

## Union Gas Implements 2009 Regulated Transport Rates April 1, 2009

February 24, 2009

The Ontario Energy Board has approved new rates for *regulated transmission services*. These rates were approved on February 24, 2009. The new rates are effective January 1, 2009 and will be implemented on April 1, 2009.

### Key factors in the 2009 regulated transmission rates implementation

- 2009 Inflation and productivity factors**  
 The 2009 inflation factor is 1.54% and the approved productivity factor for the term of the Incentive Regulation (IR) period is fixed at 1.82%. The Inflation and Productivity factor contributes a net reduction of - 0.28%.
- Treatment of tax savings**  
 In 2008, the treatment of federal and provincial tax savings was not settled at the time of implementing IR. The full benefit of these reductions was given to customers in their 2008 rates. Since then, the OEB has determined that 50% of the tax savings should be shared with customers every year. This contributes an increase to rates.

### One-time charge applied to April bill (received in May)

In addition to the rate changes described above, there is an OEB-approved adjustment that reflects the true-up of rates for the period January 1, 2009 to March 31, 2009. This one time adjustment reflects the difference in the transportation rates that have been charged over the period and the new transportation rates that have been approved. This adjustment will be allocated to customers based on individual contract parameters and activity.

### M12 Firm transport

M12 – Firm customers will see a demand charge rate increase of 0.15% to Kirkwall and 0.17% to Parkway. The fuel ratio, before YCR adjustment, will decrease slightly.

Individual bill impacts will vary depending on a customer's use of the pipeline capacity. Please see the following chart and the link below for more information:

| M12 – Firm Transportation      | Current rate                            | Rate change                     | Approved new rate                       |
|--------------------------------|---|---------------------------------|---|
| Demand charge Dawn to Parkway  | \$2.354/GJ/d per month or \$0.0774/GJ/d | 0.17% or \$0.004/GJ/d per month | \$2.358/GJ/d per month or \$0.0774/GJ/d |
| Demand charge Dawn to Kirkwall | \$2.004/GJ/d per month or \$0.0658/GJ/d | 0.15% or \$0.003/GJ/d per month | \$2.007/GJ/d per month or \$0.0658/GJ/d |

## C1 Firm Transportation

C1 Transportation service monthly demand charges have also changed. In addition to the Dawn to Kirkwall/Parkway increases outline above, for Parkway to either Dawn or Kirkwall, the demand charge increase is 0.18%. For the St. Clair / Bluewater and Ojibway systems, the demand charge has decreased by 1.0%. There is no change to the Dawn to Dawn-Vector demand charge. Commodity rates and fuel ratios have either remained unchanged or decreased slightly.

| C1 - Cross Franchise Transportation Service | Monthly demand charges in \$/GJ/d |             |                   |
|---|-----------------------------------|-------------|-------------------|
|   | Current rate                      | Rate change | Approved new rate |
| St. Clair / Bluewater & Dawn                | 0.991                             | (0.010)     | 0.981             |
| Ojibway & Dawn                              | 0.991                             | (0.010)     | 0.981             |
| Parkway to Dawn                             | 0.545                             | 0.001       | 0.546             |
| Parkway to Kirkwall                         | 0.545                             | 0.001       | 0.546             |
| Dawn to Kirkwall                            | 2.004                             | 0.003       | 2.007             |
| Dawn to Parkway                             | 2.354                             | 0.004       | 2.358             |
| Dawn to Dawn-Vector                         | 0.042                             | -           | 0.042             |
| Short-term:                                 |                                   |             |                   |
| Maximum (\$/GJ)                             | 75.000                            |             | 75.000            |

## M16 Transport

There is a change to all contract rates effective January 1, 2009. Individual bill impacts will vary depending on a customer's M16 parameters and use of the service. Please see the following for more information:

| M16 Transportation Service                | Current rate | Rate change | Approved new rate |
|---|--------------|-------------|-------------------|
| Monthly fixed charge per customer station | \$668.13     | \$12.61     | \$680.74          |
| Monthly demand charges: (in \$/GJ/d)      |              |             |                   |
| East of Dawn                              | 0.732        | 0.001       | 0.733             |
| West of Dawn                              | 0.991        | (0.010)     | 0.981             |
| Transmission commodity charge to Dawn     | 0.025        | .0000       | 0.025             |

## Unregulated Storage

At this time, commodity and fuel charges applicable to unregulated storage will not be impacted.