

## POLICIES & GUIDELINES

**Policy #: 04-DP-RTS-07**

Discussion

<b>Subject:</b> Return to Union Gas Sales Service from Direct Purchase not Represented by a Vendor as defined in Gas Distribution Access Rule (GDAR)	<b>Effective:</b> November 2011
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<b>Applies to:</b> Existing Direct Purchase customers, not represented by Vendor, that request Union Gas to provide Sales Service. This policy does not apply to customers who are governed by the GDAR.
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<b>Purpose:</b> To provide equitable and fair treatment to Direct Purchase customers who request Union Gas Sales Service.
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<b>Background:</b> <i>(Not to limit the applicability of the policy)</i> Union Gas must make upstream transportation and supply arrangements to serve end use locations returning to Sales Service. Customers whose end use locations are returning to Sales Service must first finalize all outstanding Direct Purchase obligations and meet Union Gas's financial assurance requirements  For customers who are governed by GDAR refer to the Gas Distribution Access Rule on the Ontario Energy Board's Web Site ( <a href="http://www.oeb.gov.on.ca">www.oeb.gov.on.ca</a> ).
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<b>Policy:</b> Union Gas will accept requests from a Direct Purchase customer, not represented by Vendor, to return end use locations to Sales Service subject to the following: <ul style="list-style-type: none"><li>▪ Customer must provide notice to Union Gas to return to Sales Service as required in the Direct Purchase contract.</li><li>▪ If an entire direct purchase contract is moving to Sales Service the Bundled-T Banked Gas Account balance or T1 inventory balance must be zero as per Schedule "2" Terms and Conditions and/or any existing Direct Purchase related contractual obligations to Union Gas must be fulfilled prior to being served under Sales Service. Prior to returning to Sales Service, the customer must return to Union Gas all temporarily assigned upstream arrangements previously assigned by Union Gas to the customer.</li><li>▪ In the event an abnormal number of end-use locations with a Parkway delivery point return to Sales Service without associated upstream transportation, Union retains the right to seek regulatory recovery of the costs associated with serving these customers (end-use locations) under Sales Service.</li><li>▪ Customers must meet Union Gas's credit requirements and, if financial assurance is required by Union Gas, customer must provide such assurance to Union Gas before commencing Sales Service.</li></ul>
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## Procedures

1. The customer, not represented by Vendor, must provide written notice to return the end use location(s) to Sales Service 60 days prior to the effective date of the return. If an end use location is returned to Sales Service during the term of the contract, contract parameters will not be changed until contract renewal, unless otherwise agreed by Union Gas.
2. Union Gas may perform a credit review to determine if additional financial assurance is required. If required, a customer with a Distribution Contract will provide additional assurance within 14 days of Union Gas's request prior to returning to Sales Service. For General Service end use locations, credit will be administered according to Union Gas's retail credit policy.

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

3. Customer will electronically accept or return the signed contract amendment to Union Gas to indicate acceptance of the parameters no later than 25 days before the effective date of the contract amendment.
4. Union Gas will electronically accept or sign the contract amendment and provide a copy to the customer approximately 1 week after receiving the signed amendment from customer.
5. Union Gas will prepare and Union Gas/customer will electronically accept or sign and execute temporary assignment agreements to return upstream capacity to Union Gas to service the returning customer, as necessary, in accordance with their respective schedules.
6. Customer will be billed all applicable charges per the Direct Purchase contract and associated rate schedules.
7. Customer will nominate deliveries to Union Gas reflecting the above contract amendment.