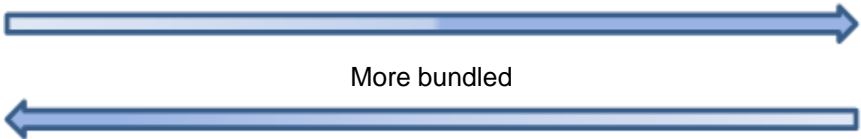


POLICIES & GUIDELINES

Policy #: 15-DP-SS-022

North South North and South

Subject: Service Switching - Union North (the combined North West and North East Zones) and Union South	Effective: November 1, 2017
Applies to: All customers in Union North and Union South, not governed by Gas Distribution Access Rule (GDAR).	
Purpose: To provide equitable treatment for all customers who switch between services.	
Background: <i>(Not to limit the applicability of the policy)</i> Distribution customers can choose gas supply and transportation options, including Sales Service, Bundled Transportation (BT) Service, T-Service, Transportation Service (applicable to Rates T1/T2/T3) or Unbundled Service. Whenever a customer moves between these options, the Union Gas asset portfolio may be impacted. Union assets that may be impacted include upstream transportation, gas supply, storage, delivery/redelivery and distribution assets. Service switching requests are evaluated to determine whether the current asset mix is sufficient to serve customers, which could lead to one of the following outcomes: <ul style="list-style-type: none">• Service is provided under the new gas supply or transportation alternative; or• Service is provided under the new gas supply or transportation alternative subject to conditions; or• Service is provided under the new gas supply or transportation alternative on an interruptible basis; or• Union Gas cannot offer the requested service. <u>Levels of Service Bundling</u> Sales Service > Bundled-T > T-Service/Transportation Service > Unbundled Less bundled  More bundled	
Policy: Union Gas facilitates service switching subject to the following: <ul style="list-style-type: none">▪ Customer must provide notice, as per the contract, to Union Gas to request a service change. Union will evaluate its ability to provide the requested service and if Union is not able to meet the request, the customer may continue under the existing service.▪ Customers must meet Union Gas's credit requirements and, if financial assurance is required by Union Gas, customer must provide such assurance to Union Gas before the service switch is approved and effective.▪ If the customer is an existing Direct Purchase customer, any existing Direct Purchase related contractual obligations to Union Gas must be fulfilled prior to a service switch.	

Switching to a less bundled service

Union North

- A switch to Bundled-T Service is subject to the “Setting new and increasing or decreasing existing, Obligated Daily Contract Quantity (DCQ) – Union North” (#05-DP-DCQN-008) policy.
- A switch to T-service or Unbundled Service will require a review by Union of the assets used to meet the customer’s current firm load. The customer will be required to take an assignment of upstream transportation capacity from Union based on Union’s evaluation, unless Union determines in its sole evaluation that sufficient assets are not available to be assigned. In addition, Union will consider Customer requests to assign a lower level of transportation assets.
 - If transportation capacity is temporarily assigned by Union, the “Turn Back of TransCanada PipeLine Limited (TCPL) capacity by Direct Purchase Customers” (#06-DP-TB-012) policy may apply.
- A switch to Unbundled Service is also subject to the “Cost-Based Storage Space and Deliverability Allocation Methodology – Union North (the combined North West and North East Zones)” (#09-DP-STOR-018) policy.

Union South

- A switch to a less bundled service is subject to the “Setting new, and increasing or decreasing existing, Obligated Daily Contract Quantity (DCQ) – Union South” (#05-DP-DCQS-009) policy.
- In addition, a switch to Transportation Service or Unbundled Service is also subject to the “Cost-Based Storage Space and Deliverability Allocation Methodology –Union South” (#09-DP-STOR-017) policy.

The customer is accountable to acquire assets to meet any needs in excess of the assets provided by Union.

Switching to a more bundled service

- A switch to a more bundled service requires Union to evaluate the customer’s needs and determine the mix of assets required to meet those needs. Union Gas may need to acquire additional firm assets to serve the customer.
- Union Gas will evaluate and may, at its sole discretion, take a temporary or permanent assignment of assets held by the Customer.

Union Gas will use reasonable efforts to serve the customer. If appropriate firm assets and supply arrangements can’t be made available on a permanent basis, Union will use reasonable efforts to provide service on an interruptible basis until such time as a permanent arrangement can be made.

Procedures

1. Written notice is required for any service switch.
 - Vendors adding/dropping accounts from contracts must provide notice according to GDAR timelines.
 - Customers not represented by a Vendor must provide written notice to return the end use location(s) to Sales Service 60 days prior to the effective date of the return. If an end use location is returned to Sales Service during the term of the contract, contract parameters will not be changed until contract renewal, unless otherwise agreed to by Union Gas.
 - Where termination of the existing contract is required, the notice requirement is outlined in the termination provision of that contract.
2. Union Gas may perform a credit review to determine if additional financial assurance is required. If required, a customer with a Distribution Contract will provide additional assurance within 14 days of Union Gas’s request prior to returning to Sales Service. For general service end use locations, credit will be administered according to Union Gas’s retail credit policy.

3. Union Gas evaluates the asset mix required to meet the customer's needs and determines the terms and conditions associated with meeting the service switch request.

Where Union Gas has agreed to amend contract parameters, the following procedures also apply:

4. Customer electronically accepts or returns the signed contract amendment to Union Gas to indicate acceptance of the parameters no later than 25 days before the effective date of the contract amendment.
5. Union Gas electronically accepts or signs the contract amendment and provides a copy to the customer.
6. Union Gas prepares and Union Gas/Customer electronically accepts or signs and executes temporary assignment agreements to return upstream capacity to Union Gas to service the returning customer, as necessary, in accordance with their respective schedules.
7. Customer is billed all applicable charges per the Direct Purchase contract and associated rate schedules.
8. Customer nominates deliveries to Union Gas reflecting the above contract amendment.