

# 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 M10** 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 0.0220 cents/m<sup>3</sup>. Individual customer impacts will vary based on usage.

## One-Time Adjustment

The OEB has also approved a one-time adjustment to your Rate M10 bill. This adjustment reflects: (1) 2010 Earnings Sharing and (2) differences between approved forecast and actual revenues and costs in 2010. The result is a **one-time credit of 1.1698 cents/m<sup>3</sup>** applied to volumes consumed for the period of January 1, 2010 to December 31, 2010. The one-time adjustment will be applied to your April bill. Individual customer impacts will vary based on usage.

## Transportation

The cost to transport natural gas to Ontario, **if applicable to your service**, has changed, resulting in an increase in the transportation rate by 0.0926 ¢/m<sup>3</sup> to 5.1549 ¢/m<sup>3</sup>.

## Gas Supply

The gas commodity charge, **if applicable to your service**, has decreased by 2.7034 ¢/m<sup>3</sup> to 9.4749 ¢/m<sup>3</sup>. This change reflects the decrease in Union Gas' forecast cost to purchase natural gas for the next 12 months.

In addition, there is a decrease of 0.3348 ¢/m<sup>3</sup> related to the difference between the projected cost of natural gas that Union Gas expects to pay and the amounts that Union Gas expects to recover through its current gas commodity rate over the next 12 months. You will see the new rate on the "**Gas Price Adjustment**" line on your bill.

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 M10 + Appendix A (Rate M10)  
[Rate schedule attached]