

## GLOSSARY OF TERMS

### A

**Agent** - A person or company appointed by a customer to act as its agent to enter into a contract on behalf of the customer.

**Assignment** - A transfer of a contract (e.g. for pipeline or storage capacity) on a permanent or temporary basis from one party to another.

**Authorized Overrun** - Gas authorized to be taken above a customer's contracted level. Authorized overrun applies to contracted demand volumes, storage space, injection and withdrawal parameters.

### B

**Backhaul** - A transaction that results in natural gas being transported in the opposite direction of the physical flow of a transportation system. This is usually achieved by redelivering the gas at a point upstream to the point of receipt.

**Backstopping** - A service that provides alternate supplies of natural gas in the event that a customer's gas is not delivered. If customers are purchasing gas from the local distribution company, then this service is automatically provided.

**Banked Gas Account (BGA)** - A cumulative balance of the daily differences between the total quantities of gas received by Union Gas (excluding fuel) from the customer and the total quantities of gas distributed by Union Gas to the end use locations.

**Billion Cubic Feet (BCF)** - A unit of measure of capacity, often for underground storage space.

**Bright** - *also known as the Bright Compressor Station* - One of two mainline compressor stations (the other is the Lobo Compressor Station) along Union Gas' Dawn-Parkway system. Bright is located west of Kitchener Waterloo. The compression facilities along with the pipeline network are used to move natural gas from Dawn to Parkway.

**British Thermal Unit (Btu)** - A unit for measuring a quantity of thermal energy. One Btu equals the amount of thermal energy required to raise the temperature of one pound of water one degree Fahrenheit and is exactly defined as equal to 1,055.05585262 joules, rounded to 1,055.056 joules, for most applications.

**Burner Tip** - The physical point at which natural gas is consumed.

**Business Day** - The part of a day during which most businesses are operating, usually from 9 am to 5 pm Monday through Friday.

### C

**C1** - A transportation service offered by Union Gas that allows a customer to ship gas between any two points on Union Gas' system. C1 contracts can be for both long and short term, and can transport gas over the same paths as other forms of service. Learn more about the [C1 Transportation Service](#).

**Callback** - *also known as Parkway Callback* - Union Gas has the right to call an franchise unbundled customer's delivery obligation to Parkway. The Parkway delivery obligation for unbundled customers will be limited to a specified number of days. The Customer has no obligation to deliver gas on any day except their parkway call quantities when requested by Union Gas.

**Canadian Standards Association (CSA) Code** - The standard Z662 for Oil and Gas Pipeline Systems. This standard covers the design, construction, operation and maintenance of oil and gas industry pipeline systems.

**Capacity Release** - The assignment, allocation or release of firm gas transportation rights to another party, done on a permanent or temporary basis, and awarded to the highest bidder.

**City Gate** - The delivery point or the point of interconnection between long-distance transmission pipelines and Local Distribution Companies.

**City Gate Price** - The [landed cost](#) of natural gas into the [Local Distribution Company \(LDC\)](#).

**Confirmation** - An agreement for a short term interruptible transportation or exchange service lasting from 1 to 31 days. A Confirmation does not require an additional credit check and can move a Shipper to a different tier in the Priority of Service.

**Cogeneration** - (1) Any of several processes which either use waste heat produced by generating electricity to satisfy heating needs or that process waste heat to generate electricity or produce mechanical energy. (2) The use of a single prime fuel source in a reciprocating engine or gas turbine to generate both electrical and thermal energy to optimize fuel efficiency. The dominant demand for energy may be either electrical or thermal. Usually it is thermal with excess electrical energy, if any, being transmitted into the local power supply companies' lines.

**Commodity Charge** - As relating to pipeline rates, the commodity rate recovers those variable costs associated with each unit of natural gas transported or stored.

**Compressor Fuel** - Natural gas burned as fuel to operate a compressor to increase the pressure in a pipeline system. Usually expressed as a percentage of volumes transported.

**Condensate** - Condensate is formed when "heavy" hydrocarbons, such as ethane, propane, butane, and pentane condense as pressure suddenly drops at the surface. Separators are used to remove condensate from natural gas.

**Consumer Price Index (CPI)** - An inflationary indicator that measures the change in the cost of a fixed basket of products and services, including housing, electricity, food, and transportation. The CPI is published monthly.

**Consumption** - The quantity of natural gas used by an end customer.

**Conditions Precedent** - Predetermined events, which may be for the benefit of Union Gas or the Shipper, which shall occur prior to the contract coming into full force and effect.

**Contract Carriage** - Transportation by pipeline of gas quantities belonging to another party. The pipeline company charges a fee for transportation.

**Contract Demand (CD)** - The maximum volume or quantity of gas that Union Gas is obligated to deliver in any one day to a customer under all services or, if the context so requires, a particular service at the consumption point.

**Contract Year** - A period of twelve (12) consecutive months beginning on the day of first delivery and each anniversary date thereafter unless mutually agreed otherwise.

**Curtailement** - Reduction or temporary suspension of service by a pipeline or [LDC](#) due to the limit of transmission capability.

**Cushion Gas** - *also known as Base Pressure Gas* - The total volume of natural gas in a storage reservoir required to maintain a minimum rate of delivery.

**Customer Load** - The total amount of natural gas used by a customer in a fixed period of time.

**Customer Supplied Fuel** - represents compressor fuel and unaccounted for gas (UFG) supplied "in kind" by infranchise semi-bundled (T1,T3) or unbundled customers (U2, U5,U7, U9) and by storage and transportation customers taking service under Rate M12, M13, M16, C1, or MPSS.

## D

**Dawn** - Located southeast of Sarnia, Ontario, Dawn is referred to as a HUB as it represents the point where Union Gas' supply, storage and transmission systems meet. A number of other pipeline systems (e.g. TCPL, Vector) are interconnected to Union Gas' system at Dawn.

**Deal Sheet** - A document summarizing the parameters of a contract. Including, but not limited to, contracting parties, service description, quantity, rate, start and end term, and delivery and receipt points.

**Dekatherm (Dth)** - A unit of measurement of heat energy equivalent to 10 Therms or one million [Btu](#).

**Dehydrator** - A natural gas processing facility that removes water vapour by passing natural gas through a glycol contactor, which absorbs water vapour from the gas stream and dries the natural gas.

**Deliverability** - The capability of a storage reservoir or pipeline to deliver gas, at a given pressure.

**Delivered Price** - *also known as Burner Tip Price* - The price of natural gas paid by the end customer. It includes the price of natural gas plus the cost of processing, gathering, transmitting and distributing it.

**Delivery Point** - The point at which natural gas is delivered from Union Gas and title transfer occurs under a contract.

**Demand** - The level of need for natural gas at a specific location. Examples of where this can be found are; the point of end use (a residential, commercial or industrial customer), at the supply point to a community, a takeoff point from a transmission pipeline or at an interconnect with another pipeline system.

**Demand Charge** - *also known as Rate* - The portion of the transportation or storage rate which a Shipper pays whether or not they use the service, to cover fixed costs which are incurred whether or not gas is consumed. The charge is based on the Contract Demand quantity. Shippers are responsible for paying the demand charge even if there is no activity.

**Direct Purchase** - A service whereby a customer or their agent arranges for gas supply and/or upstream transmission services directly, and arranges for Union Gas' distribution service to deliver gas to end-user locations.

**Downstream** - Any point that is located along a pipeline, and is located any distance from a reference point in the direction of flow of the pipeline.

## E

**Elapsed pro-rata** - The portion of the scheduled quantity that would have theoretically flowed up to the effective time of the intraday nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected.

**End User** - The ultimate user of natural gas in Union Gas' franchise area. The end user can be a residential, commercial or industrial customer.

**Evergreen** - Automatic renewal of a contract at termination unless either party gives notice not to renew.

**Exchange Gas** - that is received from (or delivered to) another party in exchange for gas delivered to (or received from) such other party, at a different location.

**Ex-Franchise** - Shippers located outside Union Gas' franchised distribution area.

## F

**Federal Energy Regulation Commission (FERC)** - A quasi-independent regulatory agency within the Department of Energy having jurisdiction over interstate electricity sales, wholesale electric rates, hydroelectric licensing, natural gas transmission and related services, oil pipeline rates, and gas pipeline certification. With respect to the natural gas industry, the general regulatory principles of the FERC are defined in the Natural Gas Act (NGA), the Natural Gas Policy Act (NGPA) and the Natural Gas Wellhead Decontrol Act.

**Field Price** - *also known as Field Gate* - The price paid for natural gas at the wellhead or outlet of a central gathering point in a field.

**Firm** - Service that is not subject to curtailment or interruption except under events of force majeure.

**Fixed Price** - A price agreed to at the beginning of a contract that holds true through the length of the contract period.

**Force Majeure** - A superior or irresistible force that excuses a failure to perform which could not have been reasonably foreseen. This provision, common in natural gas contracts, specifies the effect Force Majeure will have on the rights and obligations of the parties under the contract.

**Franchise** – Each municipality in the province of Ontario may grant a gas utility the right to deliver gas and use road allowances or utility easements within its borders. The specific terms and conditions of the Municipal Franchise Agreement require OEB approval. The customers that receive regulated gas distribution service from the gas utilities are considered “in-franchise” customers.

**Fuel Gas** - Gas that is used as fuel to operate the compressors that move natural gas through a pipeline or in or out of storage. Usually expressed as a percentage of quantities moved.

**Fuel Ratio** - The amount of natural gas that must be supplied to Union Gas to fuel Union Gas’s compressors, in addition to the gas that a Shipper wishes to transport. This amount is given as a percentage of gas to be transported and varies by service and path.

**Fuel Switching** - The ability of a boiler to burn alternate fuels, such as gas or residual fuel oil.

## G

**Gas Day** - A period of 24 consecutive hours, beginning at 10:00 am ET. The reference date for any day shall be the calendar date upon which the twenty-four (24) hour period commences.

**Gas Year** - A period of twelve (12) consecutive months usually beginning on November 1st and continuing until October 31st of the following year.

**Gate Station** - A location at which natural gas changes ownership from one party to another, neither of which is the ultimate customer of the gas. Also referred to as city gate station or town border station.

**Gigajoule (GJ)** - A unit of measure of thermal energy. One gigajoule equals  $1 \times 10^9$  Joules. 1 MMBtu = 1.055056 GJ. Also see [Joule](#) and Heat Value.

## H

**Heat Value** – A unit of measure of the energy content of a volume of natural gas and refers to the amount of megajoules per cubic metre ( $\text{MJ}/\text{m}^3$ ) produced by the complete combustion at constant pressure of one cubic metre of gas (@ 101.325 kPa and 15°C) with the gas free of water vapour and the temperature of the gas, air and products of combustion to be at standard temperature and all water formed by the combustion reaction to be condensed to the liquid state.

The Heat Value of natural gas is a function of the [chemical composition](#) of the natural gas.

**HUB Balancing Service** - A service that allows the Shipper to have an overall loan or storage balance, allowing the Shipper to have either a negative or positive amount of gas in the account. Learn more about Union Gas' [HUB services](#).

**HUB Pricing** - See [Schedule B Pricing](#)

## I

**Index Price** - A price obtained from an industry publication, which is intended to represent an average price of gas delivered to a specific point on the pipeline at or during a specified period of time. Monthly and daily indices are reported for dozens of locations across North America, including for the Dawn Hub.

**Intercontinental Exchange (ICE)** - The Intercontinental Exchange operates regulated exchanges, trading platforms and clearing houses across the world serving agricultural, credit, currency, emissions, energy and equity index markers. ICE is one of the many references used to determine the price of natural gas.

**In-Franchise** - An "in-franchise" customer is one that receives distribution service from Union Gas and is physically located within the area covered by the franchise agreement. The franchise refers to an area where Union has the exclusive right to distribute natural gas.

**Interruptible** - Service that is subject to curtailment, after notice, at any time.

**Interruptible Capacity** - The capacity of a pipeline or storage system that is not guaranteed or is not firm capacity. The availability of interruptible capacity may vary from day to day depending on the operating conditions, e.g., load pressures, and ambient temperatures, and the availability of facilities and equipment, such as compressor units.

## J

**Joule (J)** - A metric unit of thermal energy. Equal to the amount of energy needed to apply one Newton of force on an object over one metre or the work of one watt for one second. In the natural gas industry the quantity of energy is often expressed MJ ( $1 \times 10^6$  J), GJ ( $1 \times 10^9$ ), TJ ( $1 \times 10^{12}$ ) or PJ ( $1 \times 10^{15}$ )

## L

**Landed Cost** - The total cost of natural gas delivered to a specific location. The price includes the actual cost of the gas, plus all the costs of transportation to deliver the gas to the location.

**Liquefied Natural Gas (LNG)** - Natural gas which has been liquefied by reducing its temperature to minus 260 degrees Fahrenheit at atmospheric pressure. Once natural gas is liquefied, it occupies 1/6000 of the volume it had in a gaseous state. Facilities capable of liquefying natural gas allow a company to store natural gas in an area without the geological rock formations that allow natural gas storage in the traditional sense.

**Load Factor** - The ratio of average load to peak load during a specific period of time, expressed as a percent. It indicates the average utilization of a pipeline system relative to total system capacity.

**Loan** - Gas delivered to a Shipper by Union Gas to a specific point that is to be repaid in kind at a later date. Learn more about Union Gas' [Loan service](#).

**Lobo** - Also known as the Union Gas Lobo Compressor Station. Lobo is one of two mainline compressor stations (the other is the Bright Compressor Station) along Union Gas' Dawn Parkway system. Lobo is located west of London. The compression facilities along with the pipeline network are used to move quantities of natural gas from Dawn to Parkway.

**Local Distribution Company (LDC)** - A company that obtains the major portion of its revenues from the operations of a retail distribution system for the delivery of electricity or gas for ultimate consumption.

**Local Ontario Production** - Natural gas production in Ontario, most of which is delivered or produced in Union Gas' franchise area where it is either purchased by Union Gas for sales service customers' consumption or transported to Dawn (on M-13 transportation contracts with the producers) for sale by the producers to others.

## M

**M12** - A transportation service offered by Union Gas to transport gas from Dawn to Parkway or Dawn to Kirkwall. The M12 contract is designed to be a long term contract, with terms being ten years or more. Learn more about Union Gas' [M12 Transportation service](#).

**M13** - A transportation service offered by Union Gas designed specifically for the transport of natural gas produced within Ontario to Dawn. Learn more about Union Gas' [M13 Transportation service](#).

**M16** - A transportation service offered by Union Gas designed specifically for the transport of gas from Dawn to a storage pool not owned by Union Gas and back to Dawn again. Learn more about Union Gas' [M16 Transportation service](#)

**Market Price Service Schedule (MPSS)** - An unregulated schedule that applies to Shippers who enter into ex-franchise storage related services. View the [MPSS schedule](#).

**Maximum Storage Balance (MSB)** - The maximum quantity of natural gas that a Shipper may have stored with Union Gas as per their storage contract.

**Meter Stations** - A location on Union Gas' system where a meter is placed to measure various aspects of the natural gas, including pressure, quality and quantity.

**Methane** - The primary component of natural gas (after it has been processed). Its chemical composition consists of one hydrogen atom surrounded by four carbon atoms. Pure methane has a heating value of 1,012 [Btu](#) per cubic foot.

**MMBtu** - One million British Thermal Units, a standard unit of measurement used to denote both the amount of heat energy in fuels and the ability of appliances and air conditioning systems to produce heating or cooling. One [Btu](#) is the amount of heat required to increase the temperature of a pint of water (which weighs exactly 16 ounces) by one degree Fahrenheit. (M being the Roman symbol for mille or one thousand and MM being 1,000 x 1,000 or 10<sup>6</sup> or more commonly 1,000,000 Btu)

**MMcf** - Million cubic feet.

## N

**North American Energy Standards Board (NAESB)** - The North American Energy Standards Board (NAESB) serves as an industry forum for the development and promotion of standards which will lead to a seamless marketplace for wholesale and retail natural gas and electricity, as recognized by its customers, business community, participants, and regulatory entities.

**Name Change** - See [Title Transfer](#).

**National Energy Board (NEB)** - An independent federal agency established in 1959 by the Parliament of Canada to regulate international and interprovincial aspects of the oil, gas and electric utility industries.

**Natural Gas** - A natural occurring mixture of hydrocarbon and non-hydrocarbon gases found in porous geologic formations beneath the earth's surface, often in association with petroleum. The [chemical composition](#) of natural gas varies, but the principal constituent is methane.

**Natural Gas, types of** -

**Associated** - free natural gas in immediate contact, but not in solution, with crude oil in the reservoir.

**Dissolved** - natural gas in solution in crude oil in the reservoir.

**Dry** - gas whose water content has been reduced by a dehydration process. Gas containing little or no hydrocarbons commercially recoverable as a liquid product

**Liquefied (LNG)** - see Liquefied Natural Gas.

**Non Associated** - free natural gas not in contact with, nor dissolved in crude oil in the reservoir.

**Sour** - gas found in its natural state, containing such amounts of compounds of sulphur as to make it impractical to use without purifying, because of its corrosive effect on piping and equipment.

**Sweet** - gas found in its natural state, containing such small amounts of compounds of sulphur that it can be used without purifying, with any harmful effect on piping and equipment.

**Wet** - unprocessed natural gas or partially processed natural gas, produced from strata containing condensable hydrocarbons. The term is subject to varying legal definitions as specified by certain state statutes.

**Natural Gas Liquids (NGL)** - Those liquid hydrocarbon mixtures which are gaseous at reservoir temperatures and pressures but are recoverable by condensation and absorption. Natural gasoline and liquefied petroleum gases fall into this category.

**Nomination** - A request to Union Gas for gas service in accordance with Union Gas' nomination provisions.

**Non-Obligated Deliveries** - Any quantity of gas which a customer is not committed to deliver to and be received by Union Gas on a firm basis.

**Non-Obligated Receipts** - Any quantity of gas which a customer is not committed to receive from Union Gas on firm basis.

**Northern and Eastern Operations Area** - The sections of Union Gas' system that spans north of Toronto to the Manitoba border and east of Toronto to Cornwall.

**New York Mercantile Exchange (NYMEX)** - The world's largest physical commodity futures exchange and the preeminent trading forum for energy and precious metals. The NYMEX price of natural gas is used as a reference point for many trading hubs across North America, including the Dawn HUB.

## O

**Obligated Deliveries** - The volume of gas which a customer is obligated to deliver to Union Gas on a firm basis.

**Obligated Receipts** - The volume of gas which a customer is obligated to receive from Union Gas on a firm basis.

**Ontario Energy Board (OEB)** - A government agency responsible for regulating natural gas and electricity utilities. This includes setting just and reasonable rates. The OEB also licenses all participants in the electricity sector as well as natural gas marketers who sell to low volume customers.

**Off Peak Service** - A storage or transportation service offered over a time period of low demand.

**One Thousand Cubic Metres** -  $10^3\text{m}^3$  - Sometimes pronounced ten-three-m-three or thousand cubic metres, this is a basic metric volume unit for natural gas. One thousand cubic metres equals approximately 35,315 cubic feet or 35.3 Mcf.

**Open Season** - A period during which all parties or all requests for transportation or storage services will be given equal consideration.

## P

**Park** - Gas delivered to Union Gas by a Shipper at a specific point that is to be redelivered by Union Gas at a later date. Learn more about Union Gas' [Park service](#).

**Parkway** - Parkway is located at the east end of Union Gas' Dawn Parkway system near Milton, Ontario. At this location, Union Gas connects with Enbridge and TransCanada Pipeline (TCPL). Facilities at this site include custody transfer measurement to Enbridge and TCPL. Compression is also located here to facilitate the movement of quantities between Union Gas and TCPL.

**Peak Day** - The 24-hour period of greatest total gas send out.

**Peak Service** - A storage or transportation service offered over a time period of high demand.

**Peaking Service** - A service that may be purchased by an [LDC](#) that provides gas to the LDC only during times of peak demand. This is used to moderate the stress on the LDC's system.

**Petajoule (PJ)** - A unit of measure of energy.  $1\text{ PJ} = 1 \times 10^{15}\text{ Joules}$ . Commonly used when referring to large quantities of natural gas.  $1\text{ PJ} = 1,000\text{ TJ} = 1,000,000\text{ GJ}$ . Also see [Joule](#).

**Priority of Service (POS)** - A list of service types that specifies the order in which customer's interruptible or discretionary service will be interrupted by Union Gas if required. Learn more about the [Priority of Service policy](#).

**Prompt Month** - The nearest month of delivery for which NYMEX futures prices are published during the trading month.

## Q

**Quarterly Rate Adjustment Mechanism (QRAM)** - A streamlined process for obtaining approvals of changes to Union Gas' commodity rates for Union Gas system customers.

## R

**Rate** - See [Demand Charge](#).

**Rate Schedule** - The rates, charges and provisions under which a service is supplied to a designated class of customers.

**Receipt Point** - The point at which gas is received by Union Gas.

**Request for Proposal (RFP)** - An invitation by a potential purchaser for suppliers, often through a bidding process, to submit a proposal on a specific service or product.

## S

**Schedule B Pricing** - *also known as HUB Pricing* - Schedule B of Union's standard HUB contract contains the pricing for many of Union's basic services. It is typically updated and published monthly. It applies to all holders of HUB contracts and it lays out the prices on many of Union's interruptible services, including transportation, exchanges, balancing and name changes. If the pricing and service quoted is acceptable, then a customer may simply nominate for the interruptible service under their existing HUB contract. If a customer requires something more customized, or over a longer period of time, they should contact their Account Manager. View the [Schedule B pricing](#).

**Seasonal Service** - Service sold only during certain periods of the year. The service may be firm or interruptible.

**Shipper** - An individual or company that contracts with a gathering, transmission or distribution system for transportation of customer-owned natural gas. The Shipper retains ownership of the natural gas while it is being transported or stored.

**Southern Operations Area** - The southern section of Union Gas' natural gas distribution system that spans approximately between Windsor and Oakville.

**St. Clair Pipeline** - A natural gas pipeline that interconnects the MichCon (Michigan Consolidated) and Union Gas pipeline systems.

**Storage and Transportation (S&T)** - A department of Union Gas that supplies Shippers with storage and transportation services throughout Union Gas' system.

**Storage, Underground** - The utilization of subsurface facilities for storing gas which has been transferred from its original location for the primary purposes of conservation, fuller utilization or pipeline facilities, and more effective and economic delivery to markets. The facilities are usually natural geological reservoirs such as depleted oil or gas fields or water-bearing sands sealed on the top by an impermeable cap rock. The facilities may also be man-made or natural caverns.

**Summer Period** - The period from April 1 to October 31, representing 214 days.

**System Customer** - A customer who is within Union Gas' franchise area, who purchases gas directly from Union Gas and is supplied by Union Gas' gas distribution system.

## T

**Take or Pay (TOP)** - A clause in a contract which provides that, for a specific period, a specific minimum fee must be paid for whether or not service is accepted by the purchaser.

**Tariff** - The rate at which a service is provided. View the [Rate Schedules](#).

**Telemetering** - *also known as Telemetry* - A process by which measurable electrical quantities from substations and generating stations are transmitted through telecommunication to a remote location.

**Therm** - A unit of measurement of heat energy equivalent to 100,000 [British Thermal Units](#).

**Throughput** - The total annual amount of natural gas transported through Union Gas' transmission system, usually over a specified period of time.

**Title Transfer** - The transfer of ownership of gas from one customer to another at a predetermined location. For more information about Title Transfers view the [standard HUB contract](#) and the [Schedule B pricing](#).

**Transmission Company** - A company that obtains the major portion of its revenues from the transmission of natural gas by way of pipeline for customers.

**Transporter** - A pipeline company that transports natural gas for a Shipper.

## U

**Unaccounted for Gas (UFG)** - The difference between the total gas available from all sources, and the total gas accounted for as delivery, net interchange, and company use. This difference includes leakage or other actual losses, discrepancies due to meter inaccuracies, variations of temperature and/or pressure, and other variants, particularly due to measurements being made at different times and at different points on the system.

**Unauthorized Overrun** - The quantity of gas taken over and above a customer's contract demand and not provided for by special authorization. Unauthorized overrun applies to contracted demand volumes, storage space, injection and withdrawal parameters.

**Unionline** - Union Gas' electronic web based system which allows customers to interact with Union Gas electronically, including but not limited to gas nominations and information exchange. Visit the [Unionline section](#) of our website to learn more.

**Upstream** - Any point that is located along a pipeline, and is located any distance from a reference point in the direction opposite the flow of the pipeline.

## V

**Vertical Slice** - A methodology that was approved by the Ontario Energy Board to be used by Union Gas to proportionately allocate upstream transportation capacity to its customers in the Southern Operations area who elect to begin direct purchase. View the [Vertical Slice policy](#).

## W

**Weighted Average Cost of Gas (WACOG)** - The weighted average unit cost of a supply of natural gas. WACOG is calculated as the total cost of all natural gas purchased during a base period divided by either the total quantity purchased (unit of production) or the system throughput (unit of sales) during the same period.

**Western Canada Sedimentary Basin (WCSB)** - The Western Canadian Sedimentary Basin (WCSB) is a vast sedimentary basin underlying 1,400,000 square kilometres (540,000 sq mi) of Western Canada including south-western Manitoba, southern Saskatchewan, Alberta, north-eastern British Columbia and the southwest corner of the Northwest Territories. It consists of a massive wedge of sedimentary rock extending from the Rocky Mountains in the west to the Canadian Shield in the east. This wedge is about 6 kilometres (3.7 mi) thick under the Rocky Mountains, but thins to zero at its eastern margins. **Winter Period** - The period from November 1 to March 31, representing a total of 151 days (152 days in a leap year).

**Working Capacity** - The working capacity is the total volume of gas injected into a storage reservoir in excess of the cushion gas. This is the total maximum volume of gas available for delivery during any injection-withdrawal cycle.

## Y

**Yearly Commodity Required (YCR)** - A fuel true up mechanism for Shippers who hold M12 transportation contract(s) with Union Gas. The true-up represents the difference between the quantity of fuel supplied to Union Gas by the M12 Transportation Shipper based on the posted M12 Transport fuel rate and the quantity of fuel that Union Gas incurred to provide the Transportation Service during the same period.