

POLICIES and GUIDELINES

Policy #: 09-DP-STOR-018

North South North and South

Subject: Cost-Based Storage Space and Deliverability Allocation Methodology – Union North (the combined North West and North East Zones).	Effective: November 1, 2017
Applies to: T-Service Customers in Union North.	
Purpose: To describe the amount of cost-based storage space and deliverability an in-franchise firm service customer in Union North may receive from Union Gas.	
Background: <i>(Not to limit the applicability of the policy)</i> <u>Allocation of Storage Space</u> Storage space at Dawn is allocated to Union North using a two-step approach. The first step is to allocate storage space to Union North using the Ontario Energy Board (the “Board”) approved aggregate excess method as described in the Cost-Based Storage Space and Deliverability Allocation Methodology - Union South policy (Policy#09-DP-STOR-017). The next step is to allocate storage space to each of the Delivery Areas and the individual customers within the Delivery Area using the Board approved (RP-1999-0017) Peak Day Shortfall methodology. The peak day shortfall is the difference between peak day demand and allocated firm transportation capacity. Under the peak day shortfall method, storage space is allocated to each delivery area in proportion to the peak day shortfall for all T-Service customers in the delivery area. Similarly, the storage space allocated to the delivery area is then allocated to each rate class in proportion to its peak day shortfall. When an individual customer in Union North elects a T-Service they are allocated storage space in proportion to their peak day shortfall. <ul style="list-style-type: none">○ The amounts allocated to firm service contract rate customers upon renewal of the contract will not be recalculated each year. Once the customer has elected storage, the storage space quantity will not change unless the customer requests to have it reduced. If a contract rate customer or their agent elects less than 100% of the cost-based storage space allocation at any time, this will represent a permanent election – the customer will no longer be able to access the declined space at cost-based rates in the future.○ No cost based storage is available to interruptible customers (Rate 25).	
Policy: Annual Firm Storage Space The allocation of storage space to customers electing these service options reflects the Board approved Peak Day Shortfall methodology applied as follows: <ul style="list-style-type: none">▪ Union will allocate Rate 20 and Rate 100 customer-specific allocation by delivery area in proportion to the peak day shortfall.▪ Should a customer or an Agent acting on behalf of an end-use customer elect less than 100% of their cost based storage space allocation entitlement this will represent a permanent election and the customer or their Agent will no longer be able to access this capacity at cost based rates in the future.	

Procedures:

- 1) Union Gas to calculate or recalculate potential storage parameters for all new contracts.
- 2) Requests for new or revised T-Service available to Rate 20 and Rate 100 contracts effective November 1 are evaluated during the month of March. In addition:
 - a. Union Gas to prepare storage allocations consistent with the above policy.
 - b. Rate 20 and Rate 100 customers may propose and Union Gas may accept an alternative forecast (with a resulting change in contract parameters) provided the contract holder provides justification acceptable to Union Gas for the alternate forecast - a forecast of expected consumption to support the requested contract parameters to be effective November 1 must be provided during the month of March.
 - c. Requests received after the above noted dates will be dealt with on a reasonable efforts basis.
- 3) Union Gas to issue a contract renewal reflecting storage parameter changes consistent with the above policy (along with all other contract parameter changes) approximately 35 days before the effective date of the renewal for customer signature.
- 4) Customer to sign and return the contract renewal to Union Gas at least 25 days before the effective date of the amendment.
- 5) Union Gas to sign the contract renewal and provide a copy to the customer approximately 1 week after receiving the signed amendment from customer.