

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

April 2012

The Ontario Energy Board (OEB) approved changes to the rates Union Gas charges customers effective April 1, 2012. Your new rates are shown on the accompanying **Rate 100** schedule. Changes in the rates are detailed in the attached appendix. The enclosed bill uses the new approved rates.

Delivery

Approved delivery rates reflect changes in the costs for compressor fuel, unaccounted for gas, and carrying costs of gas in inventory due to changes in the cost of gas. As a result of this change, approved April 1, 2012 delivery rates include a decrease of 0.0082 cents/m³. Individual customer impacts will vary based on usage.

One-Time Adjustment

The OEB has also approved one-time adjustments to your Rate 100 bill. These adjustments consist of: (1) 2010 Earnings Sharing and (2) differences between approved forecast and actual revenues and costs in 2010. The following one-time adjustments will be applied to your April bill:

- a charge of **0.1012 cents/m³** applied to delivery volumes consumed by T-service customers only for the period January 1, 2010 to December 31, 2010
- a credit of **\$1.631/GJ** applied to bundled storage contracted demand for T-service customers having bundled storage entitlement for the period January 1, 2010 to December 31, 2010

Individual customer impacts will vary based on usage.

Transportation

Changes in the gas transportation rate, **if applicable to your service**, reflect the changes in the costs to provide transportation service effective April 1, 2012.

Gas Supply Charges

New rates, **if applicable to your service**, reflect a decrease in Union Gas' forecast cost to purchase natural gas for the next 12 months. In addition, there is a decrease due to the difference between the projected costs that Union Gas expects to pay and the amounts that Union Gas expects to recover through rates over the next 12 months. The changes by zone are detailed on the attached appendix.

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments. Union Gas does not earn income on the sale of the natural gas commodity. The price we pay for the gas commodity is passed on directly to customers with no profit included.

We appreciate and thank you for your business. If you have any questions about the rate change, please call your Account Representative. Our staff will be pleased to answer your questions.

Rate 100 + Appendix A (Rate 100)
[Rate schedule attached]