Removed references to specific rate classes when deemed appropriate Removed references to specific Schedules when deemed appropriate.	Service Harmonization
2	M16 Schedule “A 2013” - General Terms and Conditions	Withdrawn Schedule as service will be discontinued.	Service Harmonization
3	Nominations	Addition of Section 16 to the Article from Rate 332 which states an Operating Agreement between Pipeline Operators may also set out any special conditions for nominations and scheduling to be consistent across GT&Cs.	Service Harmonization

ENBRIDGE GAS INC.

Summary of Structure and Content Changes to Harmonized General

Terms and Conditions effective April 1, 2026 – Rate E80

Line No.	Article/Schedule	Description of Change	Driver
1	Producer Service - General Terms and Conditions	Renamed M13 Schedule "A 2013" containing all changes previously summarized in Exhibit 8, Tab 5, Schedule 1, Attachment 2. Correct any references to Schedules, Articles, Sections or Clauses as required due to the harmonization. Removed references to specific rate classes when deemed appropriate. Removed references to specific Schedules when deemed appropriate.	Rebasing
2	M13 Schedule "A 2013" - General Terms and Conditions	Withdrawn Schedule as service will be discontinued.	Rebasing
3	Renewable Natural Gas Injection Service Rate 401	Withdrawn service as it will be discontinued with the implementation of Producer Injection Service using Rate Class E80.	Service Harmonization
4	Definitions	Changed the term and definition of "Dawn Quantity" to "Produced Quantity". Changed the term and definition of "Market Quantity" to "Delivered Quantity". Removal of the definitions "Firm Daily Variability Demand", "Producer Balancing Account" and "Producer Balancing Service".	Service Harmonization
5	Force Majeure	Updated title of Section 7 to "Delay of Firm Transportation Services" to align with other service GTCs. Removal of Section 8 "Firm Daily Variability Demand Charge Relief" as this is no longer applicable under the Harmonized Producer Service.	Service Harmonization
6	Default and Termination	Updated the reference to "Shipper's Producer Balancing account" to "facilitating agreements" as this is no longer applicable under the Harmonized Producer Service.	
7	Preconditions to Services	Updated the Article name to include the word "Transportation" to align with other GTCs. Update to "Enbridge Conditions" Section 1g. to allow for the new payment options the harmonized Producer service will have for the Aid to Construction costs. Update to Section 4 "Non-Satisfaction of Conditions" to remove the reference to Section 1g.	Service Harmonization

ENBRIDGE GAS INC.

Summary of Structure and Content Changes to Harmonized General

Terms and Conditions effective April 1, 2026 – Rate E80 (Continued)

Line No.	Article/Schedule	Description of Change	Driver
8	Nominations	Addition of Section 16 to the Article from Rate 332 which states an Operating Agreement between Pipeline Operators may also set out any special conditions for nominations and scheduling to be consistent across GT&Cs	Service Harmonization

ENBRIDGE GAS INC. – RATE C1

GENERAL TERMS AND CONDITIONS

INDEX

I. DEFINITIONS 2
II. GAS QUALITY 4
III. MEASUREMENTS 5
IV. RECEIPT POINT AND DELIVERY POINT 6
V. POSSESSION OF AND RESPONSIBILITY FOR GAS 6
VI. FACILITIES ON SHIPPER'S PROPERTY 6
VII. MEASURING EQUIPMENT 6
VIII. BILLING 7
IX. PAYMENTS 8
X. DISPUTE RESOLUTION 9
XI. FORCE MAJEURE 10
XII. DEFAULT AND TERMINATION 11
XIII. AMENDMENT 12
XIV. NON-WAIVER AND FUTURE DEFAULT 12
XV. LAWS, REGULATIONS AND ORDERS 12
XVI. ALLOCATION OF CAPACITY 12
XVII. RENEWALS 14
XVIII. SERVICE CURTAILMENT 14
XIX. SHIPPER'S REPRESENTATIONS AND WARRANTIES 15
XX. MISCELLANEOUS PROVISIONS 16
XXI. PRECONDITIONS TO TRANSPORTATION SERVICES 16
XXII. NOMINATIONS 17
XXIII. RECEIPT AND DELIVERY POINTS AND PRESSURES 19

I. DEFINITIONS

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms and Conditions and in any Contract shall be construed to have the meanings set out below. Capitalized terms not defined herein shall have the meaning set out in the Contract.

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

"**Available Capacity**" shall mean at any time, Enbridge's remaining available capacity to provide the 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 any contract to which these General Terms and 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;

"**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;

"**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 Enbridge 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;

"**Enbridge**" shall mean Enbridge Gas Inc.;

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

"**Facilitating Agreements**" shall refer to a contract with Enbridge that is related to the Transportation Services and is required in order to obtain another service, including without limiting the generality of the foregoing:

a. an Interruptible Service Hub Contract;
b. a Limited Balancing Agreement;
c. an Interconnect Operating Agreement; or
d. a Dehydration Contract.

"**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 and shall include RNG;

"**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 the temperature at a specific pressure where hydrocarbon vapour condensation begins;

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

"**Interruptible Service Hub Contract**" shall mean an interruptible service hub contract between Shipper and Enbridge pursuant to which Enbridge provides interruptible gas transportation, exchange, balancing, and name change services;

"**interruptible service**" or "**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;

"**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 a Facilitating Agreement;

"**Long-term**" shall mean Transportation Services with an Initial Term of one year or greater;

"**m^3**" shall mean cubic metre of gas and "**10^3m^3**" 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 or any successor thereto;

"**Open Season**" or "**open season**" shall mean an open access auction or bidding process held by Enbridge as a method of allocating capacity on its pipeline system;

"**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 Enbridge's possession, or the possession of Enbridge's agent;

"**RNG**" or "**Renewable Natural Gas**" shall mean biogas that has been conditioned or upgraded to a quality meeting the Renewable Gas Specification;

"**Renewable Gas Specification**" means the RNG standards or requirements established by Enbridge, as amended from time to time;

"**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 or any other payment contemplated under the Contract;

"TransCanada" 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. a. Natural Gas: The minimum gross heating value of the gas delivered to/by Enbridge hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Enbridge hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Enbridge may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Enbridge may be a commingled supply from Enbridge'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, Enbridge may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning, and other processes.

   a. Renewable Natural Gas: Specifically with the respect to RNG, the established quality specifications will be further defined in the Contract.

2. Freedom from objectionable matter: The gas to be delivered to/by Enbridge 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,

   a. 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,

   b. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,

   c. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,

   d. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,

   e. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,

   f. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,

   g. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,

   h. shall not have a cricondentherm hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius or minus eighteen (-18) degrees Fahrenheit,

   i. 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.

   a. In the event that the quality of the gas does not conform or if Enbridge, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so, directed by Enbridge 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 Enbridge with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Enbridge may conduct such test and Shipper shall reimburse Enbridge for all costs incurred by Enbridge for such testing.

   b. If Shipper's gas fails at any time to conform to the requirements of this Article II, Enbridge, 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 Enbridge hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Enbridge in this Article II, but Enbridge 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 Enbridge's C1 Rate Schedule.

5. Delivery of Gas to an Exchange Point: The quality of gas to be delivered to an Exchange Point is to be of a merchantable quality and in accordance with the quality standards as set out by the third party pipeline operator of the facility at the Exchange Point.

III. MEASUREMENTS

1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Enbridge shall be a megajoule or a gigajoule. The unit of gas transported or stored by Enbridge shall be a megajoule or a gigajoule. The unit of gas delivered by Enbridge shall be a megajoule, a gigajoule, a cubic metre (m^3) or one thousand cubic metres (10^3m^3) at Enbridge'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 Enbridge's discretion, all as amended from time to time.

   c. The volume and/or energy of the gas delivered to/by Enbridge hereunder shall be determined by the measurement equipment designated in Article VII herein.

   d. Upon request by Enbridge, Shipper shall obtain measurement of the total quantity of gas received by Enbridge hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with

established practices between Enbridge 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 Article XXIII.

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

1. Possession of Gas: Enbridge accepts no responsibility for any gas prior to such gas being delivered to Enbridge at the Receipt Point or after its delivery by Enbridge at the Delivery Point. As between the parties hereto, Enbridge shall be deemed to be in control and possession of and responsible for all such gas from the time that such gas enters Enbridge's system until such gas is delivered to Shipper.

2. Liability: Shipper agrees that Enbridge is not a common carrier and is not an insurer of Shipper's gas, and that Enbridge shall not be liable to Shipper or any third party for loss of gas in Enbridge's possession, except to the extent such loss is caused entirely by Enbridge's negligence or willful misconduct.

VI. FACILITIES ON SHIPPER'S PROPERTY

Except under those conditions where Enbridge is delivering to TransCanada for TransCanada 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: Enbridge, 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 Enbridge a lease and/or rights- of-way over property of Shipper as required by Enbridge to install such facilities and to connect same to Enbridge's pipeline.

2. Entry: Enbridge, 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 Enbridge notwithstanding it is constructed on and attached to the realty of Shipper, and Enbridge 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 Enbridge: Enbridge 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 Enbridge hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline or by an upstream or downstream transporter (the "**Transporter**") whose facilities may or may not interconnect with Enbridge's, then Enbridge and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Enbridge on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Enbridge hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's or

Transporter'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 Enbridge'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 Enbridge'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, Enbridge 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 Enbridge 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 Enbridge's measuring equipment shall be verified by Enbridge at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Enbridge 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 percent (2%). If, upon testing, any measuring equipment is found to be in error by not more than two percent (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: Enbridge 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 of Interconnecting Pipeline(s): In the event of an error in metering or a meter failure, (such error or failure being determined through check measurement by Enbridge 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: Enbridge 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. Enbridge 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 Enbridge 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, 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 Enbridge's bank account as directed on the bill 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 Enbridge'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 Enbridge interest 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 the full payment is not received by the due date (the "**Interest Rate**") until the date of payment; and,

   b. If such failure to pay continues for thirty (30) days after payment is due, Enbridge, 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 plus interest at the Interest Rate in the case of further non-payment hereunder as if such suspension were not in place.

   Shipper shall not be entitled to dispute all or any portion of any amounts owing to Enbridge, including any amounts pursuant to any bill, unless and until Shipper has paid in full such amounts to Enbridge. If Shipper in good faith disputes the amount of any such bill or part thereof Shipper shall nevertheless pay the full amount of the bill and will notify Enbridge within thirty (30) days following delivery of such bill of the amount disputed and the reasons why Shipper disputes that portion of the bill including supporting documentation acceptable in industry practice to support the amount paid or disputed. A final determination may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case.

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

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, Enbridge 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 Enbridge's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Enbridge 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 Enbridge, such error shall be adjusted by Enbridge. Such overcharge, undercharge or error shall be adjusted by Enbridge 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 Enbridge.

Shipper shall make reasonable efforts to eliminate/minimize the withholding tax related to the fees/payments paid to Enbridge, including but not limited to requesting from Enbridge 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 Enbridge, after the calendar year end, Enbridge'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, Enbridge 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 Enbridge, to reduce such arrears or other indebtedness to Enbridge.

X. DISPUTE RESOLUTION

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 (a "**Dispute**"), the matter in dispute shall be resolved in the manner set out in Article X.

a. The party claiming that a Dispute has arisen must give written notice (a "**Dispute Notice**") to the other party specifying the nature of the dispute, the relief sought, and the basis for the relief sought.

b. Within seven (7) Business Days following delivery of a Dispute Notice, the parties must commence the process of attempting to resolve the Dispute by referring such Dispute to a meeting between the Director, Energy Services S&T Sales (or the successor position thereof), on behalf of Enbridge, and an equivalent or similar manager on behalf of the Shipper, (the "**Operations Personnel**") for discussion and resolution. The Operations Personnel shall consult, discuss, and negotiate in good faith with the intention of a reaching a just and equitable solution satisfactory to both parties.

c. If a Dispute is not resolved to the mutual satisfaction of the parties by the Operations Personnel within twelve (12) Business Days after the Dispute Notice has been delivered the Dispute shall be referred to the parties' respective senior representatives (in the case of the Enbridge, the Vice-President Energy Services (or the successor position thereof); and in the case of the Shipper, an equivalent or similar senior manager of the Shipper (the "**Senior Representatives**") for resolution. The parties shall cause their respective Senior Representatives to meet as soon as possible in an effort to resolve the dispute.

d. If the Dispute is not resolved by the Senior Representatives to the mutual satisfaction of the parties within twenty (20) Business Days after delivery of the Dispute Notice, then the parties may agree, but are not obligated, to refer the Dispute to a private mediator agreed to between them. The parties and the mediator shall conduct the mediation in accordance with procedures agreed to between them and all third-party costs (including those of the mediator) shall be shared equally by the parties. There shall be no obligation of a party to agree on a mediator or any procedures therefore, other than to act in good faith.

e. If the Dispute is still not resolved to the mutual satisfaction of the parties within thirty (30) Business Days after

delivery of the Dispute Notice, then either party may refer the Dispute to be resolved by litigation or such other legal means (such as by way of an application to the OEB, if applicable) as are available to such party, provided the party seeking legal remedy has pursued resolution of the Dispute as contemplated in Article X.

XI. FORCE MAJEURE

1. Definition: The term "**force majeure**" as used herein shall mean any event beyond the reasonable control of the party to a Contract claiming suspension, whether or not foreseeable and which by the exercise of reasonable due diligence such Party is unable to prevent or overcome, including, without limitation: 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).

2. Notice: In the event that either the Shipper or Enbridge 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: Subject to the remainder of this Section XI, each party to a Contract will be relieved of its obligations under such Contract during the period of time and to the extent performance of such obligations that are not possible due to an event of force majeure. Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances are preventing a party's performance or compliance (or the resumption of such performance or compliance) with any obligation or condition of the Contract: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension or as a result of breach of the Contract; 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 economic hardship, lack of funds, deteriorated financial circumstances, change in commodity prices, interests rates, financial markets, or the lack of market for product or the availability of a more attractive market; the party claiming suspension did not, as soon as reasonably 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 for Force Majeure: The party to a Contract claiming suspension as a result of an event of force majeure shall keep the other party reasonably apprised of the event of force majeure, the steps the affected party is taking to end or mitigate the force majeure event, and when the force majeure is anticipated to end. During an event of force majeure, the affected party shall use reasonable efforts to limit the impacts to the other party and to resume its performance under the Contract as soon as practicable. 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 Enbridge's system will excuse the failure to deliver gas by Enbridge or the failure to accept gas by Enbridge 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 Enbridge's system

shall not relieve Shipper of any payment obligations.

7. Delay of Firm Transportation Services: Despite Article XI herein, if Enbridge is prevented, by reason of an event of force majeure on Enbridge's system from delivering gas on the Day or Days upon which Enbridge has accepted gas from Shipper, Enbridge 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 Enbridge. If Enbridge 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 Enbridge fails to accept gas from Shipper by reason of an event of force majeure on Enbridge'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 Enbridge 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 or other operational constraint on Enbridge's system or on any facilities upstream or downstream of Enbridge's System, howsoever caused as outlined above, the capacity for gas deliveries by Enbridge is impaired on all or a portion of Enbridge's system, it will be necessary for Enbridge to curtail Shipper's gas receipts to Enbridge hereunder, via proration based on utilization of such facilities for the Day on such portion of Enbridge's system affected the applicable event. This prorating shall be determined by multiplying the capability of such facilities as available downstream of the impairment on the Day on such portion of Enbridge's system affected by the applicable event, 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 such portion of Enbridge's system affected by the applicable event on the Day. For the purposes of this Article XI, firm services shall mean all firm services provided by Enbridge 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 Enbridge 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: (i) ten (10) days from receipt of such notice in the case of a failure on the part of Shipper to make a payment within the time periods required hereunder (a "**Payment Default**"); or (ii) thirty (30) days from receipt of such notice in the case of a default other than a Payment Default, the non-defaulting party may at its sole option, exercise any of the following remedies immediately upon giving notice to the defaulting party:

a. to suspend the non-defaulting party's performance under the Contract, provided that notwithstanding such suspension, all demand charges shall continue to accrue plus interest at the Interest Rate in the case of further non-payment hereunder as if such suspension were not in place;

b. to withhold or continue to withhold any amounts owed to the defaulting party under the Contract (whether or not yet invoiced or due) and set off against such withheld amounts any amounts owed the non-defaulting party under the Contract (whether or not yet invoiced or due;) or

c. 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. Each of the aforementioned remedies are non-exclusive remedies, and the non-defaulting party may elect to exercise one of more of such remedies, as applicable.

XIII. AMENDMENT

Subject to Article XV herein and the ability of Enbridge to amend the applicable rate schedules, general terms and conditions 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 Enbridge.

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 Enbridge 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 Enbridge'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, Enbridge 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, Enbridge shall allocate such long-term capacity by open season, subject to the terms of the open season, and these General Terms and Conditions.

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: Enbridge 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 Enbridge 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. Enbridge shall allocate capacity to serve such request pursuant to this Section 5, and subject to these General Terms and Conditions and Enbridge's standard form C1 transportation contract;

   c. Enbridge 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, Enbridge must offer to supply the Available Capacity to the potential shipper;

      ii. if the proposed monthly payment is less than Enbridge's Monthly demand charge plus fuel requirements for the applicable service;

      iii. if prior to Enbridge accepting the request for transportation service Enbridge 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 Enbridge shall follow the procedure in Section 5 d hereof;

      iv. if Enbridge 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. Enbridge will advise the potential shipper in writing whether Enbridge 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 Enbridge rejects a request for service, Enbridge shall inform the potential shipper of the reasons why its request is being rejected; and

   e. If Enbridge has insufficient Available Capacity to service, all pending requests for transportation service Enbridge may:

      i. Reject all the pending requests for transportation service and conduct an open season; or

      ii. Enbridge 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 Enbridge shall provide all such potential shippers with an equal opportunity to submit a revised request for service. Enbridge shall then allocate the Available Capacity to the request for transportation service with the highest economic value to Enbridge. 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, 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: Enbridge 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 Enbridge 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. Enbridge shall provide Shipper such notice of such curtailment as is reasonable under the circumstances. If due to any cause whatsoever Enbridge is unable to receive or deliver the quantities of gas which Shipper has requested, then Enbridge shall order curtailment by all Shippers affected and to the extent necessary to remove the effect of the disability. Enbridge has a priority of service policy to determine the order of service curtailment. In order to place services on the priority of service list, Enbridge 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 Enbridge 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: Enbridge 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: Enbridge's facilities from time to time may require maintenance or construction. In the event that such

event occurs, and in Enbridge's sole opinion, acting reasonably, such maintenance or construction may impact Enbridge's ability to meet Shipper's requirements, Enbridge shall provide at least ten (10) days' notice to Shipper, except in the case of an emergency. In the event the maintenance impacts Enbridge's ability to meet Shipper's requirements, Enbridge shall not be liable for any damages and shall not be deemed in breach of the Contract. To the extent that Enbridge'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.

Enbridge 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. Enbridge 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 Enbridge'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

   a. has the right, power, authority, legal capacity, and competence to enter into the Contract and to perform all of its obligations thereunder;

   b. the Contract has been duly executed and delivered and is a legal, valid, and binding obligation, enforceable against it in accordance with its terms subject to applicable bankruptcy or similar laws affecting enforcement of creditors' rights generally;

   c. the transactions contemplated by the Contract do not and will not result in a violation of any of the terms or provisions of any applicable laws or any agreement to which it is a party or by which it is bound;

   d. 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; and

   e. shall maintain in effect the Facilitating Agreements.

1. 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 Enbridge agree otherwise. Shipper shall notify Enbridge in the event of any change to the financial assurances throughout the term hereof. Should Enbridge 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 Enbridge 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 Enbridge from time to time,

then Shipper shall within fourteen (14) days of receipt of written notice by Enbridge, obtain and provide to Enbridge a letter of credit or other security in the form and amount reasonably required by Enbridge (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 Enbridge such Security within such fourteen (14) day period, Enbridge 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 Enbridge and to the extent that the Material Event has been mitigated or eliminated, Enbridge 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 Enbridge and release of obligations by Enbridge 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 Enbridge, 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 Enbridge 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 Enbridge that Shipper shall have good and marketable title to, or legal authority to deliver to Enbridge, all gas delivered to Enbridge hereunder. Furthermore, Shipper hereby agrees to indemnify and save Enbridge 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.

4. Shipper Information: Shipper acknowledges and agrees that Shipper's information generated and collected by Enbridge pursuant to this Contract may be shared with one or more Enbridge affiliates in order for Enbridge to ensure compliance with applicable laws and for confirmation of Shipper financial assurances.

XXI. PRECONDITIONS TO TRANSPORTATION SERVICES

1. Enbridge Conditions: The obligations of Enbridge to provide Transportation Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Enbridge, and which may be waived or extended in whole or in part in the manner provided in the Contract:

   a. Enbridge shall have obtained, in form and substance satisfactory to Enbridge, 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. Enbridge shall have obtained all internal approvals that are necessary or appropriate to provide the Transportation Services; and,

c. Enbridge 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 Enbridge; and,

d. Shipper and Enbridge shall have entered into the Interruptible Service Hub Contract and as required, necessary Facilitating Agreements.

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 Enbridge 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: Enbridge 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.

XXII. NOMINATIONS

1. For Transportation Services required on any Day under the Contract, Shipper shall provide Enbridge 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 Enbridge determines to be necessary (a "**Nomination**").

2. All Nominations shall be submitted by electronic means via *Enerline*. Enbridge, in its sole discretion, may amend or

modify the nominating procedures or *Enerline* at any time. Nominations shall be submitted so as to be received by Enbridge in accordance with timelines established by Enbridge, which reflect the NAESB standard nomination cycles. Enbridge 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 Enbridge. The nomination cycle timelines are posted on Enbridge's website and the nomination deadlines are provided in *Enerline*.

3. Enbridge 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 Enbridge determines that it will not schedule such Nomination, Enbridge 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 Enbridge, 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 Enbridge 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 lessor amount shall be the Revised Nomination.

4. For Shippers electing firm all day transportation service, nominations shall be provided to Enbridge'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 Enbridge, 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 Enbridge is unable to complete a Nomination confirmation due to inaccurate, untimely, or incomplete data involving an Interconnecting Pipeline entity, Enbridge 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 Enbridge determines that the Nomination is invalid at which time the Enbridge 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 Enbridge shall schedule for Transportation Services hereunder, shall be known as Shipper's "**Authorized Quantity**".

11. If on any day the actual quantities handled by Enbridge, 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 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, Enbridge 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. Enbridge 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 Enbridge and deliveries of gas by Enbridge 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 *Enerline* access request form, a third party as agent for purposes of providing a Nomination, and for giving and receiving notices related to Nominations, and Enbridge shall only accept nominations from the agent. Any such designation, if acceptable to Enbridge, shall be effective following the receipt and processing of the written notice and will remain in effect until revoked in writing by Shipper.

15. Exchanges: All gas delivered to an Exchange Point is to be nominated in accordance with the nomination procedures of the receiving transporter.

XXIII. 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	**DAWN (FACILITIES):**	Enbridge'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 Enbridge.
R, D	**DAWN (TCPL):**	At the junction of Enbridge's and TransCanada's facilities, at or adjacent to Dawn (Facilities).
R, D	**DAWN (VECTOR):**	At the junction of Enbridge's and Vector Pipeline Limited Partnership ("**Vector**") facilities, at or adjacent to Dawn (Facilities).
R, D	**PARKWAY (TCPL):**	At the junction of Enbridge's and TransCanada 's facilities, at or adjacent to Enbridge'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	**KIRKWALL:**	At the junction of Enbridge's and TransCanada 's facilities at or adjacent to Enbridge's facilities situated in Part Lot Twenty-Five (25), Concession 7, Town of Flamborough.
R	**OJIBWAY:**	At the junction of Enbridge'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	**ST. CLAIR (MICHCON):**	At the junction of Michigan Consolidated 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 Enbridge shall be tendered at the Receipt Point(s) at Enbridge's prevailing pressure at that Receipt Point, or at such pressure as per operating agreements between Enbridge and the applicable Interconnecting Pipeline as amended or restated from time to time.

b. All gas tendered by or on behalf of Enbridge to Shipper shall be tendered at the Delivery Point(s) at Enbridge's prevailing pressure at that Delivery Point or at such pressure as per agreements between Enbridge and the applicable Interconnecting Pipeline as amended or restated from time to time.

c. Under no circumstances shall Enbridge be obligated to receive or deliver gas hereunder at pressures exceeding the maximum allowable operating pressures prescribed under any applicable governmental regulations; nor shall Enbridge be required to make any physical deliveries or to accept any physical receipts which its existing facilities cannot accommodate.

ENBRIDGE GAS INC. – RATE M12

GENERAL TERMS AND CONDITIONS

INDEX

I. DEFINITIONS 22
II. GAS QUALITY 24
III. MEASUREMENTS 25
IV. RECEIPT POINT AND DELIVERY POINT 26
V. POSSESSION OF AND RESPONSIBILITY FOR GAS 26
VI. FACILITIES ON SHIPPER'S PROPERTY 26
VII. MEASURING EQUIPMENT 26
VIII. BILLING 27
IX. PAYMENTS 28
X. DISPUTE RESOLUTION 29
XI. FORCE MAJEURE 30
XII. DEFAULT AND TERMINATION 31
XIII. AMENDMENT 32
XIV. NON-WAIVER AND FUTURE DEFAULT 32
XV. LAWS, REGULATIONS AND ORDERS 32
XVI. ALLOCATION OF CAPACITY 32
XVII. RENEWALS 34
XVIII. SERVICE CURTAILMENT 34
XIX. SHIPPER'S REPRESENTATIONS AND WARRANTIES 35
XX. MISCELLANEOUS PROVISIONS 36
XXI. PRECONDITIONS TO TRANSPORTATION SERVICES 36
XXII. NOMINATIONS 37
XXIII. RECEIPT AND DELIVERY POINTS AND PRESSURES 39

I. DEFINITIONS

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms and Conditions and in any Contract shall be construed to have the meanings set out below. Capitalized terms not defined herein shall have the meaning set out in the Contract.

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

"**Available Capacity**" shall mean at any time, Enbridge's remaining available capacity to provide the 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 any contract to which these General Terms and 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;

"**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;

"**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 Enbridge 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;

"**Enbridge"** shall mean Enbridge Gas Inc.

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

"**Facilitating Agreements**" shall refer to a contract with Enbridge that is related to the Transportation Services and is required in order to obtain another service, including without limiting the generality of the foregoing:

a. an Interruptible Service Hub Contract;
b. a Limited Balancing Agreement;
c. an Interconnect Operating Agreement; or
d. a Dehydration Contract.

"**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 and shall include RNG;

"**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 the temperature at a specific pressure where hydrocarbon vapour condensation begins;

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

"**Interruptible Service Hub Contract**" shall mean an interruptible service hub contract between Shipper and Enbridge pursuant to which Enbridge provides interruptible gas transportation, exchange, balancing, and name change services;

"**interruptible service**" or "**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;

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

"**Long-term**" shall mean Transportation Services with an Initial Term of one year or greater;

"**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 or any successor thereto;

"**Open Season**" or "**open season**" shall mean an open access auction or bidding process held by Enbridge as a method of allocating capacity on its pipeline system;

"**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 Enbridge's possession, or the possession of Enbridge's agent;

"**RNG**" or "**Renewable Natural Gas**" shall mean biogas that has been conditioned or upgraded to a quality meeting the Renewable Gas Specification;

"**Renewable Gas Specification**" means the RNG standards or requirements established by Enbridge, as amended from time to time;

"**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 or any other payment contemplated under the Contract;

"**TransCanada**" 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. a. Natural Gas: The minimum gross heating value of the gas delivered to/by Enbridge hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Enbridge hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Enbridge may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Enbridge may be a commingled supply from Enbridge'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, Enbridge may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning, and other processes.

   b. Renewable Natural Gas: Specifically with the respect to RNG, the established quality specifications will be further defined in the Contract.

2. Freedom from objectionable matter: The gas to be delivered to/by Enbridge 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 or minus eighteen (-18) degrees Fahrenheit,

   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.

   a. In the event that the quality of the gas does not conform or if Enbridge, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so, directed by Enbridge 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 Enbridge with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Enbridge may conduct such test and Shipper shall reimburse Enbridge for all costs incurred by Enbridge for such testing.

   b. If Shipper's gas fails at any time to conform to the requirements of this Article II, Enbridge, 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 Enbridge hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Enbridge in this Article II, but Enbridge 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 Enbridge's M12 Rate Schedule.

5. Delivery of Gas to an Exchange Point: The quality of gas to be delivered to an Exchange Point is to be of a merchantable quality and in accordance with the quality standards as set out by the third party pipeline operator of the facility at the Exchange Point.

III. MEASUREMENTS

1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Enbridge shall be a megajoule or a gigajoule. The unit of gas transported or stored by Enbridge shall be a megajoule or a gigajoule. The unit of gas delivered by Enbridge shall be a megajoule, a gigajoule, a cubic metre (m^3) or one thousand cubic metres (10^3m^3) at Enbridge'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 Enbridge's discretion, all as amended from time to time.

   c. The volume and/or energy of the gas delivered to/by Enbridge hereunder shall be determined by the measurement equipment designated in Article VII herein.

   d. Upon request by Enbridge, Shipper shall obtain measurement of the total quantity of gas received by Enbridge hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with

established practices between Enbridge 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 Article XXIII.

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

1. Possession of Gas: Enbridge accepts no responsibility for any gas prior to such gas being delivered to Enbridge at the Receipt Point or after its delivery by Enbridge at the Delivery Point. As between the parties hereto, Enbridge shall be deemed to be in control and possession of and responsible for all such gas from the time that such gas enters Enbridge's system until such gas is delivered to Shipper.

2. Liability: Shipper agrees that Enbridge is not a common carrier and is not an insurer of Shipper's gas, and that Enbridge shall not be liable to Shipper or any third party for loss of gas in Enbridge's possession, except to the extent such loss is caused entirely by Enbridge's negligence or willful misconduct.

VI. FACILITIES ON SHIPPER'S PROPERTY

Except under those conditions where Enbridge is delivering to TransCanada for TransCanada 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: Enbridge, 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 Enbridge a lease and/or rights-of-way over property of Shipper as required by Enbridge to install such facilities and to connect same to Enbridge's pipeline.

2. Entry: Enbridge, 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 Enbridge notwithstanding it is constructed on and attached to the realty of Shipper, and Enbridge 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 Enbridge: Enbridge 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 Enbridge hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline or by an upstream or downstream transporter (the "**Transporter**") whose facilities may or may not interconnect with Enbridge's, then Enbridge and Shipper agree to

accept that metering for the purpose of determining the volume and energy of gas delivered to/by Enbridge on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Enbridge hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's or Transporter'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 Enbridge'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 Enbridge'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, Enbridge 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 Enbridge 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 Enbridge's measuring equipment shall be verified by Enbridge at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Enbridge 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 percent (2%). If, upon testing, any measuring equipment is found to be in error by not more than two percent (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: Enbridge 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 of Interconnecting Pipeline(s): In the event of an error in metering or a meter failure, (such error or failure being determined through check measurement by Enbridge 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: Enbridge 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. Enbridge 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 Enbridge 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, 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 Enbridge's bank account as directed on the bill 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 Enbridge'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 Enbridge interest 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 the full payment is not received by the due date (the "**Interest Rate**") until the date of payment; and,

   b. If such failure to pay continues for thirty (30) days after payment is due, Enbridge, 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 plus interest at the Interest Rate in the case of further non-payment hereunder as if such suspension were not in place.

   Shipper shall not be entitled to dispute all or any portion of any amounts owing to Enbridge, including any amounts pursuant to any bill, unless and until Shipper has paid in full such amounts to Enbridge. If Shipper in good faith disputes the amount of any such bill or part thereof Shipper shall nevertheless pay the full amount of the bill and will notify Enbridge within thirty (30) days following delivery of such bill of the amount disputed and the reasons why Shipper disputes that portion of the bill including supporting documentation acceptable in industry practice to support the amount paid or disputed A final determination may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case.

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

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, Enbridge 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 Enbridge's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Enbridge 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 Enbridge, such error shall be adjusted by Enbridge. Such overcharge, undercharge or error shall be adjusted by Enbridge 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 Enbridge.

Shipper shall make reasonable efforts to eliminate/minimize the withholding tax related to the fees/payments paid to Enbridge, including but not limited to requesting from Enbridge 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 Enbridge, after the calendar year end, Enbridge'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, Enbridge 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 Enbridge, to reduce such arrears or other indebtedness to Enbridge.

X. DISPUTE RESOLUTION

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, (a "**Dispute**"), the matter in dispute shall be resolved in the manner set out in Article X.

a. The party claiming that a Dispute has arisen must give written notice (a "**Dispute Notice**") to the other party specifying the nature of the dispute, the relief sought, and the basis for the relief sought.

b. Within seven (7) Business Days following delivery of a Dispute Notice, the parties must commence the process of attempting to resolve the Dispute by referring such Dispute to a meeting between the Director, Energy Services S&T Sales (or the successor position thereof), on behalf of Enbridge, and an equivalent or similar manager on behalf of the Shipper, (the "Operations Personnel") for discussion and resolution. The Operations Personnel shall consult, discuss, and negotiate in good faith with the intention of a reaching a just and equitable solution satisfactory to both parties.

c. If a Dispute is not resolved to the mutual satisfaction of the parties by the Operations Personnel within twelve (12) Business Days after the Dispute Notice has been delivered the Dispute shall be referred to the parties' respective senior representatives (in the case of the Enbridge, the Vice-President Energy Services (or the successor position thereof); and in the case of the Shipper, an equivalent or similar senior manager of the Shipper (the "Senior Representatives") for resolution. The parties shall cause their respective Senior Representatives to meet as soon as possible in an effort to resolve the dispute.

d. If the Dispute is not resolved by the Senior Representatives to the mutual satisfaction of the parties within twenty (20) Business Days after delivery of the Dispute Notice, then the parties may agree, but are not obligated, to refer the Dispute to a private mediator agreed to between them. The parties and the mediator shall conduct the mediation in accordance with procedures agreed to between them and all third-party costs (including those of the mediator) shall be shared equally by the parties. There shall be no obligation of a party to agree on a mediator or any procedures therefore, other than to act in good faith.

e. If the Dispute is still not resolved to the mutual satisfaction of the parties within thirty (30) Business Days after delivery of the Dispute Notice, then either party may refer the Dispute to be resolved by litigation or such other legal means (such as by way of an application to the OEB, if applicable) as are available to such party, provided the party seeking legal remedy has pursued resolution of the Dispute as contemplated in Article X.

XI. FORCE MAJEURE

1. Definition: The term "**force majeure**" as used herein shall mean any event beyond the reasonable control of the party to a Contract claiming suspension, whether or not foreseeable and which by the exercise of reasonable due diligence such Party is unable to prevent or overcome, including, without limitation: 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)..

2. Notice: In the event that either the Shipper or Enbridge 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: Subject to the remainder of this Section XI, each party to a Contract will be relieved of its obligations under such Contract during the period of time and to the extent performance of such obligations that are not possible due to an event of force majeure. Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances are preventing a party's performance or compliance (or the resumption of such performance or compliance) with any obligation or condition of the Contract: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension or as a result of breach of the Contract; 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 economic hardship, lack of funds, deteriorated financial circumstances, change in commodity prices, interests rates, financial markets, or the lack of market for product or the availability of a more attractive market; the party claiming suspension did not, as soon as reasonably 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 for Force Majeure: The party to a Contract claiming suspension as a result of an event of force majeure shall keep the other party reasonably apprised of the event of force majeure, the steps the affected party is taking to end or mitigate the force majeure event, and when the force majeure is anticipated to end. During an event of force majeure, the affected party shall use reasonable efforts to limit the impacts to the other party and to resume its performance under the Contract as soon as practicable. 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 Enbridge's system will excuse the failure to deliver gas by Enbridge or the failure to accept gas by Enbridge 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 Enbridge's system shall not relieve Shipper of any payment obligations.

7. Delay of Firm Transportation Services: Despite Article XI herein, if Enbridge is prevented, by reason of an event of force majeure on Enbridge's system from delivering gas on the Day or Days upon which Enbridge has accepted gas from Shipper, Enbridge 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 Enbridge. If Enbridge 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 Enbridge fails to accept gas from Shipper by reason of an event of force majeure on Enbridge'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 Enbridge 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 or other operational constraint on Enbridge's system or on any facilities upstream or downstream of Enbridge's System, howsoever caused as outlined above, the capacity for gas deliveries by Enbridge is impaired on all or a portion of Enbridge's system, it will be necessary for Enbridge to curtail Shipper's gas receipts to Enbridge hereunder, via proration based on utilization of such facilities for the Day on such portion of Enbridge's system affected the applicable event. This prorating shall be determined by multiplying the capability of such facilities as available downstream of the impairment on the Day on such portion of Enbridge's system affected by the applicable event, 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 such portion of Enbridge's system affected by the applicable event on the Day. For the purposes of this Article XI, firm services shall mean all firm services provided by Enbridge 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 Enbridge 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: (i) ten (10) days from receipt of such notice in the case of a failure on the part of Shipper to make a payment within the time periods required hereunder (a "**Payment Default**"); or (ii) thirty (30) days from receipt of such notice, in the case of a default other than a Payment Default, the non-defaulting party may at its sole option, exercise any of the following remedies immediately upon giving notice to the defaulting party:

a. to suspend the non-defaulting party's performance under the Contract, provided that notwithstanding such suspension, all demand charges shall continue to accrue plus interest at the Interest Rate in the case of further non-payment hereunder as if such suspension were not in place;

b. to withhold or continue to withhold any amounts owed to the defaulting party under the Contract (whether or not yet invoiced or due) and set off against such withheld amounts any amounts owed the non-defaulting party under the Contract (whether or not yet invoiced or due;) or

c. 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. Each of the

aforementioned remedies are non-exclusive remedies, and the non-defaulting party may elect to exercise one of more of such remedies, as applicable.

XIII. AMENDMENT

Subject to Article XV herein and the ability of Enbridge to amend the applicable rate schedules, general terms and conditions 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 Enbridge.

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 Enbridge 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 Enbridge'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, Enbridge 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, Enbridge shall allocate such long-term capacity by open season, subject to the terms of the open season, and these General Terms and Conditions.

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: Enbridge 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 Enbridge 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. Enbridge shall allocate capacity to serve such request pursuant to this Section 5, and subject to these General Terms and Conditions and Enbridge's standard form M12 transportation contract;

c. Enbridge 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, Enbridge must offer to supply the Available Capacity to the potential shipper;

   ii. if the proposed monthly payment is less than Enbridge's Monthly demand charge plus fuel requirements for the applicable service;

   iii. if prior to Enbridge accepting the request for transportation service Enbridge 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 Enbridge shall follow the procedure in Section 5 d hereof;

   iv. if Enbridge 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. Enbridge will advise the potential shipper in writing whether Enbridge 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 Enbridge rejects a request for service, Enbridge shall inform the potential shipper of the reasons why its request is being rejected; and

e. If Enbridge has insufficient Available Capacity to service, all pending requests for transportation service Enbridge may:

   i. Reject all the pending requests for transportation service and conduct an open season; or

   ii. Enbridge 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 Enbridge shall provide all such potential shippers with an equal opportunity to submit a revised request for service. Enbridge shall then allocate the Available Capacity to the request for transportation service with the highest economic value to Enbridge. 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: Enbridge 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 Enbridge 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. Enbridge shall provide Shipper such notice of such curtailment as is reasonable under the circumstances. If due to any cause whatsoever Enbridge is unable to receive or deliver the quantities of gas which Shipper has requested, then Enbridge shall order curtailment by all Shippers affected and to the extent necessary to remove the effect of the disability. Enbridge has a priority of service policy to determine the order of service curtailment. In order to place services on the priority of service list, Enbridge 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 Enbridge 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: Enbridge 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: Enbridge's facilities from time to time may require maintenance or construction. In the event that such event occurs and in Enbridge's sole opinion, acting reasonably, such maintenance or construction may impact Enbridge's ability to meet Shipper's requirements, Enbridge shall provide at least ten (10) days' notice to Shipper,

except in the case of an emergency. In the event the maintenance impacts Enbridge's ability to meet Shipper's requirements, Enbridge shall not be liable for any damages and shall not be deemed in breach of the Contract. To the extent that Enbridge'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.

Enbridge 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. Enbridge 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 Enbridge'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

   a. has the right, power, authority, legal capacity, and competence to enter into the Contract and to perform all of its obligations thereunder;

   b. the Contract has been duly executed and delivered and is a legal, valid, and binding obligation, enforceable against it in accordance with its terms subject to applicable bankruptcy or similar laws affecting enforcement of creditors' rights generally;

   c. the transactions contemplated by the Contract do not and will not result in a violation of any of the terms or provisions of any applicable laws or any agreement to which it is a party or by which it is bound;

   d. 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; and

   e. 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 Enbridge agree otherwise. Shipper shall notify Enbridge in the event of any change to the financial assurances throughout the term hereof. Should Enbridge 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 Enbridge 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 Enbridge from time to time,

then Shipper shall within fourteen (14) days of receipt of written notice by Enbridge, obtain and provide to Enbridge a letter of credit or other security in the form and amount reasonably required by Enbridge (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 Enbridge such Security within such fourteen (14) day period, Enbridge 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 Enbridge and to the extent that the Material Event has been mitigated or eliminated, Enbridge 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 Enbridge and release of obligations by Enbridge 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 Enbridge, 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 Enbridge 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 Enbridge that Shipper shall have good and marketable title to, or legal authority to deliver to Enbridge, all gas delivered to Enbridge hereunder. Furthermore, Shipper hereby agrees to indemnify and save Enbridge 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.

4. Shipper Information: Shipper acknowledges and agrees that Shipper's information generated and collected by Enbridge pursuant to this Contract may be shared with one or more Enbridge affiliates in order for Enbridge to ensure compliance with applicable laws and for confirmation of Shipper financial assurances.

XXI. PRECONDITIONS TO TRANSPORTATION SERVICES

1. Enbridge Conditions: The obligations of Enbridge to provide Transportation Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Enbridge, and which may be waived or extended in whole or in part in the manner provided in the Contract:

   a. Enbridge shall have obtained, in form and substance satisfactory to Enbridge, 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. Enbridge shall have obtained all internal approvals that are necessary or appropriate to provide the Transportation Services; and,

c. Enbridge 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 Enbridge; and,

d. Shipper and Enbridge shall have entered into the Interruptible Service Hub Contract and as required, necessary Facilitating Agreements.

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 Enbridge 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: Enbridge 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.

XXII. NOMINATIONS

1. For Transportation Services required on any Day under the Contract, Shipper shall provide Enbridge 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 Enbridge determines to be necessary (a "**Nomination**").

2. All Nominations shall be submitted by electronic means via *Enerline*. Enbridge, in its sole discretion, may amend or modify the nominating procedures or *Enerline* at any time. Nominations shall be submitted so as to be received by Enbridge in accordance with timelines established by Enbridge, which reflect the NAESB standard nomination cycles. Enbridge 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 Enbridge. The nomination cycle timelines are posted

on Enbridge's website and the nomination deadlines are provided in *Enerline*.

3. Enbridge 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 Enbridge determines that it will not schedule such Nomination, Enbridge 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 Enbridge, 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 Enbridge 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 lessor amount shall be the Revised Nomination.

4. For Shippers electing firm all day transportation service, nominations shall be provided to Enbridge'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 Enbridge, 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 Enbridge is unable to complete a Nomination confirmation due to inaccurate, untimely, or incomplete data involving an Interconnecting Pipeline entity, Enbridge 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 Enbridge determines that the Nomination is invalid at which time the Enbridge 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 Enbridge shall schedule for Transportation Services hereunder, shall be known as Shipper's "**Authorized Quantity**".

11. If on any day the actual quantities handled by Enbridge, 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 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, Enbridge 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. Enbridge 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 Enbridge and deliveries of gas by Enbridge 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 *Enerline* access request form, a third party as agent for purposes of providing a Nomination, and for giving and receiving notices related to Nominations, and Enbridge shall only accept nominations from the agent. Any such designation, if acceptable to Enbridge, shall be effective following the receipt and processing of the written notice and will remain in effect until revoked in writing by Shipper.

15. Exchanges: All gas delivered to an Exchange Point is to be nominated in accordance with the nomination procedures of the receiving transporter.

XXIII. 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	**DAWN (FACILITIES):**	Enbridge'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 Enbridge.
R	**DAWN (TCPL):**	At the junction of Enbridge's and TransCanada's facilities, at or adjacent to Dawn (Facilities).
R	**DAWN (VECTOR):**	At the junction of Enbridge's and Vector Pipeline Limited Partnership ("**Vector**") facilities, at or adjacent to Dawn (Facilities).
R,D	**PARKWAY (TCPL):**	At the junction of Enbridge's and TransCanada 's facilities, at or adjacent to Enbridge'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	**KIRKWALL:**	At the junction of Enbridge's and TransCanada 's facilities at or adjacent to Enbridge's facilities situated in Part Lot Twenty-Five (25), Concession 7, Town of Flamborough.
D	**PARKWAY (EGT):**	At Enbridge's facilities, at or 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).

2. Receipt and Delivery Pressures:

   a. All gas tendered by or on behalf of Shipper to Enbridge shall be tendered at the Receipt Point(s) at Enbridge's prevailing pressure at that Receipt Point, or at such pressure as per operating agreements between Enbridge and the applicable Interconnecting Pipeline as amended or restated from time to time.

   b. All gas tendered by or on behalf of Enbridge to Shipper shall be tendered at the Delivery Point(s) at Enbridge's prevailing pressure at that Delivery Point or at such pressure as per agreements between Enbridge and the applicable Interconnecting Pipeline as amended or restated from time to time.

c. Under no circumstances shall Enbridge be obligated to receive or deliver gas hereunder at pressures exceeding the maximum allowable operating pressures prescribed under any applicable governmental regulations; nor shall Enbridge be required to make any physical deliveries or to accept any physical receipts which its existing facilities cannot accommodate.

ENBRIDGE GAS INC. - RATE M13

GENERAL TERMS AND CONDITIONS

INDEX

I. DEFINITIONS 42
II. GAS QUALITY 45
III. MEASUREMENTS 46
IV. RECEIPT POINT AND DELIVERY POINT 47
V. POSSESSION OF AND RESPONSIBILITY FOR GAS 47
VI. FACILITIES ON SHIPPER'S PROPERTY 47
VII. MEASURING EQUIPMENT 48
VIII. BILLING 48
IX. PAYMENTS 49
X. DISPUTE RESOLUTION 50
XI. FORCE MAJEURE 51
XII. DEFAULT AND TERMINATION 52
XIII. AMENDMENT 53
XIV. NON-WAIVER AND FUTURE DEFAULT 53
XV. LAWS, REGULATIONS AND ORDERS 53
XVI. RESERVED FOR FUTURE USE 53
XVII. RENEWALS 53
XVIII. SERVICE CURTAILMENT 54
XIX. SHIPPER'S REPRESENTATIONS AND WARRANTIES 54
XX. MISCELLANEOUS PROVISIONS 55
XXI. PRECONDITIONS TO SERVICES 55
XXII. NOMINATIONS 57

I. DEFINITIONS

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms and Conditions and in any Contract shall be construed to have the meanings set out below. Capitalized terms not defined herein shall have the meaning set out in the Contract.

"**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 Enbridge (including amounts paid to affiliates for services rendered in accordance with the Affiliate Relationships Code for Gas Utilities 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 Enbridge's negligence or not, except for any costs that have arisen from the gross negligence, fraud, or willful misconduct of Enbridge;

"**Average Local Producer Heat**" ("**ALPH**") shall mean the heat content value as set by Enbridge and shall be determined by volumetrically averaging the gross heat content of all produced gas delivered to the Enbridge system by Ontario Local Producers. The ALPH shall be expressed in GJ/10^3m^3 and may be adjusted from time to time by Enbridge;

"**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 any contract to which these General Terms and 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;

"**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;

"**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 Enbridge 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 any point(s) defined in the Contract where Enbridge shall deliver gas to Shipper;

"**Distribution Demand**" shall mean the varying demand for the supply of gas, as determined by Enbridge, on Enbridge's pipeline and distribution system for users of gas who are supplied or delivered gas by Enbridge's pipeline and distribution system;

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

"**Enbridge**" shall mean Enbridge Gas Inc.

"**Facilitating Agreements**" shall refer to a contract with Enbridge that is related to the Transportation Services and is required in order to obtain another service, including without limiting the generality of the foregoing:

a. an Interruptible Service Hub Contract;
b. a Limited Balancing Agreement;
c. an Interconnect Operating Agreement; or
d. a Dehydration Contract.

"**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 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 and shall include RNG;

"**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 the temperature at a specific pressure where hydrocarbon vapour condensation begins;

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

"**Interruptible Service Hub Contract**" shall mean an interruptible service hub contract between Shipper and Enbridge pursuant to which Enbridge provides interruptible gas transportation, exchange, balancing, and name change services;

"**interruptible service**" or "**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;

"**MAOP"** shall mean the maximum allowable operating pressure of Enbridge's pipeline and distribution system and as further defined in 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 Enbridge at a Receipt Point on any Day, as further defined in the Contract;

"**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 Enbridge 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 or any successor thereto;

"**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 10^3m^3, delivered by Shipper to Enbridge at all Receipt Points on any Day;

"**Producer Balancing Account**" shall mean the gas balance held by Enbridge for Shipper, or owed by Shipper to Enbridge, 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 Enbridge 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, Enbridge will credit the Producer Balancing Account, or where such amount is less than zero, Enbridge will debit the Producer Balancing Account. This Service shall be performed on a retroactive basis on the terms and conditions contained in the Contract, as may be revised from time to time by Enbridge;

"Receipt Point" shall mean the point(s) where Enbridge shall receive gas from Shipper;

"**RNG**" or "**Renewable Natural Gas**" shall mean biogas that has been conditioned or upgraded to a quality meeting the Renewable Gas Specification;

"**Renewable Gas Specification**" means the RNG standards or requirements established by Enbridge, as amended from time to time;

"**Sales Agreement**" shall mean the Ontario Gas Purchase Agreement(s) entered into between Shipper and Enbridge;

"**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 Enbridge's pipeline and distribution system which determines Enbridge's ability to accept volumes of gas into Enbridge's pipeline and distribution system hereunder. System Capacity shall be determined by Enbridge and such determination, in addition to the physical characteristics of Enbridge's pipeline and distribution system Distribution Demand, shall also include consideration of Enbridge's local Distribution Demand, Enbridge's total system Distribution Demand, availability of Enbridge's gas storage capacity, and other gas being purchased and/or delivered into Enbridge'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 or any other payment contemplated 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. a. Natural Gas: The minimum gross heating value of the gas delivered to/by Enbridge hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Enbridge hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Enbridge may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Enbridge may be a commingled supply from Enbridge'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, Enbridge may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning, and other processes.

   b. Renewable Natural Gas: Specifically with the respect to RNG, the established quality specifications will be further defined in the Contract.

2. Freedom from objectionable matter: The gas to be delivered to/by Enbridge 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 cricondentherm hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius or minus eighteen (-18) degrees Fahrenheit,

   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 (43ºC), and,

   l. shall not be odourized by Shipper.

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.

a. In the event that the quality of the gas does not conform or if Enbridge, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so, directed by Enbridge 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 Enbridge with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Enbridge may conduct such test and Shipper shall reimburse Enbridge for all costs incurred by Enbridge for such testing.

b. If Shipper's gas fails at any time to conform to the requirements of this Article II, Enbridge, 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 Enbridge hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Enbridge in this Article II, but Enbridge 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 Enbridge at Dawn (Facilities) or the gas to be delivered by Enbridge 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 Enbridge 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. Delivery of Gas to an Exchange Point: The quality of gas to be delivered to an Exchange Point is to be of a merchantable quality and in accordance with the quality standards as set out by the third party pipeline operator of the facility at the Exchange Point.

III. MEASUREMENTS

1. Storage, Transportation and/or Sales Unit: The unit of the gas delivered to Enbridge shall be a quantity of 10^3m^3. The unit of gas transported or stored by Enbridge shall be a megajoule or a gigajoule. The unit of gas delivered by Enbridge shall be a megajoule, a gigajoule, a cubic metre (m^3) or one thousand cubic metres (10^3m^3) at Enbridge'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 Enbridge's discretion, all as amended from time to time.

c. The volume and/or energy of the gas delivered to/by Enbridge hereunder shall be determined by the measurement equipment designated in Article VII herein.

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 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: Enbridge accepts no responsibility for any gas prior to such gas being delivered to Enbridge at the Receipt Point or after its delivery by Enbridge at the Delivery Point. As between the parties hereto, Enbridge shall be deemed to be in control and possession of and responsible for all such gas from the time that such gas enters Enbridge's system until such gas is delivered to Shipper.

2. Liability: Shipper agrees that Enbridge is not a common carrier and is not an insurer of Shipper's gas, and that Enbridge shall not be liable to Shipper or any third party for loss of gas in Enbridge's possession, except to the extent such loss is caused entirely by Enbridge's negligence or willful misconduct.

VI. FACILITIES ON SHIPPER'S PROPERTY

1. Meter Station: Enbridge 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 Enbridge from Shipper. Shipper agrees, if requested by Enbridge, to provide Enbridge with sufficient detailed information regarding Shipper's current and expected operations in order to aid Enbridge in Enbridge's design of the meter station.

2. Enbridge Obligations: Pursuant to Article VI. Section 1 herein, Enbridge 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 Enbridge deems such facility to be necessary.

3. Enbridge Equipment: All equipment installed by Enbridge at the Receipt Point(s) shall remain the property of Enbridge at all times, notwithstanding the fact that it may be affixed to Shipper's property. Enbridge 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 Enbridge 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 Enbridge'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 Enbridge 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 Enbridge with a bona fide copy of such lease agreement prior to Enbridge 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 Enbridge'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 Enbridge around the perimeter of each Receipt Point which will adequately secure and protect Enbridge's equipment therein.

5. Maintenance Costs: Shipper shall within thirty (30) days of the delivery of a bill by Enbridge, reimburse Enbridge for any actual costs reasonably incurred by Enbridge 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. Enbridge shall be responsible for any costs incurred by Enbridge to correct an error made by Enbridge.

VII. MEASURING EQUIPMENT

1. Metering by Enbridge: Enbridge 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 Enbridge hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline or by an upstream or downstream transporter (the "**Transporter**") whose facilities may or may not interconnect with Enbridge's, then Enbridge and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Enbridge on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Enbridge hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's or Transporter's gas tariff as approved by its 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 Enbridge'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 Enbridge's metering facilities.

4. Calibration and Test of Measuring Equipment: The accuracy of Enbridge's measuring equipment shall be verified by Enbridge at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Enbridge 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 percent (2%). If, upon testing, any measuring equipment is found to be in error by not more than two percent (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.

5. Preservation of Metering Records: Enbridge 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: Enbridge 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. Enbridge 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 Enbridge 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, 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 Enbridge 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 Enbridge's bank account as directed on the bill 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 Enbridge'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 Enbridge interest 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 the full payment is not received by the due date (the "**Interest Rate**") until the date of payment; and,

   b. If such failure to pay continues for thirty (30) days after payment is due, Enbridge, 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 plus interest at the Interest Rate in the case of further non-payment hereunder as if such suspension were not in place.

   Shipper shall not be entitled to dispute all or any portion of any amounts owing to Enbridge, including any amounts pursuant to any bill, unless and until Shipper has paid in full such amounts to Enbridge. If Shipper in good faith disputes the amount of any such bill or part thereof Shipper shall nevertheless pay the full amount of the bill and will notify Enbridge within thirty (30) days following delivery of such bill of the amount disputed and the reasons why Shipper disputes that portion of the bill including supporting documentation acceptable in industry practice to support the amount paid or disputed. A final determination may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case.

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

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, Enbridge 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 Enbridge's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Enbridge 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 Enbridge, such error shall be adjusted by Enbridge. Such overcharge, undercharge or error shall be adjusted by Enbridge 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 Enbridge.

   Shipper shall make reasonable efforts to eliminate/minimize the withholding tax related to the fees/payments paid to Enbridge, including but not limited to requesting from Enbridge 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 Enbridge, after the calendar year end, Enbridge'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, Enbridge 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 Enbridge, to reduce such arrears or other indebtedness to Enbridge.

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 Enbridge for a portion, as determined by Enbridge, of Enbridge'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 Enbridge's pipeline and distribution system. Enbridge 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 Enbridge'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 Enbridge.

X. DISPUTE RESOLUTION

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 (a "**Dispute**"), the matter in dispute shall be resolved in the manner set out in Article X.

a. The party claiming that a Dispute has arisen must give written notice (a "**Dispute Notice**") to the other party specifying the nature of the dispute, the relief sought, and the basis for the relief sought.

b. Within seven (7) Business Days following delivery of a Dispute Notice, the parties must commence the process of attempting to resolve the Dispute by referring such Dispute to a meeting between the Director, Energy Services S&T Sales (or the successor position thereof), on behalf of Enbridge, and an equivalent or similar manager on behalf of the Shipper, (the "Operations Personnel") for discussion and resolution. The Operations Personnel shall consult, discuss, and negotiate in good faith with the intention of a reaching a just

and equitable solution satisfactory to both parties.

c. If a Dispute is not resolved to the mutual satisfaction of the parties by the Operations Personnel within twelve (12) Business Days after the Dispute Notice has been delivered the Dispute shall be referred to the parties' respective senior representatives (in the case of the Enbridge, the Vice-President Energy Services (or the successor position thereof); and in the case of the Shipper, an equivalent or similar senior manager of the Shipper (the "Senior Representatives") for resolution. The parties shall cause their respective Senior Representatives to meet as soon as possible in an effort to resolve the dispute.

d. If the Dispute is not resolved by the Senior Representatives to the mutual satisfaction of the parties within twenty (20) Business Days after delivery of the Dispute Notice, then the parties may agree, but are not obligated, to refer the Dispute to a private mediator agreed to between them. The parties and the mediator shall conduct the mediation in accordance with procedures agreed to between them and all third-party costs (including those of the mediator) shall be shared equally by the parties. There shall be no obligation of a party to agree on a mediator or any procedures therefore, other than to act in good faith.

e. If the Dispute is still not resolved to the mutual satisfaction of the parties within thirty (30) Business Days after delivery of the Dispute Notice, then either party may refer the Dispute to be resolved by litigation or such other legal means (such as by way of an application to the OEB, if applicable) as are available to such party, provided the party seeking legal remedy has pursued resolution of the Dispute as contemplated in Article X.

XI. FORCE MAJEURE

1. Definition: The term "**force majeure**" as used herein shall mean any event beyond the reasonable control of the party to a Contract claiming suspension, whether or not foreseeable and which by the exercise of reasonable due diligence such Party is unable to prevent or overcome, including, without limitation: 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).

2. Notice: In the event that either the Shipper or Enbridge 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: Subject to the remainder of this Section XI, each party to a Contract will be relieved of its obligations under such Contract during the period of time and to the extent performance of such obligations that are not possible due to an event of force majeure. Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances are preventing a party's performance or compliance (or the resumption of such performance or compliance) with any obligation or condition of the Contract: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension or as a result of breach of the Contract; 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 economic hardship, lack of funds, deteriorated financial circumstances, change in commodity prices, interests rates, financial markets, or the lack of market for product or the availability of a more attractive market; the party claiming suspension did not, as soon as reasonably 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 for Force Majeure: The party to a Contract claiming suspension as a result of an event of force majeure shall keep the other party reasonably apprised of the event of force majeure, the steps the affected party is taking to end or mitigate the force majeure event, and when the force majeure is anticipated to end. During an event of force majeure, the affected party shall use reasonable efforts to limit the impacts to the other party and to resume its performance under the Contract as soon as practicable. 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 Enbridge's system will excuse the failure to deliver gas by Enbridge or the failure to accept gas by Enbridge 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 Enbridge's system shall not relieve Shipper of any payment obligations.

7. Delay of Services: Despite Article XI herein, if Enbridge is prevented, by reason of an event of force majeure on Enbridge's system from delivering gas on the Day or Days upon which Enbridge has accepted gas from Shipper, Enbridge 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 Enbridge. If Enbridge 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 Enbridge fails to accept gas from Shipper by reason of an event of force majeure on Enbridge'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 Enbridge 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 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 Enbridge 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 : (i) ten (10) days from receipt of such notice in the case of a failure on the part of Shipper to make a payment within the time periods required hereunder (a "**Payment Default**"); or (ii) thirty (30) days from receipt of such notice in the case of a default other than a Payment Default, the non-defaulting party may at its sole option, exercise any of the following remedies immediately upon giving notice to the defaulting party:

a. to suspend the non-defaulting party's performance under the Contract, provided that notwithstanding such suspension, all demand charges shall continue to accrue plus interest at the Interest Rate in the case of further non-payment hereunder as if such suspension were not in place;

b. to withhold or continue to withhold any amounts owed to the defaulting party under the Contract (whether or

not yet invoiced or due) and set off against such withheld amounts any amounts owed the non-defaulting party under the Contract (whether or not yet invoiced or due;) or

c. 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. Each of the aforementioned remedies are non-exclusive remedies, and the non-defaulting party may elect to exercise one of more of such remedies, as applicable.

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 Enbridge to amend the applicable rate schedules, general terms and conditions 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 Enbridge.

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 Enbridge 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 Enbridge 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 Enbridge upon Enbridge's request. Shipper shall provide to Enbridge the names and telephone numbers of those persons whom Enbridge may contact in the event of an emergency situation arising within the Shipper's facilities.

3. Emergency Notice: In the event that Enbridge is notified by a third party or if Enbridge becomes aware of an emergency situation in which Shipper's gas production site, pipeline or associated equipment is involved, Enbridge shall immediately notify Shipper or Shipper's representative of such emergency condition.

4. Right to Modify: Enbridge shall have the right, at all times, to reconstruct or modify Enbridge'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 Enbridge. Should Enbridge expect any such reconstruction or modification to reduce the delivery or receipt of gas by either party, Enbridge will, where able, provide Shipper with six (6) months' notice or as much notice as is reasonably practical in the circumstances. Enbridge 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

   a. has the right, power, authority, legal capacity, and competence to enter into the Contract and to perform all of its obligations thereunder;

   b. the Contract has been duly executed and delivered and is a legal, valid, and binding obligation, enforceable against it in accordance with its terms subject to applicable bankruptcy or similar laws affecting enforcement of creditors' rights generally;

   c. the transactions contemplated by the Contract do not and will not result in a violation of any of the terms or provisions of any applicable laws or any agreement to which it is a party or by which it is bound;

   d. 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; and

   e. 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 Enbridge agree otherwise. Shipper shall notify Enbridge in the event of any change to the financial assurances throughout the term hereof. Should Enbridge 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 Enbridge, obtain and provide to Enbridge a letter of credit or other security in the form and amount reasonably required by Enbridge (the "**Security**"). In the event that

Shipper does not provide to Enbridge such Security, Enbridge 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 Enbridge and to the extent that the Material Event has been mitigated or eliminated, Enbridge 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 Enbridge 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 Enbridge and release of obligations by Enbridge 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 Enbridge that Shipper shall have good and marketable title to, or legal authority to deliver to Enbridge, all gas delivered to Enbridge hereunder. Furthermore, Shipper hereby agrees to indemnify and save Enbridge 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.

3. Shipper Information: Shipper acknowledges and agrees that Shipper's information generated and collected by Enbridge pursuant to this Contract may be shared with one or more Enbridge affiliates in order for Enbridge to ensure compliance with applicable laws and for confirmation of Shipper financial assurances.

XXI. PRECONDITIONS TO SERVICES

1. Enbridge Conditions: The obligations of Enbridge to provide Transportation Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Enbridge, and which may be waived or extended in whole or in part in the manner provided in the Contract:

    a. Enbridge shall have obtained, in form and substance satisfactory to Enbridge, 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. Enbridge shall have obtained all internal approvals that are necessary or appropriate to provide the Transportation Services; and,

    c. Enbridge 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 Enbridge; and,

    d. Shipper and Enbridge shall have entered into the Interruptible Service Hub Contract and as required, necessary Facilitating Agreements; and,

e. Enbridge 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 Enbridge; and,

f. Enbridge 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 Enbridge towards the Aid to Construction any amounts owing pursuant to the Section "Aid to Construction" in the Contract.

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 Enbridge 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,

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 Enbridge, as applicable.

3. Satisfaction of Conditions: Enbridge 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.

XXII. NOMINATIONS

1. For Transportation Services required on any Day under the Contract, Shipper shall provide Enbridge 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 Enbridge determines to be necessary (a "**Nomination**").

2. All Nominations shall be submitted by electronic means via *Enerline*. Enbridge, in its sole discretion, may amend or modify the nominating procedures or *Enerline* at any time. Nominations shall be submitted so as to be received by Enbridge in accordance with timelines established by Enbridge, which reflect the NAESB standard nomination cycles. Enbridge 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 Enbridge. The nomination cycle timelines are posted on Enbridge's website and the nomination deadlines are provided in *Enerline*.

3. Enbridge 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 Enbridge determines that it will not schedule such Nomination, Enbridge 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 Enbridge, 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 Enbridge 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 lessor amount shall be the Revised Nomination.

4. For Shippers electing firm all day transportation service, nominations shall be provided to Enbridge'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 Enbridge, 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 Enbridge is unable to complete a Nomination confirmation due to inaccurate, untimely, or incomplete data involving an Interconnecting Pipeline entity, Enbridge 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 Enbridge determines that the Nomination is invalid at which time the Enbridge 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 Enbridge shall schedule for Transportation Services hereunder, shall be known as Shipper's "**Authorized Quantity**".

11. If on any day the actual quantities handled by Enbridge, 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 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, Enbridge 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. Enbridge 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 Enbridge and deliveries of gas by Enbridge 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 *Enerline* access request form, a third party as agent for purposes of providing a Nomination, and for giving and receiving notices related to Nominations, and Enbridge shall only accept nominations from the agent. Any such designation, if acceptable to Enbridge, shall be effective following the receipt and processing of the written notice and will remain in effect until revoked in writing by Shipper.

15. Exchanges: All Gas delivered to an Exchange Point is to be nominated in accordance with the nomination procedures of the receiving transporter.

ENBRIDGE GAS INC. – RATE M16
GENERAL TERMS AND CONDITIONS

INDEX

I. DEFINITIONS 60
II. GAS QUALITY 62
III. MEASUREMENTS 64
IV. RECEIPT POINT AND DELIVERY POINT 65
V. POSSESSION OF AND RESPONSIBILITY FOR GAS 65
VI. FACILITIES ON SHIPPER'S PROPERTY 65
VII. MEASURING EQUIPMENT 66
VIII. BILLING 67
IX. PAYMENTS 67
X. DISPUTE RESOLUTION 68
XI. FORCE MAJEURE 69
XII. DEFAULT AND TERMINATION 71
XIII. AMENDMENT 71
XIV. NON-WAIVER AND FUTURE DEFAULT 71
XV. LAWS, REGULATIONS AND ORDERS 71
XVI. RESERVED FOR FUTURE USE 72
XVII. RENEWALS 72
XVIII. SERVICE CURTAILMENT 72
XIX. SHIPPER'S REPRESENTATIONS AND WARRANTIES 72
XX. MISCELLANEOUS PROVISIONS 73
XXI. PRECONDITIONS TO TRANSPORTATION SERVICES 74
XXII. NOMINATIONS 75

I. DEFINITIONS

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms and Conditions and in any Contract shall be construed to have the meanings set out below. Capitalized terms not defined herein shall have the meaning set out in the Contract.

"**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 Enbridge (including amounts paid to affiliates for services rendered in accordance with the Affiliate Relationships Code for Gas Utilities 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 placing into service of the Enbridge Expansion Facilities, the obtaining of all governmental, regulatory and other third party approvals, and the obtaining of rights of way) whether resulting from Enbridge's negligence or not, except for any costs that have arisen from the gross negligence, fraud, or willful misconduct of Enbridge;

"**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 Article XXII;

"**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 any contract to which these General Terms and 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;

"**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 Enbridge 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 Enbridge and the Shipper as detailed in the Contract;

"**Delivery Point**" shall mean any point(s) defined in the Contract where Enbridge shall deliver gas to Shipper;

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

"**Facilitating Agreements**" shall refer to a contract with Enbridge that is related to the Transportation Services and is

required in order to obtain another service, including without limiting the generality of the foregoing:

a. an Interruptible Service Hub Contract;
b. a Limited Balancing Agreement;
c. an Interconnect Operating Agreement; or
d. a Dehydration Contract.

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

"**Enbridge**" shall mean Enbridge Gas Inc.;

"**Enbridge Expansion Facilities**" shall mean any facilities necessary for Enbridge 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 Enbridge 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;

"**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 and shall include RNG;

"**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 the temperature at a specific pressure where hydrocarbon vapour condensation begins;

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

"**Interruptible Service Hub Contract**" shall mean an interruptible service hub contract between Shipper and Enbridge pursuant to which Enbridge provides interruptible gas transportation, exchange, balancing, and name change services;

"**interruptible service**" or "**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 or any successor thereto;

"**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 Enbridge's measurement and control facilities to the Pool; the pool name as detailed in the Contract;

"**Receipt Point**" shall mean the point(s) where Enbridge shall receive gas from;

"**RNG**" or "**Renewable Natural Gas**" shall mean biogas that has been conditioned or upgraded to a quality meeting the Renewable Gas Specification;

"**Renewable Gas Specification**" means the RNG standards or requirements established by Enbridge, as amended from time to time;

"**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 or any other payment contemplated under the Contract;

"TransCanada" 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. a. Natural Gas: The minimum gross heating value of the gas delivered to/by Enbridge hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Enbridge hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Enbridge may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Enbridge may be a commingled supply from Enbridge'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, Enbridge may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning, and other processes.

   b. Renewable Natural Gas: Specifically with the respect to RNG, the established quality specifications will be further defined in the Contract.

2. Freedom from objectionable matter: The gas to be delivered to/by Enbridge 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 cricondentherm hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius or minus eighteen (-18) degrees Fahrenheit,

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 (43ºC), and,

l. shall not be odourized by Shipper.

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.

a. In the event that the quality of the gas does not conform or if Enbridge, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so, directed by Enbridge 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 Enbridge with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Enbridge may conduct such test and Shipper shall reimburse Enbridge for all costs incurred by Enbridge for such testing.

b. If Shipper's gas fails at any time to conform to the requirements of this Article II, Enbridge, 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, Enbridge 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 Enbridge at the Receipt Point(s) hereunder is to be

of a merchantable quality and in accordance with the quality standards as set out by Enbridge in this Article II.

5. Quality of Gas at Dawn: The quality of the gas to be delivered to Enbridge at Dawn (Facilities) or the gas to be delivered by Enbridge 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 Enbridge 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. Enbridge may odourize or deliver odourized gas under the Contract,

   b. Shipper shall if requested by Enbridge monitor the mercaptan sulphur content of the gas delivered to Enbridge under the Contract and shall provide at no cost to Enbridge a continuous signal quantifying the mercaptan sulphur content in milligrams per cubic metre.

7. Delivery of Gas to an Exchange Point: The quality of gas to be delivered to an Exchange Point is to be of a merchantable quality and in accordance with the quality standards as set out by the third party pipeline operator of the facility at the Exchange Point.

III. MEASUREMENTS

1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Enbridge shall be a megajoule or a gigajoule. The unit of gas transported or stored by Enbridge shall be a megajoule or a gigajoule. The unit of gas delivered by Enbridge shall be a megajoule, a gigajoule, a cubic metre (m^3) or one thousand cubic metres (10^3m^3) at Enbridge'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 Enbridge's discretion, all as amended from time to time.

   c. The volume and/or energy of the gas delivered to/by Enbridge hereunder shall be determined by the measurement equipment designated in Article VII herein.

   d. Upon request by Enbridge, Shipper shall obtain measurement of the total quantity of gas received by Enbridge hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Enbridge 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 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: Enbridge accepts no responsibility for any gas prior to such gas being delivered to Enbridge at the Receipt Point or after its delivery by Enbridge at the Delivery Point. As between the parties hereto, Enbridge shall be deemed to be in control and possession of and responsible for all such gas from the time that such gas enters Enbridge's system until such gas is delivered to Shipper.

2. Liability: Shipper agrees that Enbridge is not a common carrier and is not an insurer of Shipper's gas, and that Enbridge shall not be liable to Shipper or any third party for loss of gas in Enbridge's possession, except to the extent such loss is caused entirely by Enbridge's negligence or willful misconduct.

VI. FACILITIES ON SHIPPER'S PROPERTY

1. Enbridge Equipment: All of the Enbridge Expansion Facilities shall remain the property of Enbridge. Enbridge 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 Enbridge 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 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 Enbridge's facilities as set out in Article VI of the Contract and in the Contract, protect Enbridge 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 a bill by Enbridge, reimburse Enbridge for any actual costs reasonably incurred by Enbridge for any repair, replacement, relocation, or upgrading of any meter station or any Enbridge Expansion Facilities requested by Shipper, or as required by law, or by duly constituted regulatory body, or through good engineering practice. Enbridge shall be responsible for any costs incurred by Enbridge to correct an error made by Enbridge.

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 Enbridge: Enbridge 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 Enbridge hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline or by an upstream or downstream transporter (the "**Transporter**") whose facilities may or may not interconnect with Enbridge's, then Enbridge and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Enbridge on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Enbridge hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's or Transporter'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 Enbridge'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 Enbridge'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, Enbridge 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 Enbridge 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 Enbridge's measuring equipment shall be verified by Enbridge at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Enbridge 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 percent (2%). If, upon testing, any measuring equipment is found to be in error by not more than two percent (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: Enbridge 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 of Interconnecting Pipeline(s): In the event of an error in metering or a meter failure, (such error or failure being determined through check measurement by Enbridge 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: Enbridge 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. Enbridge 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 Enbridge 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, 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 Enbridge's bank account as directed on the bill 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 Enbridge'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 Enbridge interest 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 the full payment is not received by the due date (the "**Interest Rate**") until the date of payment; and,

   b. If such failure to pay continues for thirty (30) days after payment is due, Enbridge, 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 plus interest at the Interest Rate in the case of further non-payment hereunder as if such suspension were not in place.

   Shipper shall not be entitled to dispute all or any portion of any amounts owing to Enbridge, including any amounts pursuant to any bill, unless and until Shipper has paid in full such amounts to Enbridge. If Shipper in good faith disputes the amount of any such bill or part thereof Shipper shall nevertheless pay the full amount of the bill and will notify Enbridge within thirty (30) days following delivery of such bill of the amount disputed and the reasons why Shipper disputes that portion of the bill including supporting documentation acceptable in industry practice to support the amount paid or disputed. A final determination may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case.

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

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, Enbridge 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 Enbridge's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Enbridge 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 Enbridge, such error shall be adjusted by Enbridge. Such overcharge, undercharge or error shall be adjusted by Enbridge 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 Enbridge.

   Shipper shall make reasonable efforts to eliminate/minimize the withholding tax related to the fees/payments paid to Enbridge, including but not limited to requesting from Enbridge 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 Enbridge, after the calendar year end, Enbridge'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 in not 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, Enbridge 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 Enbridge, to reduce such arrears or other indebtedness to Enbridge.

6. Aid to Construction: Shipper agrees to reimburse Enbridge for the Aid to Construction.

   In the event Enbridge 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 Enbridge such actual costs on presentation to Shipper of a bill for same from Enbridge.

   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. DISPUTE RESOLUTION

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 (a "**Dispute**"), the matter in dispute shall be resolved in the manner set out in Article X.

a. The party claiming that a Dispute has arisen must give written notice (a "**Dispute Notice**") to the other party specifying the nature of the dispute, the relief sought, and the basis for the relief sought.

b. Within seven (7) Business Days following delivery of a Dispute Notice, the parties must commence the process of attempting to resolve the Dispute by referring such Dispute to a meeting between the Director, Energy Services S&T Sales (or the successor position thereof), on behalf of Enbridge, and an equivalent or similar manager on behalf of the Shipper, (the "**Operations Personnel**") for discussion and resolution. The Operations Personnel shall consult, discuss, and negotiate in good faith with the intention of a reaching a just and equitable solution satisfactory to both parties.

c. If a Dispute is not resolved to the mutual satisfaction of the parties by the Operations Personnel within twelve (12) Business Days after the Dispute Notice has been delivered the Dispute shall be referred to the parties' respective senior representatives (in the case of the Enbridge, the Vice-President Energy Services (or the successor position thereof); and in the case of the Shipper, an equivalent or similar senior manager of the Shipper (the "**Senior Representatives**") for resolution. The parties shall cause their respective Senior Representatives to meet as soon as possible in an effort to resolve the dispute.

d. If the Dispute is not resolved by the Senior Representatives to the mutual satisfaction of the parties within twenty (20) Business Days after delivery of the Dispute Notice, then the parties may agree, but are not obligated, to refer the Dispute to a private mediator agreed to between them. The parties and the mediator shall conduct the mediation in accordance with procedures agreed to between them and all third-party costs (including those of the mediator) shall be shared equally by the parties. There shall be no obligation of a party to agree on a mediator or any procedures therefore, other than to act in good faith.

e. If the Dispute is still not resolved to the mutual satisfaction of the parties within thirty (30) Business Days after delivery of the Dispute Notice, then either party may refer the Dispute to be resolved by litigation or such other legal means (such as by way of an application to the OEB, if applicable) as are available to such party, provided the party seeking legal remedy has pursued resolution of the Dispute as contemplated in Article X.

XI. FORCE MAJEURE

1. Definition: The term "**force majeure**" as used herein shall mean any event beyond the reasonable control of the party to a Contract claiming suspension, whether or not foreseeable and which by the exercise of reasonable due diligence such Party is unable to prevent or overcome, including, without limitation: 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).

2. Notice: In the event that either the Shipper or Enbridge 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: Subject to the remainder of this Section XI, each party to a Contract will be relieved of its obligations under such Contract during the period of time and to the extent performance of such obligations that are not possible due to an event of force majeure. Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances are preventing a party's performance or compliance (or the resumption of such performance or compliance) with any obligation or condition of the Contract: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension or as a result of breach of the Contract; 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 economic hardship, lack of funds, deteriorated financial circumstances, change in commodity prices, interests rates, financial markets, or the lack of market for product or the availability of a more attractive market; the party claiming suspension did not, as soon as reasonably 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 for Force Majeure: The party to a Contract claiming suspension as a result of an event of force majeure shall keep the other party reasonably apprised of the event of force majeure, the steps the affected party is taking to end or mitigate the force majeure event, and when the force majeure is anticipated to end. During an event of force majeure, the affected party shall use reasonable efforts to limit the impacts to the other party and to resume its performance under the Contract as soon as practicable. 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 Enbridge's system will excuse the failure to deliver gas by Enbridge or the failure to accept gas by Enbridge 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 Enbridge's system shall not relieve Shipper of any payment obligations.

7. Delay of Firm Transportation Services: Despite Article XI herein, if Enbridge is prevented, by reason of an event of force majeure on Enbridge's system from delivering gas on the Day or Days upon which Enbridge has accepted gas from Shipper, Enbridge 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 Enbridge. If Enbridge 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 Enbridge fails to accept gas from Shipper by reason of an event of force majeure on Enbridge'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 Enbridge 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 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 Enbridge 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: (i) ten (10) days from receipt of such notice in the case of a failure on the part of Shipper to make a payment within the time periods required hereunder (a "**Payment Default**"); or (ii) thirty (30) days from receipt of such notice, in the case of a default other than a Payment Default, the non-defaulting party may at its sole option , exercise any of the following remedies immediately upon giving notice to the defaulting party:

a. to suspend the non-defaulting party's performance under the Contract, provided that notwithstanding such suspension, all demand charges shall continue to accrue plus interest at the Interest Rate in the case of further non-payment hereunder as if such suspension were not in place;

b. to withhold or continue to withhold any amounts owed to the defaulting party under the Contract (whether or not yet invoiced or due) and set off against such withheld amounts any amounts owed the non-defaulting party under the Contract (whether or not yet invoiced or due;) or

c. 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. Each of the aforementioned remedies are non-exclusive remedies, and the non-defaulting party may elect to exercise one of more of such remedies, as applicable.

XIII. AMENDMENT

Subject to Article XV herein and the ability of Enbridge to amend the applicable rate schedules, general terms and conditions 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 Enbridge.

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 Enbridge 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 Enbridge may reduce the Contract Demand 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, Enbridge will authorize nominations from shippers and allocate capacity as per Enbridge'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 Enbridge, and subordinate to Enbridge's own operational or system requirements.

2. Capacity Procedures: Enbridge 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: Enbridge's facilities from time to time may require maintenance or construction. In the event that such event occurs and in Enbridge's sole opinion, acting reasonably, may impact Enbridge's ability to meet Shipper's requirements, Enbridge shall provide at least ten (10) days' notice to Shipper, except in the case of an emergency. In the event the maintenance impacts Enbridge's ability to meet Shipper's requirements, Enbridge shall not be liable for any damages and shall not be deemed in breach of the Contract. To the extent that Enbridge's ability to accept and/or or deliver Shipper's gas is impaired, Monthly demand charge shall be in accordance with Article XI, Section 8 herein.

   Enbridge 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. Enbridge 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 Enbridge's ability to meet its obligations of any Contract Year, during the period from April 1 through to November 1.

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 Enbridge upon Enbridge's request. Shipper shall provide to Enbridge the names and telephone numbers of those persons whom Enbridge 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

   a. has the right, power, authority, legal capacity, and competence to enter into the Contract and to perform all of its obligations thereunder;

b. the Contract has been duly executed and delivered and is a legal, valid, and binding obligation, enforceable against it in accordance with its terms subject to applicable bankruptcy or similar laws affecting enforcement of creditors' rights generally;

c. the transactions contemplated by the Contract do not and will not result in a violation of any of the terms or provisions of any applicable laws or any agreement to which it is a party or by which it is bound;

d. 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; and

e. 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 Enbridge agree otherwise. Shipper shall notify Enbridge in the event of any change to the financial assurances throughout the term hereof. Should Enbridge 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 Enbridge, obtain and provide to Enbridge a letter of credit or other security in the form and amount reasonably required by Enbridge (the "**Security**"). In the event that Shipper does not provide to Enbridge such Security, Enbridge 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 Enbridge and to the extent that the Material Event has been mitigated or eliminated, Enbridge 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 Enbridge 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 Enbridge and, if required, the approval of the OEB. Should Enbridge consent to the assignment, and if OEB approval is needed, Enbridge 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 Enbridge that Shipper shall have good and marketable title to, or legal authority to deliver to Enbridge, all gas delivered to Enbridge hereunder. Furthermore, Shipper hereby agrees to indemnify and save Enbridge 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.

3. Shipper Information: Shipper acknowledges and agrees that Shipper's information generated and collected by Enbridge pursuant to this Contract may be shared with one or more Enbridge affiliates in order for Enbridge to ensure compliance with applicable laws and for confirmation of Shipper financial assurances.

XXI. PRECONDITIONS TO TRANSPORTATION SERVICES

1. Enbridge Conditions: The obligations of Enbridge to provide Transportation Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Enbridge, and which may be waived or extended in whole or in part in the manner provided in the Contract:

   a. Enbridge shall have obtained, in form and substance satisfactory to Enbridge, 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. Enbridge shall have obtained all internal approvals that are necessary or appropriate to provide the Transportation Services; and,

   c. Enbridge 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 Enbridge; and,

   d. Shipper and Enbridge shall have entered into the Interruptible Service Hub Contract and as required, necessary Facilitating Agreements.; and,

   e. Shipper shall have paid any amounts owing pursuant to the Section "Aid to Construction" in the Contract; and,

   f. With regard to the Enbridge Expansion Facilities:

      i. Enbridge shall have obtained, in form and substance satisfactory to Enbridge, and all conditions shall have been satisfied under, all governmental, regulatory, and other third party approvals, consents, orders and authorizations required to construct the Enbridge Expansion Facilities;

      ii. Enbridge shall have obtained all internal approvals that are necessary or appropriate to construct the Enbridge Expansion Facilities;

      iii. Enbridge shall have completed and placed into service the Enbridge Expansion Facilities; and,

   g. Shipper shall, at Shipper's own cost and expense, have obtained a registered lease or freehold ownership in Enbridge's favour for the Enbridge Expansion Facilities located at the Pool Station satisfactory to Enbridge and sufficient to provide Enbridge 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 Enbridge with a bona fide copy of such agreements prior to Enbridge commencing the construction of the Enbridge 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 Enbridge 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: Enbridge 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.

XXII. NOMINATIONS

1. For Transportation Services required on any Day under the Contract, Shipper shall provide Enbridge 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 Enbridge determines to be necessary (a "**Nomination**").

2. All Nominations shall be submitted by electronic means via *Enerline*. Enbridge, in its sole discretion, may amend or modify the nominating procedures or *Enerline* at any time. Nominations shall be submitted so as to be received by Enbridge in accordance with timelines established by Enbridge, which reflect the NAESB standard nomination cycles. Enbridge 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 Enbridge. The nomination cycle timelines are posted on Enbridge's website and the nomination deadlines are provided in *Enerline*.

3. Enbridge 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 Enbridge determines that it will not schedule such Nomination, Enbridge 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 Enbridge, 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 Enbridge 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 lessor amount shall be the Revised Nomination.

4. For Shippers electing firm all day transportation service, nominations shall be provided to Enbridge'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 Enbridge, 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 Enbridge is unable to complete a Nomination confirmation due to inaccurate, untimely, or incomplete data involving an Interconnecting Pipeline entity, Enbridge 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 Enbridge determines that the Nomination is invalid at which time the Enbridge 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 Enbridge shall schedule for Transportation Services hereunder, shall be known as Shipper's "**Authorized Quantity**".

11. If on any day the actual quantities handled by Enbridge, 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 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, Enbridge shall use reasonable efforts to take receipt of gas on any day at an hourly rate of flow up to one twentieth ($1/20^{th}$) of the quantity received for that day. Enbridge 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 Enbridge and deliveries of gas by Enbridge 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 *Enerline* access request form, a third party as agent for purposes of providing a Nomination, and for giving and receiving notices related to Nominations, and Enbridge shall only accept nominations from the agent. Any such designation, if acceptable to Enbridge, shall be effective following the receipt and processing of the written notice and will remain in effect until revoked in writing by Shipper.

15. Exchanges: All gas delivered to an Exchange Point is to be nominated in accordance with the nomination procedures of the receiving transporter.

ENBRIDGE GAS INC. – RATE M17
GENERAL TERMS AND CONDITIONS

INDEX

I. DEFINITIONS 78
II. GAS QUALITY 80
III. MEASUREMENTS 81
IV. RECEIPT POINT AND DELIVERY POINT 82
V. POSSESSION OF AND RESPONSIBILITY FOR GAS 82
VI. FACILITIES ON SHIPPER'S PROPERTY 82
VII. MEASURING EQUIPMENT 83
VIII. BILLING 84
IX. PAYMENTS 84
X. DISPUTE RESOLUTION 86
XI. FORCE MAJEURE 86
XII. DEFAULT AND TERMINATION 88
XIII. AMENDMENT 88
XIV. NON-WAIVER AND FUTURE DEFAULT 89
XV. LAWS, REGULATIONS AND ORDERS 89
XVII. RENEWALS 89
XVIII. SERVICE CURTAILMENT 89
XIX. SHIPPER'S REPRESENTATIONS AND WARRANTIES 90
XX. MISCELLANEOUS PROVISIONS 91
XXI. PRECONDITIONS TO TRANSPORTATION SERVICES 92
XXII. NOMINATIONS 93
XXIII. RECEIPT AND DELIVERY POINTS AND PRESSURES 94

I. DEFINITIONS

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms and Conditions and in any Contract shall be construed to have the meanings set out below. Capitalized terms not defined herein shall have the meaning set out in the Contract.

"**Authorized Overrun**" shall mean the amount by which Shipper exceeds the Contract Demand; provided such exceedance is not incurred during a period of interruption;

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

"**Average Heat Value**" means the average forecasted heating value of all gas to be received by Enbridge for the applicable Delivery Area for the applicable period.

"**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 any contract to which these General Terms and 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;

"**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;

"**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 Enbridge into Shipper's possession, or to the possession of Shipper's agent;

"**Delivery Area**" shall mean the area in which the applicable Shipper Delivery Point(s) is/are located;

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

"Enbridge" shall mean Enbridge Gas Inc.

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

"**Facilitating Agreements**" shall refer to a contract with Enbridge that is related to the Transportation Services and is required in order to obtain another service, including without limiting the generality of the foregoing:

a. an Interruptible Service Hub Contract;
b. a Limited Balancing Agreement;

c. an Interconnect Operating Agreement; or
d. a Dehydration Contract.

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

"**Firm Hourly Quantity**" means the maximum quantity of gas that may flow during any hourly period;

"**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 and shall include RNG;

"**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 the temperature at a specific pressure where hydrocarbon vapour condensation begins;

"**Interconnect Operating Agreement**" shall mean the interconnect operating agreement between Shipper and Enbridge pursuant to which Shipper's facilities interconnect with Enbridge's pipeline system and that may be required to facilitate the Transportation Services;

"**Interconnecting Pipeline**" shall mean a transportation pipeline that directly connects to the Enbridge pipeline system; provided however, that an interconnection to Enbridge's pipeline system for the purposes of receiving Transportation Services shall not classify Shipper as having an Interconnecting Pipeline.

"**Interruptible Service Hub Contract**" shall mean an interruptible service hub contract between Shipper and Enbridge pursuant to which Enbridge provides interruptible gas transportation, exchange, balancing, and name change services;

"**interruptible service**" or "**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 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 Balancing Agreement**" shall mean the limited balancing agreement between Shipper and Enbridge pursuant to which Enbridge provides Shipper with gas balancing services required to facilitate the Transportation Services;

"**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 or any successor thereto;

"**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 Enbridge's possession, or the possession of Enbridge's agent;

"**RNG**" or "**Renewable Natural Gas**" shall mean biogas that has been conditioned or upgraded to a quality meeting the Renewable Gas Specification;

"**Renewable Gas Specification**" means the RNG standards or requirements established by Enbridge, as amended from time to time;

"**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 or any other payment contemplated under the Contract;

"**TransCanada**" means TransCanada PipeLines Limited;

"**Unauthorized Overrun**" shall mean any amount in excess of the Contract Demand consumed during a period of interruption;

"**Wobbe Number**" shall mean gross heating value of the gas divided by the square root of its specific gravity.

II. GAS QUALITY

1. a. Natural Gas: The minimum gross heating value of the gas delivered to/by Enbridge hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Enbridge hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Enbridge may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Enbridge may be a commingled supply from Enbridge'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, Enbridge may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning, and other processes.

   b. Renewable Natural Gas: Specifically with the respect to RNG, the established quality specifications will be further defined in the Contract.

2. Freedom from objectionable matter: The gas to be delivered to/by Enbridge 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 or minus eighteen (-18) degrees Fahrenheit,

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 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.

a. In the event that the quality of the gas does not conform or if Enbridge, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so, directed by Enbridge 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 Enbridge with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Enbridge may conduct such test and Shipper shall reimburse Enbridge for all costs incurred by Enbridge for such testing.

b. If Shipper's gas fails at any time to conform to the requirements of this Article II, Enbridge, 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 Enbridge hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Enbridge in this Article II, but Enbridge 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 herein.

5. Delivery of Gas to an Exchange Point: The quality of gas to be delivered to an Exchange Point is to be of a merchantable quality and in accordance with the quality standards as set out by the third party pipeline operator of the facility at the Exchange Point.

III. MEASUREMENTS

1. Transportation, and/or Unit: The unit of the gas delivered to Enbridge shall be a gigajoule. The unit of gas transported by Enbridge shall be a gigajoule. The unit of gas delivered by Enbridge shall be a gigajoule or a cubic metre (m^3) or one thousand cubic metres (10^3m^3), at Enbridge'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 Enbridge's discretion, all as amended from time to time.

c. The volume and/or energy of the gas delivered to/by Enbridge hereunder shall be determined by the measurement equipment designated in Article VII herein.

d. Upon request by Enbridge, Shipper shall obtain measurement of the total quantity of gas received by Enbridge hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Enbridge and the Interconnecting Pipeline.

e. Where there is no site specific energy measurement, Enbridge's Average Heat Value will be used to convert volumes to energy.

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 as per Article XXIII.

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

1. Possession of Gas: Enbridge accepts no responsibility for any gas prior to such gas being delivered to Enbridge at the Receipt Point or after its delivery by Enbridge at the Delivery Point. As between the parties hereto, Enbridge shall be deemed to be in control and possession of and responsible for all such gas from the time that such gas enters Enbridge's system until such gas is delivered to Shipper.

2. Liability: Shipper agrees that Enbridge is not a common carrier and is not an insurer of Shipper's gas, and that Enbridge shall not be liable to Shipper or any third party for loss of gas in Enbridge's possession, except to the extent such loss is caused entirely by Enbridge's negligence or willful misconduct.

VI. FACILITIES ON SHIPPER'S PROPERTY

1. Construction and Maintenance: Enbridge 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 delivered under the Contract. Shipper will grant to Enbridge a lease and/or rights-of-way over property of Shipper as required by Enbridge to install such facilities and to connect same to Enbridge's pipeline.

2. Entry: Enbridge, 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 Enbridge notwithstanding it is constructed on and attached to the realty of Shipper, and Enbridge may remove it upon termination of the Contract and will do so if so, requested by Shipper.

VII. MEASURING EQUIPMENT

1. Metering by Enbridge: Enbridge 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 Enbridge hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline or by an upstream or downstream transporter (the "**Transporter**") whose facilities may or may not interconnect with Enbridge's, then Enbridge and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Enbridge on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Enbridge hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's or Transporter's gas tariff as approved by its regulatory body.

3. Check Measuring Equipment: Shipper may install, maintain, and operate, at the Delivery Point such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Enbridge'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 Enbridge'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, Enbridge 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 by Enbridge 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 its 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 Enbridge's measuring equipment shall be verified by Enbridge at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Enbridge 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 percent (2%). If, upon testing, any measuring equipment is found to be in error by not more than two percent (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: Enbridge 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 at Delivery Point:

In the event Enbridge's meter is out of service, or registered inaccurately, the volume or quantity of gas shall be determined by Enbridge as follows:

a. by using the registration of any check meter or meter, if installed and accurately registering; or, in the absence of a. then;

b. by correcting the error if the percentage of error is ascertainable by calibration, tests, or mathematical calculation; or in the absence of both a. and b., then;

c. by estimating the quantity of gas delivered during periods under similar conditions when the meter was registering accurately.

VIII. BILLING

1. Monthly Billing Date: Enbridge 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. Enbridge 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 Enbridge 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, 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 its 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 Enbridge's bank account as directed on the bill 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 Enbridge'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 Enbridge interest 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 the full payment is not received by the due date (the "**Interest Rate**") until the date of payment; and,

   b. If such failure to pay continues for thirty (30) days after payment is due, Enbridge, 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 plus interest at the Interest Rate in the case of further non-payment hereunder as if such suspension were not in place.

Shipper shall not be entitled to dispute all or any portion of any amounts owing to Enbridge, including any amounts

pursuant to any bill, unless and until Shipper has paid in full such amounts to Enbridge. If Shipper in good faith disputes the amount of any such bill or part thereof Shipper shall nevertheless pay the full amount of the bill and will notify Enbridge within thirty (30) days following delivery of such bill of the amount disputed and the reasons why Shipper disputes that portion of the bill including supporting documentation acceptable in industry practice to support the amount paid or disputed. A final determination may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case.

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

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, Enbridge 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 Enbridge's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Enbridge 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 Enbridge, such error shall be adjusted by Enbridge. Such overcharge, undercharge or error shall be adjusted by Enbridge 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 Enbridge.

   Shipper shall make reasonable efforts to eliminate/minimize the withholding tax related to the fees/payments paid to Enbridge, including but not limited to requesting from Enbridge 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 Enbridge, after the calendar year end, Enbridge's Federal Form 1042-S and a comparable state/international form, if applicable, within the applicable statutory time frame.

5. Set Off: If Shipper shall, at any time, be in arrears under any of its payment obligations to Enbridge under the Contract, then Enbridge shall be entitled to reduce the amount payable by it to Shipper under the Contract, or any other contract, by an amount equal to the amount of such arrears or other indebtedness to Enbridge. In addition to the foregoing remedy, Enbridge may, upon forty-eight (48) hours verbal notice, to be followed by written notice, take possession of any or all of Shipper's gas in Enbridge's possession, which shall be deemed to have been assigned to Enbridge, to reduce such arrears or other indebtedness to Enbridge. Such gas shall be valued at the Day price for gas at Dawn as listed in Canadian Gas Price Reporter (or equivalent) for the Day of set off.

X. DISPUTE RESOLUTION

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 (a "**Dispute**"), the matter in dispute shall be resolved in the manner set out in Article X.

a. The party claiming that a Dispute has arisen must give written notice (a "**Dispute Notice**") to the other party specifying the nature of the dispute, the relief sought, and the basis for the relief sought.

b. Within seven (7) Business Days following delivery of a Dispute Notice, the parties must commence the process of attempting to resolve the Dispute by referring such Dispute to a meeting between the Director, Energy Services S&T Sales (or the successor position thereof), on behalf of Enbridge, and an equivalent or similar manager on behalf of the Shipper, (the "**Operations Personnel**") for discussion and resolution. The Operations Personnel shall consult, discuss, and negotiate in good faith with the intention of a reaching a just and equitable solution satisfactory to both parties.

c. If a Dispute is not resolved to the mutual satisfaction of the parties by the Operations Personnel within twelve (12) Business Days after the Dispute Notice has been delivered the Dispute shall be referred to the parties' respective senior representatives (in the case of the Enbridge, the Vice-President Energy Services (or the successor position thereof); and in the case of the Shipper, an equivalent or similar senior manager of the Shipper (the "**Senior Representatives**") for resolution. The parties shall cause their respective Senior Representatives to meet as soon as possible in an effort to resolve the dispute.

d. If the Dispute is not resolved by the Senior Representatives to the mutual satisfaction of the parties within twenty (20) Business Days after delivery of the Dispute Notice, then the parties may agree, but are not obligated, to refer the Dispute to a private mediator agreed to between them. The parties and the mediator shall conduct the mediation in accordance with procedures agreed to between them and all third-party costs (including those of the mediator) shall be shared equally by the parties. There shall be no obligation of a party to agree on a mediator or any procedures therefore, other than to act in good faith.

e. If the Dispute is still not resolved to the mutual satisfaction of the parties within thirty (30) Business Days after delivery of the Dispute Notice, then either party may refer the Dispute to be resolved by litigation or such other legal means (such as by way of an application to the OEB, if applicable) as are available to such party, provided the party seeking legal remedy has pursued resolution of the Dispute as contemplated in Article X.

XI. FORCE MAJEURE

1. Definition: The term "**force majeure**" as used herein shall mean any event beyond the reasonable control of the party to a Contract claiming suspension, whether or not foreseeable and which by the exercise of reasonable due diligence such Party is unable to prevent or overcome, including, without limitation: 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).

2. Notice: In the event that either the Shipper or Enbridge 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: Subject to the remainder of this Section XI, each party to a Contract will be relieved of its obligations under such Contract during the period of time and to the extent performance of such obligations that are not possible due to an event of force majeure. Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances are preventing a party's performance or compliance (or the resumption of such performance or compliance) with any obligation or condition of the Contract: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension or as a result of breach of the Contract; 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 economic hardship, lack of funds, deteriorated financial circumstances, change in commodity prices, interests rates, financial markets, or the lack of market for product or the availability of a more attractive market; the party claiming suspension did not, as soon as reasonably 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 for Force Majeure: The party to a Contract claiming suspension as a result of an event of force majeure shall keep the other party reasonably apprised of the event of force majeure, the steps the affected party is taking to end or mitigate the force majeure event, and when the force majeure is anticipated to end. During an event of force majeure, the affected party shall use reasonable efforts to limit the impacts to the other party and to resume its performance under the Contract as soon as practicable. 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 Enbridge's system will excuse the failure to deliver gas by Enbridge or the failure to accept gas by Enbridge 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 Enbridge's system shall not relieve Shipper of any payment obligations.

7. Delay of Firm Transportation Services: Despite Article XI herein, if Enbridge is prevented, by reason of an event of force majeure on Enbridge's system from delivering gas on the Day or Days upon which Enbridge has accepted gas from Shipper, Enbridge 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 Enbridge. If Enbridge 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 Enbridge fails to accept gas from Shipper by reason of an event of force majeure on Enbridge'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 Enbridge 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 M17 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 or other operational constraint on Enbridge's system or on any facilities upstream or downstream of Enbridge's System, howsoever caused as outlined above, the capacity for gas deliveries by Enbridge is impaired on all or a portion of Enbridge's system, it will be necessary for Enbridge to curtail Shipper's gas receipts to Enbridge hereunder, via proration based on utilization of such facilities for the Day on such portion of Enbridge's system affected the applicable event. This prorating shall be determined by multiplying the capability of such facilities as available downstream of the impairment on the Day on such portion of Enbridge's system affected by the applicable event, 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 such portion of Enbridge's system affected by the applicable event on the Day. For the purposes of this Article XI, firm services shall mean all firm services provided by Enbridge 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 Enbridge 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: (i) ten (10) days from receipt of such notice in the case of a failure on the part of Shipper to make a payment within the time periods required hereunder (a "**Payment Default**"); or (ii) thirty (30) days from receipt of such notice in the case of a default other than a Payment Default, the non-defaulting party may at its sole option, exercise any of the following remedies immediately upon giving notice to the defaulting party:

a. to suspend the non-defaulting party's performance under the Contract, provided that notwithstanding such suspension, all demand charges shall continue to accrue plus interest at the Interest Rate in the case of further non-payment hereunder as if such suspension were not in place;

b. to withhold or continue to withhold any amounts owed to the defaulting party under the Contract (whether or not yet invoiced or due) and set off against such withheld amounts any amounts owed the non-defaulting party under the Contract (whether or not yet invoiced or due;) or

c. 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. Each of the aforementioned remedies are non-exclusive remedies, and the non-defaulting party may elect to exercise one of more of such remedies, as applicable.

XIII. AMENDMENT

Subject to Article XV herein and the ability of Enbridge to amend the applicable rate schedules, general terms and conditions 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 Enbridge.

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 Enbridge 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. *intentionally blank*

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: Enbridge 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 Enbridge 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. Enbridge shall provide Shipper such notice of such curtailment as is reasonable under the circumstances. If due to any cause whatsoever Enbridge is unable to receive or deliver the quantities of gas which Shipper has requested, then Enbridge shall order curtailment by all Shippers affected and to the extent necessary to remove the effect of the disability. Enbridge has a priority of service policy to determine the order of service curtailment. In order to place services on the priority of service list, Enbridge 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 Enbridge 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/M17 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/M17 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: Enbridge 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: Enbridge's facilities from time to time may require maintenance or construction. In the event that such event occurs, and in Enbridge's sole opinion, acting reasonably, such maintenance or construction may impact Enbridge's ability to meet Shipper's requirements, Enbridge shall provide at least ten (10) days' notice to Shipper, except in the case of an emergency. In the event the maintenance impacts Enbridge's ability to meet Shipper's requirements, Enbridge shall not be liable for any damages and shall not be deemed in breach of the Contract. To the extent that Enbridge'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.

   Enbridge 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. Enbridge 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 Enbridge'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

   a. has the right, power, authority, legal capacity, and competence to enter into the Contract and to perform all of its obligations thereunder;

   b. the Contract has been duly executed and delivered and is a legal, valid, and binding obligation, enforceable against it in accordance with its terms subject to applicable bankruptcy or similar laws affecting enforcement of creditors' rights generally;

   c. the transactions contemplated by the Contract do not and will not result in a violation of any of the terms or provisions of any applicable laws or any agreement to which it is a party or by which it is bound;

   d. 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; and

   e. 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 Enbridge agree otherwise. Shipper shall notify Enbridge in the event of any change to the financial assurances throughout the term hereof. Should Enbridge 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 Enbridge 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 Enbridge from time to time,

   then Shipper shall within fourteen (14) days of receipt of written notice by Enbridge, obtain and provide to Enbridge a letter of credit or other security in the form and amount reasonably required by Enbridge (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 Enbridge such Security within such fourteen (14) day period, Enbridge 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 Enbridge and to the extent that the Material Event has been mitigated or eliminated, Enbridge 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 Enbridge and release of obligations by Enbridge 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 Enbridge, 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. Notwithstanding such assignment, Shipper shall remain obligated to Enbridge 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 Enbridge that Shipper shall have good and marketable title to, or legal authority to deliver to Enbridge, all gas delivered to Enbridge hereunder. Furthermore, Shipper hereby agrees to indemnify and save Enbridge 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.

4. Limited Balancing Agreement and Interconnect Operating Agreement: Shipper shall be required to have a Limited Balancing Agreement and Interconnect Operating Agreement with Enbridge to enable the provision of Transportation Services, such agreement to expire no earlier than the day the Contract expires.

5. Shipper Information: Shipper acknowledges and agrees that Shipper's information generated and collected by Enbridge pursuant to this Contract may be shared with one or more Enbridge affiliates in order for Enbridge to ensure compliance with applicable laws and for confirmation of Shipper financial assurances.

XXI. PRECONDITIONS TO TRANSPORTATION SERVICES

This Article XXI is only applicable if Enbridge and Shipper have not entered into a precedent agreement related to the Transportation Services.

1. Enbridge Conditions: The obligations of Enbridge to provide Transportation Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Enbridge, and which may be waived or extended in whole or in part in the manner provided in the Contract:

   a. Enbridge shall have obtained, in form and substance satisfactory to Enbridge, 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. Enbridge shall have obtained all internal approvals that are necessary or appropriate to provide the Transportation Services; and,

   c. Enbridge 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 Enbridge; and,

   d. Shipper and Enbridge shall have entered into the Interruptible Service Hub Contract and as required, necessary Facilitating Agreements.

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 Enbridge 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, Interconnect Operating Agreement and Limited Balancing 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: Enbridge 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.

XXII. NOMINATIONS

1. For Transportation Services required on any Day under the Contract, Shipper shall provide Enbridge 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 Enbridge determines to be necessary (a "**Nomination**").

2. All Nominations shall be submitted by electronic means via *Enerline*. Enbridge, in its sole discretion, may amend or modify the nominating procedures or *Enerline* at any time. Nominations shall be submitted so as to be received by Enbridge in accordance with timelines established by Enbridge, which reflect the NAESB standard nomination cycles. Enbridge 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 Enbridge. The nomination cycle timelines are posted on Enbridge's website and the nomination deadlines are provided in *Enerline*.

3. Enbridge 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 Enbridge determines that it will not schedule such Nomination, Enbridge 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 Enbridge, 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 Enbridge 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 lessor amount shall be the Revised Nomination.

4. 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.

5. 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.

6. Nominations received after the nomination deadline shall, if accepted by Enbridge, be scheduled after Nominations received before the nomination deadline.

7. All Services are required to be nominated in whole Gigajoules (GJ).

8. To the extent Enbridge is unable to complete a Nomination confirmation due to inaccurate, untimely, or incomplete

data involving an Interconnecting Pipeline entity, Enbridge 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 Enbridge determines that the Nomination is invalid at which time the Enbridge shall reject the Nomination.

9. 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, Enbridge 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. Enbridge 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.

10. The parties hereto recognize that with respect to Transportation Services, on any day, receipts of gas by Enbridge and deliveries of gas by Enbridge 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 Limited Balancing Agreement and shall be subject to the respective terms and charges contained therein, and shall be resolved in a timely manner.

11. Shipper may designate via *Enerline* access request form, a third party as agent for purposes of providing a Nomination, and for giving and receiving notices related to Nominations, and Enbridge shall only accept nominations from the agent. Any such designation, if acceptable to Enbridge, shall be effective following the receipt and processing of the written notice and will remain in effect until revoked in writing by Shipper.

12. Exchanges: All gas delivered to an Exchange Point is to be nominated in accordance with the nomination procedures of the receiving transporter.

XXIII. RECEIPT AND DELIVERY POINTS AND PRESSURES

1. Receipt Points

The following defines each Receipt Point:

DAWN (FACILITIES): Enbridge'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.

DAWN (TCPL): At the junction of Enbridge's and TransCanada's facilities, at or adjacent to Dawn (Facilities).

DAWN (VECTOR): At the junction of Enbridge's and Vector Pipeline Limited Partnership's ("**Vector**") facilities, at or adjacent to Dawn (Facilities)

PARKWAY (TCPL): At the junction of Enbridge's and TransCanada 's facilities, at or adjacent to Enbridge'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)

KIRKWALL: At the junction of Enbridge's and TransCanada 's facilities at or adjacent to Enbridge's facilities situated in Part Lot Twenty-Five (25), Concession 7, Town of Flamborough.

2. Delivery Points:

Delivery Points will be as set out in the Contract.

3. Receipt and Delivery Pressures:

a. All gas tendered by or on behalf of Shipper to Enbridge shall be tendered at the Receipt Point at Enbridge's prevailing pressure at that Receipt Point, or at such pressure as per operating agreements between Enbridge and the applicable Interconnecting Pipeline, as amended or restated from time to time.

b. All gas tendered by or on behalf of Enbridge to Shipper shall be tendered at the Delivery Point at such pressure as per the Interconnect Agreement between Enbridge and Shipper, as amended or restated from time to time.

c. Under no circumstances shall Enbridge be obligated to receive gas hereunder at pressures exceeding the maximum allowable operating pressures prescribed under any applicable governmental regulations; nor shall Enbridge be required to make any physical deliveries or to accept any physical receipts which its existing facilities cannot accommodate.

ENBRIDGE GAS INC.

EX-FRANCHISE TRANSPORTATION SERVICES
GENERAL TERMS AND CONDITIONS

INDEX

I. DEFINITIONS 2
II. GAS QUALITY 5
III. MEASUREMENTS 6
IV. RECEIPT POINT AND DELIVERY POINT 7
V. POSSESSION OF AND RESPONSIBILITY FOR GAS 7
VI. FACILITIES ON SHIPPER'S PROPERTY 7
VII. MEASURING EQUIPMENT 7
VIII. BILLING 9
IX. PAYMENTS 9
X. DISPUTE RESOLUTION 10
XI. FORCE MAJEURE 11
XII. DEFAULT AND TERMINATION 12
XIII. AMENDMENT 13
XIV. NON-WAIVER AND FUTURE DEFAULT 13
XV. LAWS, REGULATIONS AND ORDERS 13
XVI ALLOCATION OF CAPACITY 13
XVII. RENEWALS 15
XVIII. SERVICE CURTAILMENT 15
XIX. SHIPPER'S REPRESENTATIONS AND WARRANTIES 16
XX. MISCELLANEOUS PROVISIONS 17
XXI. PRECONDITIONS TO TRANSPORTATION SERVICES 18
XXII. NOMINATIONS 19
XXIII. RECEIPT AND DELIVERY POINTS AND PRESSURES 20
XXIV. IMBALANCES AND UNACCOUNTED FOR GAS 22

I. DEFINITIONS

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms and Conditions and in any Contract shall be construed to have the meanings set out below. Capitalized terms not defined herein shall have the meaning set out in the Contract.

"**Albion EGI**" means the interconnection between the Albion Pipeline and Enbridge's gas distribution system at Albion;

"**Albion Flow**" means the quantity of gas that flows into Enbridge's gas distribution system at Albion EGI;

"**Albion King's North**" means Enbridge's delivery flange at the interconnection with the TransCanada facilities at Albion, also defined as the "Delivery Point";

"**Albion Pipeline**" means the pipeline owned and operated by Enbridge to transport gas from the Receipt Point of Parkway EGT to the Delivery Point of Albion King's North;

"**Authorized Overrun**" shall mean the amount by which Shipper's Authorized Quantity exceeds the Contract Demand; provided such exceedance is not incurred during a period of interruption;

"**Authorized Quantity**" shall have the meaning given thereto in Article XXII;

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

"**Average Heat Value**" means the average forecasted heating value of all gas to be received by Enbridge for the applicable Delivery Area for the applicable period.

"**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 any Contract to which these General Terms and 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;

"**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;

"**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 Enbridge into Shipper's possession, or to the possession of Shipper's agent;

"**Delivery Area**" shall mean the area in which the applicable Shipper Delivery Point(s) is/are located;

"**Delivery Point**" shall mean any point(s) defined in the Contract where Enbridge shall deliver gas to Shipper;

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

"**Enbridge"** shall mean Enbridge Gas Inc.;

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

"**Facilitating Agreements**" shall refer to a contract with Enbridge that is related to the Transportation Services and is required in order to obtain another service, including without limiting the generality of the foregoing:

a. an Interruptible Service Hub Contract;
b. a Limited Balancing Agreement;
c. an Interconnect Operating Agreement; or
d. a Dehydration Contract.

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

"**Firm Hourly Quantity**" means the maximum quantity of gas that may flow during any hourly period;

"**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 and shall include RNG;

"**gross heating value**" shall mean the total heat expressed in megajoules per cubic metre (MJ/m^3) 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 the temperature at a specific pressure where hydrocarbon vapour condensation begins;

"**Interconnect Operating Agreement**" shall mean the interconnect operating agreement between Shipper and Enbridge pursuant to which Shipper's facilities interconnect with Enbridge's pipeline system and that may be required to facilitate the Transportation Services;

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

"**Interruptible Service Hub Contract**" shall mean an interruptible service hub contract between Shipper and Enbridge pursuant to which Enbridge provides interruptible gas transportation, exchange, balancing, and name change services;

"**interruptible service**" or "**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;

"**King's North**" means the interconnection point between the facilities of Enbridge and TransCanada at Albion.

"**Limited Balancing Agreement**" shall mean the limited balancing agreement between Shipper and Enbridge pursuant to which Enbridge provides Shipper with gas balancing services required to facilitate the Transportation Services;
"Loaned Quantities" shall mean those quantities of gas loaned to Shipper under a Facilitating Agreement;

"**Long-term**" shall mean Transportation Services with an Initial Term of one year or greater;

"**m^3**" shall mean cubic metre of gas and "**10^3m^3**" 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 or any successor thereto;

"**Open Season**" or "**open season**" shall mean an open access auction or bidding process held by Enbridge as a method of allocating capacity on its pipeline system;

"**Operating Agreement**" means the Operating Agreement(s) with/among TransCanada and Enbridge to provide for *inter alia* pressure control and operational balancing of the Albion Pipeline between the Receipt Point and the Delivery Point.

"**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 Enbridge's possession, or the possession of Enbridge's agent;

"Receipt Point" shall mean any point(s) defined in the Contract where Enbridge shall receive gas from Shipper;

"**RNG**" or "**Renewable Natural Gas**" shall mean biogas that has been conditioned or upgraded to a quality meeting the Renewable Gas Specification;

"**Renewable Gas Specification**" means the RNG standards or requirements established by Enbridge, as amended from time to time;

"**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 or any other payment contemplated under the Contract;

"**TransCanada**" means TransCanada PipeLines Limited;
"**Unauthorized Overrun**" shall mean any amount in excess of the Contract Demand consumed during a period of interruption;

"**Wobbe Number**" shall mean gross heating value of the gas divided by the square root of its specific gravity.

II. GAS QUALITY

1. a. Natural Gas: The minimum gross heating value of the gas delivered to/by Enbridge hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Enbridge hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Enbridge may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Enbridge may be a commingled supply from Enbridge'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, Enbridge may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning, and other processes.

   b. Renewable Natural Gas: Specifically with the respect to RNG, the established quality specifications will be further defined in the Contract.

2. Freedom from objectionable matter: The gas to be delivered to/by Enbridge 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 or minus eighteen (-18) degrees Fahrenheit,

   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.

   a. In the event that the quality of the gas does not conform or if Enbridge, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so, directed by Enbridge 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 Enbridge with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Enbridge may conduct such test and Shipper shall reimburse Enbridge for all costs incurred by Enbridge for such testing.

b. If Shipper's gas fails at any time to conform to the requirements of this Article II, Enbridge, 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 Enbridge hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Enbridge in this Article II, but Enbridge 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 herein.

5. Delivery of Gas to an Exchange Point: The quality of gas to be delivered to an Exchange Point is to be of a merchantable quality and in accordance with the quality standards as set out by the third party pipeline operator of the facility at the Exchange Point.

III. MEASUREMENTS

1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Enbridge shall be a megajoule or a gigajoule. The unit of gas transported or stored by Enbridge shall be a megajoule or a gigajoule. The unit of gas delivered by Enbridge shall be a megajoule, a gigajoule, a cubic metre (m^3) or one thousand cubic metres (10^3m^3) at Enbridge'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 Enbridge's discretion, all as amended from time to time.

c. The volume and/or energy of the gas delivered to/by Enbridge hereunder shall be determined by the measurement equipment designated in Article VII herein.

d. Upon request by Enbridge, Shipper shall obtain measurement of the total quantity of gas received by Enbridge hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Enbridge and the Interconnecting Pipeline.

e. Where there is no site specific energy measurement, Enbridge's Average Heat Value will be used to convert volumes to energy.

IV. RECEIPT POINT AND DELIVERY POINT

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 Article XXIII.

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

1. Possession of Gas: Enbridge accepts no responsibility for any gas prior to such gas being delivered to Enbridge at the Receipt Point or after its delivery by Enbridge at the Delivery Point. As between the parties hereto, Enbridge shall be deemed to be in control and possession of and responsible for all such gas from the time that such gas enters Enbridge's system until such gas is delivered to Shipper.

2. Liability: Shipper agrees that Enbridge is not a common carrier and is not an insurer of Shipper's gas, and that Enbridge shall not be liable to Shipper or any third party for loss of gas in Enbridge's possession, except to the extent such loss is caused entirely by Enbridge's negligence or willful misconduct.

VI. FACILITIES ON SHIPPER'S PROPERTY

Except under those conditions where Enbridge is delivering to TransCanada for TransCanada 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: Enbridge, 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 Enbridge a lease and/or rights-of-way over property of Shipper as required by Enbridge to install such facilities and to connect same to Enbridge's pipeline.

2. Entry: Enbridge, 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 Enbridge notwithstanding it is constructed on and attached to the realty of Shipper, and Enbridge 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 Enbridge: Enbridge 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 Enbridge hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline or by an upstream or downstream transporter (the "**Transporter**") whose facilities may or may not interconnect with Enbridge's, then Enbridge and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Enbridge on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Enbridge hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's or Transporter's gas tariff as approved by its regulatory body.

3. Check Measuring Equipment: Shipper may install, maintain, and operate, at the delivery or 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 Enbridge'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 Enbridge'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, Enbridge 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 Enbridge 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 Enbridge's measuring equipment shall be verified by Enbridge at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Enbridge 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 percent (2%). If, upon testing, any measuring equipment is found to be in error by not more than two percent (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: Enbridge 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 of Interconnecting Pipeline(s): In the event of an error in metering or a meter failure, (such error or failure being determined through check measurement by Enbridge 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.

8. Error in Metering or Meter Failure at Delivery Point: In the event Enbridge's meter is out of service, or registered inaccurately, the volume or quantity of gas shall be determined by Enbridge as follows:

   a. by using the registration of any check meter or meter, if installed and accurately registering; or, in the absence of a. then;

   b. by correcting the error if the percentage of error is ascertainable by calibration, tests, or mathematical calculation; or in the absence of both a. and b., then;

   c. by estimating the quantity of gas delivered during periods under similar conditions when the meter was registering accurately.

VIII. BILLING

1. Monthly Billing Date: Enbridge 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. Enbridge 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 Enbridge 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, 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 Enbridge's bank account as directed on the bill 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 Enbridge'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 Enbridge interest 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 the full payment is not received by the due date (the "**Interest Rate**") until the date of payment; and,

   b. If such failure to pay continues for thirty (30) days after payment is due, Enbridge, 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 plus interest at the Interest Rate in the case of further non-payment hereunder as if such suspension were not in place.

   Shipper shall not be entitled to dispute all or any portion of any amounts owing to Enbridge, including any amounts pursuant to any bill, unless and until Shipper has paid in full such amounts to Enbridge. If Shipper in good faith disputes the amount of any such bill or part thereof Shipper shall nevertheless pay the full amount of the bill and will notify Enbridge within thirty (30) days following delivery of such bill of the amount disputed and the reasons why Shipper disputes that portion of the bill including supporting documentation acceptable in industry practice to support the amount paid or disputed. A final determination may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case.

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

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, Enbridge 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 Enbridge's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Enbridge 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 Enbridge, such error shall be adjusted by Enbridge. Such overcharge, undercharge or error shall be adjusted by Enbridge 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 Enbridge.

   Shipper shall make reasonable efforts to eliminate/minimize the withholding tax related to the fees/payments paid to Enbridge, including but not limited to requesting from Enbridge 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 Enbridge, after the calendar year end, Enbridge'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, Enbridge may, upon forty-eight (48) hours verbal notice, to be followed by written notice, take possession of any or all of Shipper's gas in Enbridge's possession, under the Contract or any enhancement to the Contract, which shall be deemed to have been assigned to Enbridge, to reduce such arrears or other indebtedness to Enbridge.

X. DISPUTE RESOLUTION

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 (a "**Dispute**"), the matter in dispute shall be resolved in the manner set out in Article X.

a. The party claiming that a Dispute has arisen must give written notice (a "**Dispute Notice**") to the other party specifying the nature of the dispute, the relief sought, and the basis for the relief sought.

b. Within seven (7) Business Days following delivery of a Dispute Notice, the parties must commence the process of attempting to resolve the Dispute by referring such Dispute to a meeting between the Director, Energy Services S&T Sales (or the successor position thereof), on behalf of Enbridge, and an equivalent or similar manager on behalf of the Shipper, (the "**Operations Personnel**") for discussion and resolution. The Operations Personnel shall consult, discuss, and negotiate in good faith with the intention of a reaching a just and equitable solution satisfactory to both parties.

c. If a Dispute is not resolved to the mutual satisfaction of the parties by the Operations Personnel within twelve

(12) Business Days after the Dispute Notice has been delivered the Dispute shall be referred to the parties' respective senior representatives (in the case of the Enbridge, the Vice-President Energy Services (or the successor position thereof); and in the case of the Shipper, an equivalent or similar senior manager of the Shipper (the "**Senior Representatives**") for resolution. The parties shall cause their respective Senior Representatives to meet as soon as possible in an effort to resolve the dispute.

d. If the Dispute is not resolved by the Senior Representatives to the mutual satisfaction of the parties within twenty (20) Business Days after delivery of the Dispute Notice, then the parties may agree, but are not obligated, to refer the Dispute to a private mediator agreed to between them. The parties and the mediator shall conduct the mediation in accordance with procedures agreed to between them and all third-party costs (including those of the mediator) shall be shared equally by the parties. There shall be no obligation of a party to agree on a mediator or any procedures therefore, other than to act in good faith.

e. If the Dispute is still not resolved to the mutual satisfaction of the parties within thirty (30) Business Days after delivery of the Dispute Notice, then either party may refer the Dispute to be resolved by litigation or such other legal means (such as by way of an application to the OEB, if applicable) as are available to such party, provided the party seeking legal remedy has pursued resolution of the Dispute as contemplated in Article X.

XI. FORCE MAJEURE

1. Definition: The term "**force majeure**" as used herein shall mean any event beyond the reasonable control of the party to a Contract claiming suspension, whether or not foreseeable and which by the exercise of reasonable due diligence such Party is unable to prevent or overcome, including, without limitation: 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).

2. Notice: In the event that either the Shipper or Enbridge 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: Subject to the remainder of this Section XI, each party to a Contract will be relieved of its obligations under such Contract during the period of time and to the extent performance of such obligations that are not possible due to an event of force majeure. Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances are preventing a party's performance or compliance (or the resumption of such performance or compliance) with any obligation or condition of the Contract: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension or as a result of breach of the Contract; 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 economic hardship, lack of funds, deteriorated financial circumstances, change in commodity prices, interests rates, financial markets, or the lack of market for product or the availability of a more attractive market; the party claiming suspension did not, as soon as reasonably 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 for Force Majeure: The party to a Contract claiming suspension as a result of an event of force majeure shall keep the other party reasonably apprised of the event of force majeure, the steps the affected party is taking to end or mitigate the force majeure event, and when the force majeure is anticipated to end. During an event of force majeure, the affected party shall use reasonable efforts to limit the impacts to the other party and to resume its performance under the Contract as soon as practicable. 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 Enbridge's system will excuse the failure to deliver gas by Enbridge or the failure to accept gas by Enbridge 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 Enbridge's system shall not relieve Shipper of any payment obligations.

7. Delay of Firm Transportation Services: Despite Article XI herein, if Enbridge is prevented, by reason of an event of force majeure on Enbridge's system from delivering gas on the Day or Days upon which Enbridge has accepted gas from Shipper, Enbridge 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 Enbridge. If Enbridge 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 Enbridge fails to accept gas from Shipper by reason of an event of force majeure on Enbridge'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 Enbridge 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 applicable 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 or other operational constraint on Enbridge's system or on any facilities upstream or downstream of Enbridge's System, howsoever caused as outlined above, the capacity for gas deliveries by Enbridge is impaired on all or a portion of Enbridge's system, it will be necessary for Enbridge to curtail Shipper's gas receipts to Enbridge hereunder, via proration based on utilization of such facilities for the Day on such portion of Enbridge's system affected the applicable event. This prorating shall be determined by multiplying the capability of such facilities as available downstream of the impairment on the Day on such portion of Enbridge's system affected by the applicable event, 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 such portion of Enbridge's system affected by the applicable event on the Day. For the purposes of this Article XI, firm services shall mean all firm services provided by Enbridge 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 Enbridge 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 : (i) ten (10) days from receipt of such notice in the case of a failure on the part of Shipper to make a payment within the time periods required hereunder (a "**Payment Default**"); or (ii) thirty (30) days from receipt of such notice in the case of a default other than a Payment Default, the non-defaulting party may at its sole option, exercise any of the following remedies immediately upon giving notice to the defaulting party:

a. to suspend the non-defaulting party's performance under the Contract, provided that notwithstanding such suspension, all demand charges shall continue to accrue plus interest at the Interest Rate in the case of further non-payment hereunder as if such suspension were not in place;

b. to withhold or continue to withhold any amounts owed to the defaulting party under the Contract (whether or not yet invoiced or due) and set off against such withheld amounts any amounts owed the non-defaulting party under the Contract (whether or not yet invoiced or due;) or

c. 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. Each of the aforementioned remedies are non-exclusive remedies, and the non-defaulting party may elect to exercise one of more of such remedies, as applicable.

XIII. AMENDMENT

Subject to Article XV herein and the ability of Enbridge to amend the applicable rate schedules, general terms and conditions 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 Enbridge.

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 Enbridge 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 Enbridge's system at

any time. Any request for 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. Service requests for firm transportation service require minimum terms of ten (10) years where Expansion Facilities are required.

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, Enbridge 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, Enbridge shall allocate such long-term capacity by open season, subject to the terms of the open season, and these General Terms and Conditions.

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: Enbridge may at any time allocate capacity to respond to any transportation service request through an open season. If a potential shipper requests transportation service that can be provided through Available Capacity that was previously offered by Enbridge 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. Enbridge shall allocate capacity to serve such request pursuant to this Section 5, and subject to these General Terms and Conditions and Enbridge's standard form transportation contract;

   c. Enbridge may reject a request for 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, Enbridge must offer to supply the Available Capacity to the potential shipper;

      ii. if the proposed monthly payment is less than Enbridge's Monthly demand charge plus fuel requirements for the applicable service;

      iii. if prior to Enbridge accepting the request for transportation service Enbridge 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 Enbridge shall follow the procedure in Section 5 d hereof;

      iv. if Enbridge 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. Enbridge will advise the potential shipper in writing whether Enbridge accepts or rejects the request for service, subject to Article XVI 5 c, within 5 calendar days of receiving a request for transportation service. If

Enbridge rejects a request for service, Enbridge shall inform the potential shipper of the reasons why its request is being rejected; and

e. If Enbridge has insufficient Available Capacity to service, all pending requests for transportation service Enbridge may:

i. Reject all the pending requests for transportation service and conduct an open season; or

ii. Enbridge 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 Enbridge shall provide all such potential shippers with an equal opportunity to submit a revised request for service. Enbridge shall then allocate the Available Capacity to the request for transportation service with the highest economic value to Enbridge. 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, with both a Receipt Point and Delivery Point on the Dawn-Parkway System or on the Albion Pipeline, 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: Enbridge 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 Enbridge 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. Enbridge shall provide Shipper such notice of such curtailment as is reasonable under the circumstances. If due to any cause whatsoever Enbridge is unable to receive or deliver the quantities of gas which Shipper has requested, then Enbridge shall order curtailment by all Shippers affected and to the extent necessary to remove the effect of the disability. Enbridge has a priority of service policy to determine the order of service curtailment. In order to place services on the priority of service list, Enbridge 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 Enbridge 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. Ex-franchise 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. Ex-franchise IT Transport and IT Exchanges at premium rates
6. Ex-franchise Overrun < = 20% of CD (Note 4)

7. Balancing (Direct Purchase) > 500 GJ/d
8. Balancing (Hub Activity) > 100 GJ/d; Ex-franchise IT Transport and IT Exchanges
9. Ex-franchise Overrun > 20% of CD
10. Ex-franchise 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: Enbridge 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: Enbridge's facilities from time to time may require maintenance or construction. In the event that such event occurs, and in Enbridge's sole opinion, acting reasonably, such maintenance or construction may impact Enbridge's ability to meet Shipper's requirements, Enbridge shall provide at least ten (10) days' notice to Shipper, except in the case of an emergency. In the event the maintenance impacts Enbridge's ability to meet Shipper's requirements, Enbridge shall not be liable for any damages and shall not be deemed in breach of the Contract. To the extent that Enbridge'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.

   Enbridge 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. Enbridge 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 Enbridge'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

   a. has the right, power, authority, legal capacity, and competence to enter into the Contract and to perform all of its obligations thereunder;

   b. the Contract has been duly executed and delivered and is a legal, valid, and binding obligation, enforceable against it in accordance with its terms subject to applicable bankruptcy or similar laws affecting enforcement of creditors' rights generally;

   c. the transactions contemplated by the Contract do not and will not result in a violation of any of the terms or provisions of any applicable laws or any agreement to which it is a party or by which it is bound;

   d. 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. and

   e. 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 Enbridge agree otherwise. Shipper shall notify Enbridge in the event of any change to the financial assurances throughout the term hereof. Should Enbridge 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 Enbridge 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 Enbridge from time to time,

   then Shipper shall within fourteen (14) days of receipt of written notice by Enbridge, obtain and provide to Enbridge a letter of credit or other security in the form and amount reasonably required by Enbridge (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 Enbridge such Security within such fourteen (14) day period, Enbridge 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 Enbridge and to the extent that the Material Event has been mitigated or eliminated, Enbridge 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 Enbridge and release of obligations by Enbridge 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 Enbridge, 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 Enbridge 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 Enbridge that Shipper shall have good and marketable title to, or legal authority to deliver to Enbridge, all gas delivered to Enbridge hereunder. Furthermore, Shipper hereby agrees to notify and save Enbridge 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.

4. Shipper Information: Shipper acknowledges and agrees that Shipper's information generated and collected by Enbridge pursuant to this Contract may be shared with one or more Enbridge affiliates in order for Enbridge to ensure compliance with applicable laws and for confirmation of Shipper financial assurances.

XXI. PRECONDITIONS TO TRANSPORTATION SERVICES

This Article XXI is only applicable if Enbridge and Shipper have not entered into a precedent agreement related to the Transportation Services.

1. Enbridge Conditions: The obligations of Enbridge to provide Transportation Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Enbridge, and which may be waived or extended in whole or in part in the manner provided in the Contract:

   a. Enbridge shall have obtained, in form and substance satisfactory to Enbridge, 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. Enbridge shall have obtained all internal approvals that are necessary or appropriate to provide the Transportation Services; and,

   c. Enbridge 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 Enbridge; and,

   d. Shipper and Enbridge shall have entered into the Interruptible Service Hub Contract and as required, necessary Facilitating Agreements.

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 Enbridge 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: Enbridge 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.

XXII. NOMINATIONS

1. For Transportation Services required on any Day under the Contract, Shipper shall provide Enbridge 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 Enbridge determines to be necessary (a "**Nomination**").

2. All Nominations shall be submitted by electronic means via *Enerline*. Enbridge, in its sole discretion, may amend or modify the nominating procedures or *Enerline* at any time. Nominations shall be submitted so as to be received by Enbridge in accordance with timelines established by Enbridge, which reflect the NAESB standard nomination cycles. Enbridge 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 Enbridge. The nomination cycle timelines are posted on Enbridge's website and the nomination deadlines are provided in *Enerline*.

3. Enbridge 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 Enbridge determines that it will not schedule such Nomination, Enbridge 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 Enbridge, 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 Enbridge 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 lessor amount shall be the Revised Nomination.

4. For Shippers electing firm all day transportation service, nominations shall be provided to Enbridge'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 Enbridge, 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 Enbridge is unable to complete a Nomination confirmation due to inaccurate, untimely, or incomplete data involving an Interconnecting Pipeline entity, Enbridge 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 Enbridge determines that the Nomination is invalid at which time the Enbridge 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 Enbridge shall schedule for Transportation Services hereunder, shall be known as Shipper's "**Authorized Quantity**".

11. If on any day the actual quantities handled by Enbridge, 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 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, Enbridge 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. Enbridge 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 Enbridge and deliveries of gas by Enbridge 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 *Enerline* access request form, a third party as agent for purposes of providing a Nomination, and for giving and receiving notices related to Nominations, and Enbridge shall only accept nominations from the agent. Any such designation, if acceptable to Enbridge, shall be effective following the receipt and processing of the written notice and will remain in effect until revoked in writing by Shipper.

15. Exchanges: All gas delivered to an Exchange Point is to be nominated in accordance with the nomination procedures of the receiving transporter.

16. In the event that Shipper is an Interconnecting Pipeline, an Operating Agreement may also set out any special conditions for nominations and scheduling and, in that case, the Operating Agreement shall govern in the case of any conflict with the Tariff; provided that any disputes, remedies or any other relevant circumstance regarding such conditions for nominations and scheduling as provided for in an Operating Agreement will be addressed and managed in accordance with the provisions of the Tariff, unless otherwise agreed to by Enbridge and such Shipper in such Operating Agreement.

XXIII. 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). Receipt and Delivery Points will be as set out in the Contract

D	**ALBION KING'S NORTH**	At the junction of Enbridge's and TCPL's facilities, situated at Indian Line, Clairville, Toronto.
R, D	**CORUNNA (ANR)**	At the junction of ANR Pipeline and Niagara Gas Transmission Ltd. Pipelines L.P.'s facilities, located at the International Border between Canada and the United States in the St. Clair River
R, D	**DAWN (FACILITIES):**	Enbridge'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 Enbridge.
R, D	**DAWN (TCPL):**	At the junction of Enbridge's and TransCanada's facilities, at or adjacent to Dawn (Facilities).
R, D	**DAWN (VECTOR):**	At the junction of Enbridge's and Vector Pipeline Limited Partnership ("**Vector**") facilities, at or adjacent to Dawn (Facilities).
R, D	**PARKWAY (TCPL):**	At the junction of Enbridge's and TransCanada's facilities, at or adjacent to Enbridge'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)
D	**PARKWAY (EGT):**	At Enbridge's facilities, at or 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).
R, D	**KIRKWALL:**	At the junction of Enbridge's and TransCanada's facilities at or adjacent to Enbridge's facilities situated in Part Lot Twenty-Five (25), Concession 7, Town of Flamborough.
R	**OJIBWAY:**	At the junction of Enbridge's and Panhandle Eastern PipeLine Company, LP's ("**Panhandle**") facilities, located at the International Border between Canada and the United States in the St. Clair River.
R, D	**ST. CLAIR (MICHCON):**	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 Enbridge shall be tendered at the Receipt Point(s) at Enbridge's prevailing pressure at that Receipt Point, or at such pressure as per operating agreements between Enbridge and the applicable Interconnecting Pipeline as amended or restated from time to time.

b. All gas tendered by or on behalf of Enbridge to Shipper shall be tendered at the Delivery Point(s) at Enbridge's prevailing pressure at that Delivery Point or at such pressure as per agreements between Enbridge and the applicable Interconnecting Pipeline as amended or restated from time to time.

c. Under no circumstances shall Enbridge be obligated to receive or deliver gas hereunder at pressures exceeding the maximum allowable operating pressures prescribed under any applicable governmental regulations; nor shall Enbridge be required to make any physical deliveries or to accept any physical receipts

which its existing facilities cannot accommodate.

XXIV. IMBALANCES AND UNACCOUNTED FOR GAS

The following will apply where Enbridge is delivering to Shipper on the Albion Pipeline.

1. The parties acknowledge and agree that on any Day, actual receipts, and deliveries of gas by Enbridge may not always be exactly equal. In that circumstance, Enbridge will cooperate with the Interconnecting Pipelines in order to balance as nearly as possible such receipts and deliveries in accordance with any Operating Agreement(s).

2. On each Day, Enbridge shall measure the Albion EGI Flow and shall determine the difference, if any, between the quantity of gas delivered by Enbridge to Parkway EGT for Enbridge and the aggregate amount of the actual quantity of gas that flowed through the Delivery Point and Albion EGI and any linepack changes that occurred within the Albion Pipeline ("**Unaccounted for Gas**" or "**UFG**").

3. In accordance with the prevailing operating conditions on the Albion Pipeline, Enbridge may from time to time provide notice to each Shipper of Enbridge's forecast for Shipper's proportionate share of UFG, not to exceed 0.6% of the quantity of gas that was scheduled by Enbridge for Shipper on the applicable Day, based on the ratio of each Shipper's quantity of gas that was scheduled by Enbridge on the applicable Day to the aggregate of scheduled quantities of gas for all Shippers and Enbridge's Albion EGI Flow for such Day. Shipper shall deliver to Enbridge the quantity of gas set out in such notice within the time period specified

ENBRIDGE GAS INC.

PRODUCER SERVICE

GENERAL TERMS AND CONDITIONS

INDEX

I. DEFINITIONS 24
II. GAS QUALITY 26
III. MEASUREMENTS 28
IV. RECEIPT POINT AND DELIVERY POINT 28
V. POSSESSION OF AND RESPONSIBILITY FOR GAS 28
VI. FACILITIES ON SHIPPER'S PROPERTY 29
VII. MEASURING EQUIPMENT 29
VIII. BILLING 30
IX. PAYMENTS 30
X. DISPUTE RESOLUTION 32
XI. FORCE MAJEURE 33
XII. DEFAULT AND TERMINATION 34
XIII. AMENDMENT 34
XIV. NON-WAIVER AND FUTURE DEFAULT 34
XV. LAWS, REGULATIONS AND ORDERS 35
XVI. RESERVED FOR FUTURE USE 35
XVII. RENEWALS 35
XVIII. SERVICE CURTAILMENT 35
XIX. SHIPPER'S REPRESENTATIONS AND WARRANTIES 35
XX. MISCELLANEOUS PROVISIONS 36
XXI. PRECONDITIONS TO TRANSPORTATION SERVICES 37
XXII. NOMINATIONS 38

I. DEFINITIONS

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms and Conditions and in any Contract shall be construed to have the meanings set out below. Capitalized terms not defined herein shall have the meaning set out in the Contract.

"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 Enbridge (including amounts paid to affiliates for services rendered in accordance with the Affiliate Relationships Code for Gas Utilities 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 Enbridge's negligence or not, except for any costs that have arisen from the gross negligence, fraud, or willful misconduct of Enbridge;

"Average Local Producer Heat" ("ALPH") shall mean the heat content value as set by Enbridge and shall be determined by volumetrically averaging the gross heat content of all produced gas delivered to the Enbridge system by Ontario Local Producers. The ALPH shall be expressed in GJ/10³m³ and may be adjusted from time to time by Enbridge;

"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 any contract to which these General Terms and 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;

"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;

"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 any point(s) defined in the Contract where Enbridge shall deliver gas to Shipper;

"Delivered Quantity" shall mean the daily quantity in GJ nominated that Day by Shipper to the Delivery Point;

"Distribution Demand" shall mean the varying demand for the supply of gas, as determined by Enbridge, on Enbridge's pipeline and distribution system for users of gas who are supplied or delivered gas by Enbridge's pipeline and distribution system;

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

"Enbridge" shall mean Enbridge Gas Inc.;

"Facilitating Agreements" shall refer to a contract with Enbridge that is related to the Transportation Services and is required in order to obtain another service, including without limiting the generality of the foregoing:

a. an Interruptible Service Hub Contract;
b. a Limited Balancing Agreement;
c. an Interconnect Operating Agreement; or
d. a Dehydration Contract.

"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 and shall include RNG;

"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 the temperature at a specific pressure where hydrocarbon vapour condensation begins;

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

"Interruptible Service Hub Contract" shall mean an interruptible service hub contract between Shipper and Enbridge -pursuant to which Enbridge provides interruptible gas transportation, exchange, balancing, and name change services;

"**interruptible service**" or "**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;

"MAOP" shall mean the maximum allowable operating pressure of Enbridge's pipeline and distribution system and as further defined in the Contract;

"Maximum Daily Quantity" shall mean the maximum quantity of gas Shipper may deliver to Enbridge at a Receipt Point on any Day, as further defined in the Contract;

"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 Enbridge 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 or any successor thereto;

"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 Quantity" shall mean the total daily quantity of gas in GJ transported and delivered at the Delivery Point(s), which is equal to the total energy of all gas supplied daily to Enbridge at the Receipt Point(s). The Produced Quantity shall be calculated utilizing the following factor equation: Produced Quantity = Produced Volume x ALPH;

"Produced Volume" shall mean the aggregate of all actual volumes of gas in 10³m³, delivered by Shipper to Enbridge at all Receipt Points on any Day;

"Receipt Point" shall mean the point(s) where Enbridge shall receive gas from Shipper;

"RNG" or **"Renewable Natural Gas"** shall mean biogas that has been conditioned or upgraded to a quality meeting the Renewable Gas Specification;

"Renewable Gas Specification" means the RNG standards or requirements established by Enbridge, as amended from time to time;

"Sales Agreement" shall mean the Ontario Gas Purchase Agreement(s) entered into between Shipper and Enbridge;

"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 Enbridge's pipeline and distribution system which determines Enbridge's ability to accept volumes of gas into Enbridge's pipeline and distribution system hereunder. System Capacity shall be determined by Enbridge and such determination, in addition to the physical characteristics of Enbridge's pipeline and distribution system Distribution Demand, shall also include consideration of Enbridge's local Distribution Demand, Enbridge's total system Distribution Demand, availability of Enbridge's gas storage capacity, and other gas being purchased and/or delivered into Enbridge'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 or any other payment contemplated 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. a. Natural Gas: The minimum gross heating value of the gas delivered to/by Enbridge hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Enbridge hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Enbridge may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Enbridge may be a commingled supply from Enbridge'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, Enbridge may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning, and other processes.

   b. Renewable Natural Gas: Specifically with the respect to RNG, the established quality specifications will be further defined in the Contract.

2. Freedom from objectionable matter: The gas to be delivered to/by Enbridge 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 cricondentherm hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius or minus eighteen (-18) degrees Fahrenheit,

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 (43ºC), and,

l. shall not be odourized by Shipper.

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.

a. In the event that the quality of the gas does not conform or if Enbridge, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so, directed by Enbridge 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 Enbridge with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Enbridge may conduct such test and Shipper shall reimburse Enbridge for all costs incurred by Enbridge for such testing.

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b. If Shipper's gas fails at any time to conform to the requirements of this Article II, Enbridge, 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 Enbridge hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Enbridge in this Article II, but Enbridge 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 Enbridge at Dawn (Facilities) or the gas to be delivered by Enbridge 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 Enbridge 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. Delivery of Gas to an Exchange Point: The quality of gas to be delivered to an Exchange Point is to be of a merchantable quality and in accordance with the quality standards as set out by the third party pipeline operator of the facility at the Exchange Point.

III. MEASUREMENTS

1. Storage, Transportation and/or Sales Unit: The unit of the gas delivered to Enbridge shall be a quantity of 10^3m^3. The unit of gas transported or stored by Enbridge shall be a megajoule or a gigajoule. The unit of gas delivered by Enbridge shall be a megajoule, a gigajoule, a cubic metre (m^3) or one thousand cubic metres (10^3m^3) at Enbridge'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 Enbridge's discretion, all as amended from time to time.

   c. The volume and/or energy of the gas delivered to/by Enbridge hereunder shall be determined by the measurement equipment designated in Article VII herein.

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 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: Enbridge accepts no responsibility for any gas prior to such gas being delivered to Enbridge at the Receipt Point or after its delivery by Enbridge at the Delivery Point. As between the parties hereto, Enbridge shall be deemed to be in control and possession of and responsible for all such gas from the time that such gas enters Enbridge's system until such gas is delivered to Shipper.

2. Liability: Shipper agrees that Enbridge is not a common carrier and is not an insurer of Shipper's gas, and that Enbridge shall not be liable to Shipper or any third party for loss of gas in Enbridge's possession, except to the extent such loss is caused entirely by Enbridge's negligence or willful misconduct.

VI. FACILITIES ON SHIPPER'S PROPERTY

1. Meter Station: Enbridge 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 Enbridge from Shipper. Shipper agrees, if requested by Enbridge, to provide Enbridge with sufficient detailed information regarding Shipper's current and expected operations in order to aid Enbridge in Enbridge's design of the meter station.

2. Enbridge Obligations: Pursuant to Article VI. Section 1 herein, Enbridge 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 Enbridge deems such facility to be necessary.

3. Enbridge Equipment: All equipment installed by Enbridge at the Receipt Point(s) shall remain the property of Enbridge at all times, notwithstanding the fact that it may be affixed to Shipper's property. Enbridge 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 Enbridge 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 Enbridge'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 Enbridge 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 Enbridge with a bona fide copy of such lease agreement prior to Enbridge 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 Enbridge'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 Enbridge around the perimeter of each Receipt Point which will adequately secure and protect Enbridge's equipment therein.

5. Maintenance Costs: Shipper shall within thirty (30) days of the delivery of a bill by Enbridge, reimburse Enbridge for any actual costs reasonably incurred by Enbridge 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. Enbridge shall be responsible for any costs incurred by Enbridge to correct an error made by Enbridge.

VII. MEASURING EQUIPMENT

1. Metering by Enbridge: Enbridge 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 Enbridge hereunder is measured by a meter that is owned and operated by an Interconnecting Pipeline or by an upstream or downstream transporter (the "**Transporter**")

whose facilities may or may not interconnect with Enbridge's, then Enbridge and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Enbridge on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Enbridge hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's or Transporter's gas tariff as approved by its 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 Enbridge'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 Enbridge's metering facilities.

4. Calibration and Test of Measuring Equipment: The accuracy of Enbridge's measuring equipment shall be verified by Enbridge at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Enbridge 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 percent (2%). If, upon testing, any measuring equipment is found to be in error by not more than two percent (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.

5. Preservation of Metering Records: Enbridge 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: Enbridge 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. Enbridge 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 Enbridge 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, 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 Enbridge 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 Enbridge's bank account as directed on the bill 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 Enbridge'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 Enbridge interest 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 the full payment is not received by the due date (the "**Interest Rate**") until the date of payment; and,

   b. If such failure to pay continues for thirty (30) days after payment is due, Enbridge, 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 plus interest at the Interest Rate in the case of further non-payment hereunder as if such suspension were not in place.

   Shipper shall not be entitled to dispute all or any portion of any amounts owing to Enbridge, including any amounts pursuant to any bill, unless and until Shipper has paid in full such amounts to Enbridge. If Shipper in good faith disputes the amount of any such bill or part thereof Shipper shall nevertheless pay the full amount of the bill and will notify Enbridge within thirty (30) days following delivery of such bill of the amount disputed and the reasons why Shipper disputes that portion of the bill including supporting documentation acceptable in industry practice to support the amount paid or disputed. A final determination may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case.

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

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, Enbridge 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 Enbridge's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Enbridge 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 Enbridge, such error shall be adjusted by Enbridge. Such overcharge, undercharge or error shall be adjusted by Enbridge 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 Enbridge.

   Shipper shall make reasonable efforts to eliminate/minimize the withholding tax related to the fees/payments paid to Enbridge, including but not limited to requesting from Enbridge 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 Enbridge, after the calendar year end, Enbridge'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, Enbridge 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 Enbridge, to reduce such arrears or other indebtedness to Enbridge.

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 Enbridge for a portion, as determined by Enbridge, of Enbridge'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 Enbridge's pipeline and distribution system. Enbridge 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 Enbridge'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 Enbridge.

X. DISPUTE RESOLUTION

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 (a "**Dispute**"), the matter in dispute shall be resolved in the manner set out in Article X.

a. The party claiming that a Dispute has arisen must give written notice (a "**Dispute Notice**") to the other party specifying the nature of the dispute, the relief sought, and the basis for the relief sought.

b. Within seven (7) Business Days following delivery of a Dispute Notice, the parties must commence the process of attempting to resolve the Dispute by referring such Dispute to a meeting between the Director, Energy Services S&T Sales (or the successor position thereof), on behalf of Enbridge, and an equivalent or similar manager on behalf of the Shipper, (the "**Operations Personnel**") for discussion and resolution. The Operations Personnel shall consult, discuss, and negotiate in good faith with the intention of a reaching a just and equitable solution satisfactory to both parties.

c. If a Dispute is not resolved to the mutual satisfaction of the parties by the Operations Personnel within twelve (12) Business Days after the Dispute Notice has been delivered the Dispute shall be referred to the parties' respective senior representatives (in the case of the Enbridge, the Vice-President Energy Services (or the successor position thereof); and in the case of the Shipper, an equivalent or similar senior manager of the Shipper (the "**Senior Representatives**") for resolution. The parties shall cause their respective Senior Representatives to meet as soon as possible in an effort to resolve the dispute.

d. If the Dispute is not resolved by the Senior Representatives to the mutual satisfaction of the parties within twenty (20) Business Days after delivery of the Dispute Notice, then the parties may agree, but are not obligated, to refer the Dispute to a private mediator agreed to between them. The parties and the mediator shall conduct the mediation in accordance with procedures agreed to between them and all third-party costs (including those of the mediator) shall be shared equally by the parties. There shall be no obligation of a party to agree on a mediator or any procedures therefore, other than to act in good faith.

e. If the Dispute is still not resolved to the mutual satisfaction of the parties within thirty (30) Business Days after delivery of the Dispute Notice, then either party may refer the Dispute to be resolved by litigation or such other legal means (such as by way of an application to the OEB, if applicable) as are available to such party, provided the party seeking legal remedy has pursued resolution of the Dispute as contemplated in Article X.

XI. FORCE MAJEURE

1. Definition: The term "**force majeure**" as used herein shall mean any event beyond the reasonable control of the party to a Contract claiming suspension, whether or not foreseeable and which by the exercise of reasonable due diligence such Party is unable to prevent or overcome, including, without limitation: 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).

2. Notice: In the event that either the Shipper or Enbridge 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: Subject to the remainder of this Section XI, each party to a Contract will be relieved of its obligations under such Contract during the period of time and to the extent performance of such obligations that are not possible due to an event of force majeure. Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances are preventing a party's performance or compliance (or the resumption of such performance or compliance) with any obligation or condition of the Contract: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension or as a result of breach of the Contract; 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 economic hardship, lack of funds, deteriorated financial circumstances, change in commodity prices, interests rates, financial markets, or the lack of market for product or the availability of a more attractive market; the party claiming suspension did not, as soon as reasonably 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 for Force Majeure: The party to a Contract claiming suspension as a result of an event of force majeure shall keep the other party reasonably apprised of the event of force majeure, the steps the affected party is taking to end or mitigate the force majeure event, and when the force majeure is anticipated to end. During an event of force majeure, the affected party shall use reasonable efforts to limit the impacts to the other party and to resume its performance under the Contract as soon as practicable. 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 Enbridge's system will excuse the failure to deliver gas by Enbridge or the failure to accept gas by Enbridge 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 Enbridge's system shall not relieve Shipper of any payment obligations.

7. Delay of Firm Transportation Services: Despite Article XI herein, if Enbridge is prevented, by reason of an event of force majeure on Enbridge's system from delivering gas on the Day or Days upon which Enbridge has accepted gas from Shipper, Enbridge 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 Enbridge. If Enbridge accepts such gas on this basis,

Shipper shall not receive any demand charge relief as contemplated under Article XI herein.

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 Enbridge 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: (i) ten (10) days from receipt of such notice in the case of a failure on the part of Shipper to make a payment within the time periods required hereunder (a "**Payment Default**"); or (ii) thirty (30) days from receipt of such notice in the case of a default other than a Payment Default, the non-defaulting party may at its sole option, , exercise any of the following remedies immediately upon giving notice to the defaulting party:

a. to suspend the non-defaulting party's performance under the Contract, provided that notwithstanding such suspension, all demand charges shall continue to accrue plus interest at the Interest Rate in the case of further non-payment hereunder as if such suspension were not in place;

b. to withhold or continue to withhold any amounts owed to the defaulting party under the Contract (whether or not yet invoiced or due) and set off against such withheld amounts any amounts owed the non-defaulting party under the Contract (whether or not yet invoiced or due;) or

c. 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. Each of the aforementioned remedies are non-exclusive remedies, and the non-defaulting party may elect to exercise one of more of such remedies, as applicable.

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 any Facilitating Agreement(s) 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 Enbridge to amend the applicable rate schedules, general terms and conditions 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 Enbridge.

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 Enbridge 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 Enbridge 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 Enbridge upon Enbridge's request. Shipper shall provide to Enbridge the names and telephone numbers of those persons whom Enbridge may contact in the event of an emergency situation arising within the Shipper's facilities.

3. Emergency Notice: In the event that Enbridge is notified by a third party or if Enbridge becomes aware of an emergency situation in which Shipper's gas production site, pipeline or associated equipment is involved, Enbridge shall immediately notify Shipper or Shipper's representative of such emergency condition.

4. Right to Modify: Enbridge shall have the right, at all times, to reconstruct or modify Enbridge'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 Enbridge. Should Enbridge expect any such reconstruction or modification to reduce the delivery or receipt of gas by either party, Enbridge will, where able, provide Shipper with six (6) months' notice or as much notice as is reasonably practical in the circumstances. Enbridge 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

   a. has the right, power, authority, legal capacity, and competence to enter into the Contract and to perform all of its obligations thereunder;

b. the Contract has been duly executed and delivered and is a legal, valid, and binding obligation, enforceable against it in accordance with its terms subject to applicable bankruptcy or similar laws affecting enforcement of creditors' rights generally;

c. the transactions contemplated by the Contract do not and will not result in a violation of any of the terms or provisions of any applicable laws or any agreement to which it is a party or by which it is bound;

d. 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, and

e. 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 Enbridge agree otherwise. Shipper shall notify Enbridge in the event of any change to the financial assurances throughout the term hereof. Should Enbridge 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 Enbridge, obtain and provide to Enbridge a letter of credit or other security in the form and amount reasonably required by Enbridge (the "**Security**"). In the event that Shipper does not provide to Enbridge such Security, Enbridge 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 Enbridge and to the extent that the Material Event has been mitigated or eliminated, Enbridge 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 Enbridge 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 Enbridge and release of obligations by Enbridge 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 Enbridge that Shipper shall have good and marketable title to, or legal authority to deliver to Enbridge, all gas delivered to Enbridge hereunder. Furthermore, Shipper hereby agrees to indemnify and save Enbridge 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.

3. Shipper Information: Shipper acknowledges and agrees that Shipper's information generated and collected by Enbridge pursuant to this Contract may be shared with one or more Enbridge affiliates in order for Enbridge to ensure compliance with applicable laws and for confirmation of Shipper financial assurances.

4.

XXI. PRECONDITIONS TO TRANSPORTATION SERVICES

1. Enbridge Conditions: The obligations of Enbridge to provide Transportation Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Enbridge, and which may be waived or extended in whole or in part in the manner provided in the Contract:

    a. Enbridge shall have obtained, in form and substance satisfactory to Enbridge, 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. Enbridge shall have obtained all internal approvals that are necessary or appropriate to provide the Transportation Services; and,

    c. Enbridge 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 Enbridge; and,

    d. Shipper and Enbridge shall have entered into the Interruptible Service Hub Contract and as required, necessary Facilitating Agreements; and,

    e. Enbridge 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 Enbridge; and,

    f. Enbridge 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 Enbridge towards the Aid to Construction any amounts owing pursuant to the Section "Aid to Construction" in the Contract.

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 Enbridge 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,

    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 Enbridge, as applicable.

3. Satisfaction of Conditions: Enbridge 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.

XXII. NOMINATIONS

1. For Transportation Services required on any Day under the Contract, Shipper shall provide Enbridge 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 Enbridge determines to be necessary (a "**Nomination**").

2. All Nominations shall be submitted by electronic means via *Enerline*. Enbridge, in its sole discretion, may amend or modify the nominating procedures or *Enerline* at any time. Nominations shall be submitted so as to be received by Enbridge in accordance with timelines established by Enbridge, which reflect the NAESB standard nomination cycles. Enbridge 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 Enbridge. The nomination cycle timelines are posted on Enbridge's website and the nomination deadlines are provided in *Enerline*.

3. Enbridge 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 Enbridge determines that it will not schedule such Nomination, Enbridge 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 Enbridge, 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 Enbridge 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 lessor amount shall be the Revised Nomination.

4. For Shippers electing firm all day transportation service, nominations shall be provided to Enbridge'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 Enbridge, 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 Enbridge is unable to complete a Nomination confirmation due to inaccurate, untimely, or incomplete data involving an Interconnecting Pipeline entity, Enbridge 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 Enbridge determines that the Nomination is invalid at which time the Enbridge 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 Enbridge shall schedule for Transportation Services hereunder, shall be known as Shipper's "**Authorized Quantity**".

11. If on any day the actual quantities handled by Enbridge, 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 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, Enbridge 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. Enbridge 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 Enbridge and deliveries of gas by Enbridge 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 *Enerline* access request form, a third party as agent for purposes of providing a Nomination, and for giving and receiving notices related to Nominations, and Enbridge shall only accept nominations from the agent. Any such designation, if acceptable to Enbridge, shall be effective following the receipt and processing of the written notice and will remain in effect until revoked in writing by Shipper.

15. Exchanges: All gas delivered to an Exchange Point is to be nominated in accordance with the nomination procedures of the receiving transporter.

16. In the event that Shipper is an Interconnecting Pipeline, an Operating Agreement may also set out any special conditions for nominations and scheduling and, in that case, the Operating Agreement shall govern in the case of any conflict with the Tariff; provided that any disputes, remedies or any other relevant circumstance regarding such conditions for nominations and scheduling as provided for in an Operating Agreement will be addressed and managed in accordance with the provisions of the Tariff, unless otherwise agreed to by Enbridge and such Shipper in such Operating Agreement.

ENBRIDGE GAS INC.

EX-FRANCHISE TRANSPORTATION SERVICES FOR EMBEDDED STORAGE POOLS

GENERAL TERMS AND CONDITIONS

INDEX

I. DEFINITIONS 41
II. GAS QUALITY 43
III. MEASUREMENTS 45
IV. RECEIPT POINT AND DELIVERY POINT 45
V. POSSESSION OF AND RESPONSIBILITY FOR GAS 45
VI. FACILITIES ON SHIPPER'S PROPERTY 46
VII. MEASURING EQUIPMENT 46
VIII. BILLING 47
IX. PAYMENTS 48
X. DISPUTE RESOLUTION 49
XI. FORCE MAJEURE 50
XII. DEFAULT AND TERMINATION 51
XIII. AMENDMENT 52
XIV. NON-WAIVER AND FUTURE DEFAULT 52
XV. LAWS, REGULATIONS AND ORDERS 52
XVI. RESERVED FOR FUTURE USE 52
XVII. RENEWALS 53
XVIII. SERVICE CURTAILMENT 53
XIX. SHIPPER'S REPRESENTATIONS AND WARRANTIES 53
XX. MISCELLANEOUS PROVISIONS 54
XXI. PRECONDITIONS TO TRANSPORTATION SERVICES 54
XXII. NOMINATIONS 56

I. DEFINITIONS

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms and Conditions and in any Contract shall be construed to have the meanings set out below. Capitalized terms not defined herein shall have the meaning set out in the Contract.

"**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 Enbridge (including amounts paid to affiliates for services rendered in accordance with the Affiliate Relationships Code for Gas Utilities 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 placing into service of the Enbridge Expansion Facilities, the obtaining of all governmental, regulatory and other third party approvals, and the obtaining of rights of way) whether resulting from Enbridge's negligence or not, except for any costs that have arisen from the gross negligence, fraud, or willful misconduct of Enbridge;

"**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 Article XXII;

"**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 any Contract to which these General Terms and 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;

"**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 Enbridge 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 Enbridge and the Shipper as detailed in the Contract;

"**Delivery Point**" shall mean any point(s) defined in the Contract where Enbridge shall deliver gas to Shipper;

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

"**Facilitating Agreements**" shall refer to a contract with Enbridge that is related to the Transportation Services and is required in order to obtain another service, including without limiting the generality of the foregoing:

a. an Interruptible Service Hub Contract;
b. a Limited Balancing Agreement;

c. an Interconnect Operating Agreement; or
d. a Dehydration Contract.

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

"**Enbridge**" shall mean Enbridge Gas Inc.;

"**Enbridge Expansion Facilities**" shall mean any facilities necessary for Enbridge 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 Enbridge 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;

"**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 and shall include RNG;

"**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 the temperature at a specific pressure where hydrocarbon vapour condensation begins;

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

"**Interruptible Service Hub Contract**" shall mean an interruptible service hub contract between Shipper and Enbridge pursuant to which Enbridge provides interruptible gas transportation, exchange, balancing, and name change services;

"**interruptible service**" or "**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 or any successor thereto;

"**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 Enbridge's measurement and control facilities to the Pool; the pool name as detailed in the Contract;

"**Receipt Point**" shall mean the point(s) where Enbridge shall receive gas from Shipper;

"**RNG**" or "**Renewable Natural Gas**" shall mean biogas that has been conditioned or upgraded to a quality meeting the Renewable Gas Specification;

"**Renewable Gas Specification**" means the RNG standards or requirements established by Enbridge, as amended from time to time;

"**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 or any other payment contemplated under the Contract;

"**TransCanada**" 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. a. Natural Gas: The minimum gross heating value of the gas delivered to/by Enbridge hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Enbridge hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Enbridge may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Enbridge may be a commingled supply from Enbridge'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, Enbridge may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning, and other processes.

   b. Renewable Natural Gas: Specifically with the respect to RNG, the established quality specifications will be further defined in the Contract.

2. Freedom from objectionable matter: The gas to be delivered to/by Enbridge 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 cricondentherm hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius or minus eighteen (-18) degrees Fahrenheit,

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 (43ºC), and,

l. shall not be odourized by Shipper.

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.

a. In the event that the quality of the gas does not conform or if Enbridge, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so, directed by Enbridge 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 Enbridge with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Enbridge may conduct such test and Shipper shall reimburse Enbridge for all costs incurred by Enbridge for such testing.
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b. If Shipper's gas fails at any time to conform to the requirements of this Article II, Enbridge, 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, Enbridge 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 Enbridge at the Receipt Point(s) hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Enbridge in this Article II.

5. Quality of Gas at Dawn: The quality of the gas to be delivered to Enbridge at Dawn (Facilities) or the gas to be delivered by Enbridge 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 Enbridge 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. Enbridge may odourize or deliver odourized gas under the Contract,

   b. Shipper shall if requested by Enbridge monitor the mercaptan sulphur content of the gas delivered to Enbridge under the Contract and shall provide at no cost to Enbridge a continuous signal quantifying the mercaptan sulphur content in milligrams per cubic metre.

7. Delivery of Gas to an Exchange Point: The quality of gas to be delivered to an Exchange Point is to be of a merchantable quality and in accordance with the quality standards as set out by the third party pipeline operator of the facility at the Exchange Point.

III. MEASUREMENTS

1. Storage, Transportation, and/or Sales Unit: The unit of the gas delivered to Enbridge shall be a megajoule or a gigajoule. The unit of gas transported or stored by Enbridge shall be a megajoule or a gigajoule. The unit of gas delivered by Enbridge shall be a megajoule, a gigajoule, a cubic metre (m^3) or one thousand cubic metres (10^3m^3) at Enbridge'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 Enbridge's discretion, all as amended from time to time.

   c. The volume and/or energy of the gas delivered to/by Enbridge hereunder shall be determined by the measurement equipment designated in Article VII herein.

   d. Upon request by Enbridge, Shipper shall obtain measurement of the total quantity of gas received by Enbridge hereunder from the Interconnecting Pipeline. Such measurement shall be done in accordance with established practices between Enbridge 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 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: Enbridge accepts no responsibility for any gas prior to such gas being delivered to Enbridge at

the Receipt Point or after its delivery by Enbridge at the Delivery Point. As between the parties hereto, Enbridge shall be deemed to be in control and possession of and responsible for all such gas from the time that such gas enters Enbridge's system until such gas is delivered to Shipper.

2. Liability: Shipper agrees that Enbridge is not a common carrier and is not an insurer of Shipper's gas, and that Enbridge shall not be liable to Shipper or any third party for loss of gas in Enbridge's possession, except to the extent such loss is caused entirely by Enbridge's negligence or willful misconduct.

VI. FACILITIES ON SHIPPER'S PROPERTY

1. Enbridge Equipment: All of the Enbridge Expansion Facilities shall remain the property of Enbridge. Enbridge 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 Enbridge 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 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 Enbridge's facilities as set out in Article VI of the Contract and in the Contract, protect Enbridge 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 a bill by Enbridge, reimburse Enbridge for any actual costs reasonably incurred by Enbridge for any repair, replacement, relocation, or upgrading of any meter station or any Enbridge Expansion Facilities requested by Shipper, or as required by law, or by duly constituted regulatory body, or through good engineering practice. Enbridge shall be responsible for any costs incurred by Enbridge to correct an error made by Enbridge.

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 Enbridge: Enbridge 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 Enbridge hereunder is measured by a meter that

is owned and operated by an Interconnecting Pipeline or by an upstream or downstream transporter (the "**Transporter**") whose facilities may or may not interconnect with Enbridge's, then Enbridge and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas delivered to/by Enbridge on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Enbridge hereunder shall be in accordance with the general terms and conditions as incorporated in that Interconnecting Pipeline company's or Transporter'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 Enbridge'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 Enbridge'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, Enbridge 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 Enbridge 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 Enbridge's measuring equipment shall be verified by Enbridge at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Enbridge 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 percent (2%). If, upon testing, any measuring equipment is found to be in error by not more than two percent (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: Enbridge 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 of Interconnecting Pipeline(s): In the event of an error in metering or a meter failure, (such error or failure being determined through check measurement by Enbridge 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: Enbridge 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. Enbridge 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 Enbridge 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, 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 Enbridge's bank account as directed on the bill 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 Enbridge'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 Enbridge interest 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 the full payment is not received by the due date (the "**Interest Rate**") until the date of payment; and,

   b. If such failure to pay continues for thirty (30) days after payment is due, Enbridge, 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 plus interest at the Interest Rate in the case of further non-payment hereunder as if such suspension were not in place.

   Shipper shall not be entitled to dispute all or any portion of any amounts owing to Enbridge, including any amounts pursuant to any bill, unless and until Shipper has paid in full such amounts to Enbridge. If Shipper in good faith disputes the amount of any such bill or part thereof Shipper shall nevertheless pay the full amount of the bill and will notify Enbridge within thirty (30) days following delivery of such bill of the amount disputed and the reasons why Shipper disputes that portion of the bill including supporting documentation acceptable in industry practice to support the amount paid or disputed. A final determination may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case.

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

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, Enbridge 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 Enbridge's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Enbridge 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 Enbridge, such error shall be adjusted by Enbridge. Such overcharge, undercharge or error shall be adjusted by Enbridge 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 Enbridge.

   Shipper shall make reasonable efforts to eliminate/minimize the withholding tax related to the fees/payments paid to Enbridge, including but not limited to requesting from Enbridge 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 Enbridge, after the calendar year end, Enbridge'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 in not 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, Enbridge 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 Enbridge, to reduce such arrears or other indebtedness to Enbridge.

6. Aid to Construction: Shipper agrees to reimburse Enbridge for the Aid to Construction.

   In the event Enbridge 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 Enbridge such actual costs on presentation to Shipper of a bill for same from Enbridge.

   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. DISPUTE RESOLUTION

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 (a "**Dispute**"), the matter in dispute shall be resolved in the manner set out in Article X.

a. The party claiming that a Dispute has arisen must give written notice (a "**Dispute Notice**") to the other party specifying the nature of the dispute, the relief sought, and the basis for the relief sought.

b. Within seven (7) Business Days following delivery of a Dispute Notice, the parties must commence the process of attempting to resolve the Dispute by referring such Dispute to a meeting between the Director, Energy Services S&T Sales (or the successor position thereof), on behalf of Enbridge, and an equivalent or similar manager on behalf of the Shipper, (the "**Operations Personnel**") for discussion and resolution. The Operations Personnel shall consult, discuss, and negotiate in good faith with the intention of a reaching a just and equitable solution satisfactory to both parties.

c. If a Dispute is not resolved to the mutual satisfaction of the parties by the Operations Personnel within twelve (12) Business Days after the Dispute Notice has been delivered the Dispute shall be referred to the parties'

respective senior representatives (in the case of the Enbridge, the Vice-President Energy Services (or the successor position thereof); and in the case of the Shipper, an equivalent or similar senior manager of the Shipper (the "**Senior Representatives**") for resolution. The parties shall cause their respective Senior Representatives to meet as soon as possible in an effort to resolve the dispute.

d. If the Dispute is not resolved by the Senior Representatives to the mutual satisfaction of the parties within twenty (20) Business Days after delivery of the Dispute Notice, then the parties may agree, but are not obligated, to refer the Dispute to a private mediator agreed to between them. The parties and the mediator shall conduct the mediation in accordance with procedures agreed to between them and all third-party costs (including those of the mediator) shall be shared equally by the parties. There shall be no obligation of a party to agree on a mediator or any procedures therefore, other than to act in good faith.

e. If the Dispute is still not resolved to the mutual satisfaction of the parties within thirty (30) Business Days after delivery of the Dispute Notice, then either party may refer the Dispute to be resolved by litigation or such other legal means (such as by way of an application to the OEB, if applicable) as are available to such party, provided the party seeking legal remedy has pursued resolution of the Dispute as contemplated in Article X.

XI. FORCE MAJEURE

1. Definition: The term "**force majeure**" as used herein shall mean any event beyond the reasonable control of the party to a Contract claiming suspension, whether or not foreseeable and which by the exercise of reasonable due diligence such Party is unable to prevent or overcome, including, without limitation: 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).

2. Notice: In the event that either the Shipper or Enbridge 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: Subject to the remainder of this Section XI, each party to a Contract will be relieved of its obligations under such Contract during the period of time and to the extent performance of such obligations that are not possible due to an event of force majeure. Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances are preventing a party's performance or compliance (or the resumption of such performance or compliance) with any obligation or condition of the Contract: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension or as a result of breach of the Contract; 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 economic hardship, lack of funds, deteriorated financial circumstances, change in commodity prices, interests rates, financial markets, or the lack of market for product or the availability of a more attractive market; the party claiming suspension did not, as soon as reasonably 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 for Force Majeure: The party to a Contract claiming suspension as a result of an event of force majeure shall

keep the other party reasonably apprised of the event of force majeure, the steps the affected party is taking to end or mitigate the force majeure event, and when the force majeure is anticipated to end. During an event of force majeure, the affected party shall use reasonable efforts to limit the impacts to the other party and to resume its performance under the Contract as soon as practicable. 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 Enbridge's system will excuse the failure to deliver gas by Enbridge or the failure to accept gas by Enbridge 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 Enbridge's system shall not relieve Shipper of any payment obligations.

7. Delay of Firm Transportation Services: Despite Article XI herein, if Enbridge is prevented, by reason of an event of force majeure on Enbridge's system from delivering gas on the Day or Days upon which Enbridge has accepted gas from Shipper, Enbridge 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 Enbridge. If Enbridge 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 Enbridge fails to accept gas from Shipper by reason of an event of force majeure on Enbridge'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 Enbridge 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 applicable 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 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 Enbridge 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: (i) ten (10) days from receipt of such notice in the case of a failure on the part of Shipper to make a payment within the time periods required hereunder (a "**Payment Default**"); or (ii) thirty (30) days from receipt of such notice, in the case of a default other than a Payment Default, the non-defaulting party may at its sole option, exercise any of the following remedies immediately upon giving notice to the defaulting party:

a. to suspend the non-defaulting party's performance under the Contract, provided that notwithstanding such

suspension, all demand charges shall continue to accrue plus interest at the Interest Rate in the case of further non-payment hereunder as if such suspension were not in place;

b. to withhold or continue to withhold any amounts owed to the defaulting party under the Contract (whether or not yet invoiced or due) and set off against such withheld amounts any amounts owed the non-defaulting party under the Contract (whether or not yet invoiced or due;) or

c. 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. Each of the aforementioned remedies are non-exclusive remedies, and the non-defaulting party may elect to exercise one of more of such remedies, as applicable.

XIII. AMENDMENT

Subject to Article XV herein and the ability of Enbridge to amend the applicable rate schedules, general terms and conditions 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 Enbridge.

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 Enbridge 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 Enbridge may reduce the Contract Demand 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, Enbridge will authorize nominations from shippers and allocate capacity as per Enbridge'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 Enbridge, and subordinate to Enbridge's own operational or system requirements.

2. Capacity Procedures: Enbridge 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: Enbridge's facilities from time to time may require maintenance or construction. In the event that such event occurs, and in Enbridge's sole opinion, acting reasonably, such maintenance or construction may impact Enbridge's ability to meet Shipper's requirements, Enbridge shall provide at least ten (10) days' notice to Shipper, except in the case of an emergency. In the event the maintenance impacts Enbridge's ability to meet Shipper's requirements, Enbridge shall not be liable for any damages and shall not be deemed in breach of the Contract. To the extent that Enbridge'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 herein.

   Enbridge 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. Enbridge 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 Enbridge's ability to meet its obligations of any Contract Year, during the period from April 1 through to November 1.

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 Enbridge upon Enbridge's request. Shipper shall provide to Enbridge the names and telephone numbers of those persons whom Enbridge 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

   a. has the right, power, authority, legal capacity, and competence to enter into the Contract and to perform all of its obligations thereunder;

   b. the Contract has been duly executed and delivered and is a legal, valid, and binding obligation, enforceable against it in accordance with its terms subject to applicable bankruptcy or similar laws affecting enforcement of creditors' rights generally;

   c. the transactions contemplated by the Contract do not and will not result in a violation of any of the terms or

provisions of any applicable laws or any agreement to which it is a party or by which it is bound;

d. 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, and

e. 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 Enbridge agree otherwise. Shipper shall notify Enbridge in the event of any change to the financial assurances throughout the term hereof. Should Enbridge 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 Enbridge, obtain and provide to Enbridge a letter of credit or other security in the form and amount reasonably required by Enbridge (the "**Security**"). In the event that Shipper does not provide to Enbridge such Security, Enbridge 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 Enbridge and to the extent that the Material Event has been mitigated or eliminated, Enbridge 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 Enbridge that Shipper possesses a licence 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 Enbridge and, if required, the approval of the OEB. Should Enbridge consent to the assignment, and if OEB approval is needed, Enbridge 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 Enbridge that Shipper shall have good and marketable title to, or legal authority to deliver to Enbridge, all gas delivered to Enbridge hereunder. Furthermore, Shipper hereby agrees to indemnify and save Enbridge 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.

3. Shipper Information: Shipper acknowledges and agrees that Shipper's information generated and collected by Enbridge pursuant to this Contract may be shared with one or more Enbridge affiliates in order for Enbridge to ensure compliance with applicable laws and for confirmation of Shipper financial assurances.

XXI. PRECONDITIONS TO TRANSPORTATION SERVICES

1. Enbridge Conditions: The obligations of Enbridge to provide Transportation Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Enbridge, and which may be waived or extended in whole or in part in the manner provided in the Contract:

a. Enbridge shall have obtained, in form and substance satisfactory to Enbridge, 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. Enbridge shall have obtained all internal approvals that are necessary or appropriate to provide the Transportation Services; and,

c. Enbridge 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 Enbridge; and,

d. Shipper and Enbridge shall have entered into the Interruptible Service Hub Contract and as required, necessary Facilitating Agreements.; and,

e. Shipper shall have paid any amounts owing pursuant to the Section "Aid to Construction" in the Contract; and,

f. With regard to the Enbridge Expansion Facilities:

i. Enbridge shall have obtained, in form and substance satisfactory to Enbridge, and all conditions shall have been satisfied under, all governmental, regulatory, and other third party approvals, consents, orders and authorizations required to construct the Enbridge Expansion Facilities;

ii. Enbridge shall have obtained all internal approvals that are necessary or appropriate to construct the Enbridge Expansion Facilities;

iii. Enbridge shall have completed and placed into service the Enbridge Expansion Facilities; and,

g. Shipper shall, at Shipper's own cost and expense, have obtained a registered lease or freehold ownership in Enbridge's favour for the Enbridge Expansion Facilities located at the Pool Station satisfactory to Enbridge and sufficient to provide Enbridge 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 Enbridge with a bona fide copy of such agreements prior to Enbridge commencing the construction of the Enbridge 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 Enbridge 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: Enbridge 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.

XXII. NOMINATIONS

1. For Transportation Services required on any Day under the Contract, Shipper shall provide Enbridge 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 Enbridge determines to be necessary (a "**Nomination**").

2. All Nominations shall be submitted by electronic means via *Enerline*. Enbridge, in its sole discretion, may amend or modify the nominating procedures or *Enerline* at any time. Nominations shall be submitted so as to be received by Enbridge in accordance with timelines established by Enbridge, which reflect the NAESB standard nomination cycles. Enbridge 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 Enbridge. The nomination cycle timelines are posted on Enbridge's website and the nomination deadlines are provided in *Enerline*.

3. Enbridge 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 Enbridge determines that it will not schedule such Nomination, Enbridge 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 Enbridge, 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 Enbridge 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 lessor amount shall be the Revised Nomination.

4. For Shippers electing firm all day transportation service, nominations shall be provided to Enbridge'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 Enbridge, 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 Enbridge is unable to complete a Nomination confirmation due to inaccurate, untimely, or incomplete data involving an Interconnecting Pipeline entity, Enbridge 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 Enbridge determines that the Nomination is invalid at which time the Enbridge 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 Enbridge shall schedule for Transportation Services hereunder, shall be known as Shipper's "**Authorized Quantity**".

11. If on any day the actual quantities handled by Enbridge, 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 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, Enbridge 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. Enbridge 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 Enbridge and deliveries of gas by Enbridge 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 *Enerline* access request form, a third party as agent for purposes of providing a Nomination, and for giving and receiving notices related to Nominations, and Enbridge shall only accept nominations from the agent. Any such designation, if acceptable to Enbridge, shall be effective following the receipt and processing of the written notice and will remain in effect until revoked in writing by Shipper.

15. Exchanges: All gas delivered to an Exchange Point is to be nominated in accordance with the nomination procedures of the receiving transporter.

16. In the event that Shipper is an Interconnecting Pipeline, an Operating Agreement may also set out any special conditions for nominations and scheduling and, in that case, the Operating Agreement shall govern in the case of any conflict with the Tariff; provided that any disputes, remedies or any other relevant circumstance regarding such conditions for nominations and scheduling as provided for in an Operating Agreement will be addressed and managed in accordance with the provisions of the Tariff, unless otherwise agreed to by Enbridge and such Shipper in such Operating Agreement.