



STORAGE AND TRANSPORTATION RATES

(A) **Applicability**

The charges under this schedule shall be applicable to a Shipper who enters into a Storage or Transportation Service Contract with Union.

(B) **Services**

Storage service under this rate schedule shall be for Enbridge Gas Distribution Inc only, contract LST047 expiring March 31, 2010.

Transportation Service under this rate schedule shall be for transportation on Union's Dawn – Oakville facilities.

(C) **Rates**

The identified rates represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

	Monthly Demand Charge (applied to daily contract demand) <u>Rate/GJ</u>	Commodity and Fuel Changes	
		Fuel Ratio %	AND Commodity Charge <u>Rate/GJ</u>
<b><u>Storage (1)</u></b>			
Space – Shipper Providing Deliverability (2)	\$0.010		
Deliverability - Firm	\$1.038		
Injection		0.604%	\$0.007
Withdrawal		0.604%	\$0.007
<b><u>Firm Transportation (3)</u></b>			
Dawn to Oakville/Parkway	\$2.366	Monthly fuel rates and ratios shall be in accordance with schedule "C".	
Dawn to Kirkwall	\$2.014		
Parkway to Dawn	n/a		
<b><u>Limited Firm/Interruptible Transportation (3)</u></b>			
Dawn to Parkway – Maximum	\$5.678	Monthly fuel rates and ratios shall be in accordance with schedule "C".	
Dawn to Kirkwall - Maximum	\$5.678		
Parkway (TCPL) to Parkway (Cons) (4)		0.332%	



(C) Rates (Cont'd)

Authorized Overrun (5)

Authorized overrun rates will be payable on all quantities in excess of Union's obligation on any day. The overrun charges payable will be calculated at the following rates. Overrun will be authorized at Union's sole discretion.

Storage Commodity:	If Union supplies fuel Commodity Charge Rate/GJ	Commodity and Fuel Changes		Commodity Charge Rate/GJ
		Fuel Ratio %	AND	
Injection	n/a	1.04%		\$0.041
Withdrawal	n/a	1.04%		\$0.041
Transportation Overrun				
Dawn to Parkway		Monthly fuel rates and ratios shall be in accordance with schedule "C".		\$0.078
Dawn to Kirkwall				\$0.066
Parkway to Dawn				\$0.078
Parkway (TCPL) Overrun (6)	n/a	0.55%		n/a

Unauthorized Overrun

Authorized Overrun rates will be payable on all quantities up to 2% in excess of Union's contractual obligation.

The Unauthorized Overrun shall be the higher of the reported daily spot price of gas at either Dawn, Parkway, Niagara or Iroquois in the month of or the month following the month in which the overrun occurred plus 25% for all usage on any day in excess of 102% of Union's contractual obligation.

Overrun of Maximum Storage Balance

The rate payable shall be \$60/GJ on the Excess Storage Balance during the period of August 1 through to and including December 15. The rate payable shall be \$6/GJ on the Excess Storage Balance during the period of December 16 through to and including July 31.

For any Extension Period, the rate payable shall be \$0.63/GJ times the quantity in the Excess Storage Balance as of the date of such extension.

Union, during any Extension Period, may upon forty-eight (48) hours verbal notice to Shipper (to be followed in writing) take possession of Shipper's gas in storage (which shall be immediately forfeited to Union without further recourse).

These rates will be charged in addition to the normal injection and withdrawal changes.

Drafted Storage Balance

The rate payable shall be \$60/GJ on the Drafted Storage Balance during the period of February 1 through to and including April 30.

The rate payable shall be \$6/GJ on the Drafted Storage Balance during the period of May 1 through to and including January 31.



**(C) Rates (Cont'd)**

For any Extension Period, the rate payable shall be \$0.63/GJ times the quantity in the Drafted Storage Balance as of the date of such extension.

Union, during any Extension Period, may upon forty-eight (48) hours verbal notice to Shipper (to be followed in writing), replace the outstanding gas at Shipper's expense (which will include all costs related to replacing such gas, plus a charge equal to 25% of the incremental cost of the gas purchased for each unit so replaced).

These rates will be charged in addition to the normal injection and withdrawal charges.

Overrun of Firm Injections

The rate payable shall be \$60/GJ on the injections in excess of the Injection Demand during the period of August 1 through to and including December 15. The rate payable shall be \$6/GJ on the injections in excess of the Injection Demand during the period of December 16 through to and including July 31.

Overrun on Firm Withdrawals

The rate payable shall be \$60/GJ on the withdrawals in excess of the Withdrawal Demand during the period of February 1 through to and including April 30. The rate payable shall be \$6/GJ on the withdrawals in excess of the Withdrawal Demand during the period of May 1 through to and including January 31.

Nomination Variances

Where Union and the shipper have entered into a Limited Balancing Agreement ("LBA"), the rate for unauthorized parking or drafting which results from nomination variances shall equal the "Balancing Fee" rate as described under Article XXII of TransCanada PipeLines Transportation Tariff.

Notes for Section (C) Rates:

- (1) Storage service under this rate schedule shall be for Enbridge Gas Distribution Inc only, contract LST047 expiring March 31, 2010.
- (2) Deliverability inventory being defined as 25% of storage space.
- (3) The annual transportation commodity charge is calculated by application of the YCRR Formula, as per Section (D). The annual transportation fuel required is calculated by application of the YCR Formula, as per Section (D).
- (4) This rate is for westerly transportation within the Parkway yard, from Parkway (TCPL) to Parkway (Cons) or Lisgar.
- (5) For purposes of applying the YCRR Formula or YCR Formula (Section (D)) to transportation overrun quantities, the transportation commodity revenue will be deemed to be equal to the commodity charge of the applicable service as detailed in Section (B).
- (6) This ratio will be applied to all gas quantities for which Union is obligated to deliver to Parkway (Cons) or Lisgar and has agreed to deliver to Parkway (TCPL) on an interruptible basis. This will be in addition to any rate or ratio paid for transportation easterly to Parkway (Cons) or Lisgar.
- (7) A demand charge of \$0.698/GJ/day/month will be applicable for customers contracting for firm all day transportation service in addition to the demand charges appearing on this schedule for firm transportation service to either Kirkwall or Parkway



(D) Transportation Commodity

The annual fuel charge in kind or in dollars for transportation service in any contract year shall be equal to the sum of the application of the following equation applied monthly for the 12 months April through March (The "YCRR" or "YCR" Formula). An appropriate adjustment in the fuel charges will be made in May for the previous 12 months ending March 31<sup>st</sup> to obtain the annual fuel charges as calculated using the applicable "YCRR" or "YCR" Formula. At Union's sole discretion Union may make more frequent adjustments than once per year. The YCRR and YCR adjustments must be paid/remitted to/from Shippers at Dawn within one billing cycle after invoicing.

$$YCR = \sum_1^4 [(0.003317 \times (QT1 + QT3)) + (DSF \times (QT1 + QT3)) + F_{ST}] \text{ For June 1 to Sept. 30}$$

plus

$$\sum_5^{12} [(0.003317 \times (QT1 + Q3)) + (DWF \times QT1) + F_{WT}] \text{ For Oct. 1 to May 31}$$

$$YCRR = \sum_1^4 [(0.003317 \times (QT1 + QT3)) + (DSF \times (QT1 + QT3)) + F_{ST}] \times R \text{ For June 1 to Sept. 30}$$

plus

$$\sum_5^{12} [(0.003317 \times (QT1 + Q3)) + (DWF \times QT1) + F_{WT}] \times R \text{ For Oct. 1 to May 31}$$

where: DSF = 0.00000 for Dawn summer fuel requirements  
DWF = 0.0020 for Dawn winter fuel requirements

in which:

YCR Yearly Commodity Required

The sum of 12 separate monthly calculations of Commodity Quantities required for the period from April through March.

YCRR Yearly Commodity Revenue Required

The sum of 12 separate monthly calculations of Commodity Revenue required for the period April through March.

QT1 Monthly quantities in GJ transported easterly hereunder received at Dawn at not less than 4 850 kPa but less than 5 860 kPa (compression required at Dawn).

QT3 Monthly quantities in GJ transported westerly hereunder received at the Parkway (Oakville) Delivery Point.



**(D) Transportation Commodity (cont'd)**

F<sub>WT</sub> The individual Shipper's monthly share of compressor fuel used in GJ which was required at Union's Lobo, Bright, Trafalgar and Parkway Compressor Stations ("Lobo", "Bright", "Trafalgar" and "Parkway") to transport the same Shipper's QT1 monthly quantities easterly.

Lobo, Bright, Trafalgar and Parkway compressor fuel required by each Shipper will be calculated each month.

The monthly Lobo and Bright compressor fuel will be allocated to each Shipper in the same proportion as the Shipper's monthly quantities transported is to the monthly transported quantity for all users including Union.

The monthly Parkway and Trafalgar compressor fuel used will be allocated to each Shipper in the same proportion as the monthly quantity transported to Parkway (TCPL) for each user is to the total monthly quantity transported for all users including Union.

F<sub>ST</sub> The individual Shipper's monthly share of compressor fuel used in GJ which was required at Union's Lobo, Bright, Trafalgar and Parkway compressor stations to transport the same Shipper's quantity on the Trafalgar system.

Lobo, Bright, Trafalgar and Parkway compressor fuel required by each Shipper will be calculated each month.

R Union's weighted average cost of gas in \$/GJ.

Notes

- (i) In the case of Easterly flow, direct deliveries by TCPL at Parkway to Union or on behalf of Union to Union's Storage and Transportation Shippers will be allocated to supply Union's markets on the Dawn-Oakville/Parkway facilities starting at Parkway and proceeding westerly to successive laterals until exhausted.

**(E) Provision for Compressor Fuel**

For a Shipper that has elected to provide its own compressor fuel.

**Transportation Fuel**

On a daily basis, the Shipper will provide Union at the delivery point and delivery pressure as specified in the contract, a quantity (the "Transportation Fuel Quantity") representing the Shipper's share of compressor fuel and unaccounted for gas for transportation service on Union's system.

The Transportation Fuel Quantity will be determined on a daily basis, as follows:

Transportation Fuel Quantity = Transportation Quantity x Transportation Fuel Ratio.

In the event that the actual quantity of fuel supplied by the Shipper was different from the actual fuel quantity as calculated using the YCR formula, an adjustment will be made in May for the previous 12 months ending March 31<sup>st</sup>.



**(E) Provision for Compressor Fuel (cont'd)**

**Nominations**

The Shipper will be required to nominate its Transportation Fuel Quantity in addition to its normal nominations for transportation services.

**(F) Terms of Service**

The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A".

**(G) Nominations**

Nominations under this rate schedule shall be in accordance with the attached Schedule "B"

**(H) Monthly Fuel Rates and Ratios**

Monthly fuel rates and ratios under this rate schedule shall be in accordance with Schedule "C".