

POLICIES & GUIDELINES

Policy #04-DP-BAL-006:

Subject: Temporarily Changing Existing Customer Obligated Points of Receipt	Effective: December 14, 2006
Applies to: <p>All existing Bundled-T and T-Service direct purchase customers in Union Gas's Southern operations area. This policy does not apply to those customers that change their receipt point obligation from Western to Parkway via a TCPL temporary assignment nor does it apply to customers that alter their vertical slice allocation through a temporary assignment to another party.</p>	
Purpose: <p>To ensure equitable treatment for customers who request a temporary change from their existing obligated receipt point to another obligated receipt point.</p>	
Background: <i>(Not to limit the applicability of the policy)</i> <p>Union Gas's system is designed based on firm deliveries arriving at specified receipt points on the system. As a result, Union Gas's costs and the resulting costs to Union Gas's customers have been minimized while ensuring that system integrity and reliability is maintained. A customer's move from Sales Service to direct purchase is facilitated by an allocation/assignment of Union Gas's upstream transportation portfolio and the customer is obligated to deliver at the receipt points linked to the allocated upstream transportation arrangements. Any changes to obligated receipt points must be reviewed by Union Gas for cost implications and impacts on system integrity and reliability.</p>	
Policy: <p>Union Gas will approve requests for temporary changes in receipt point obligation subject to the following:</p> <ul style="list-style-type: none">• Requests must clearly state original receipt point, desired receipt point, quantity of gas to be obligated at this point and term of temporary change.• In its review of the requested change, Union Gas will consider its operational ability to accommodate the change and any associated cost implications associated with facilitating the change in receipt point obligation. If approved by Union, the customer must accept the terms and conditions and is responsible for all charges identified by Union Gas (if any). Authorization Notices are the mechanism used to temporarily change customer's receipt point.• Unless otherwise agreed, all temporary changes to obligated receipt points are interruptible by Union Gas. If interrupted, the obligation will revert back to the receipt point obligation in Schedule 1 of the Direct Purchase contract during the period of the interruption.• A request to temporarily change an obligated receipt point will not result in any changes to the customer's obligations in respect of upstream transportation capacity that had been allocated/assigned to the customer.	

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Procedures

1. Customer must communicate their request to Union Gas (Account Manager or Customer Service Representative) and must specify, in writing, the original point of receipt, the desired receipt point, the quantity of gas to be obligated at this point, and the term of temporary change.
2. Customer's request should be made at least 3 business days in advance of the effective date of the temporary change in receipt point. Transactions requested and accepted via Unionline can be made 1 business day in advance of the effective date of the temporary change in receipt point. Requests made with shorter notice will be evaluated on a reasonable efforts basis.
3. Union Gas will evaluate the request for cost implications and potential impacts on system integrity to determine if it can accommodate the requested temporary change.
4. Union Gas will communicate the terms and conditions and charges to facilitate the change.
5. If acceptable, Union Gas will issue Authorization Notices to facilitate the temporary change in receipt point obligation.
6. Customer will sign the Authorization Notices and return the signed notices back to Union Gas prior to the effective date.
7. The customer nominates supply to reflect the change in receipt point obligations per the nomination deadlines outlined in the contract.
8. Union Gas confirms/schedules the nomination as outlined in the contract.
9. The obligations will revert back to those in the contract upon expiry of the Authorization Notices.
10. In the event an authorization notice is interrupted, the customer will be notified by Union, by phone or fax. Notification will be sent to the customer no later than the close of the timely nomination window unless unforeseen scheduling reductions are required. (Policy #07-DP-BAL-014)