

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

January 2019

The Ontario Energy Board (OEB) approved changes to the rates Union Gas charges customers in northern Ontario effective January 1, 2019. Your new rates are shown on the accompanying **Rate 20** schedule. Changes in the rates are detailed in the attached appendix. The enclosed bill uses the new approved rates.

Delivery

Approved delivery commodity rates also reflect changes in the costs for compressor fuel, unaccounted for gas, and carrying costs of gas in inventory due to changes in the cost of gas. As a result of this change, approved January 1, 2019 delivery commodity rates include an increase of 0.0084 cents/m³. Individual customer impacts will vary based on usage.

Gas Supply Charges

New rates, **if applicable to your service**, reflect changes in Union Gas' forecast cost to purchase and transport natural gas for the next 12 months. In addition, there are changes due to the difference between the projected costs that Union Gas expects to pay and the amounts that Union Gas expects to recover through rates over the next 12 months. The changes by rate zones are detailed in the attached appendix.

Adjusting your gas rate in this way ensures that you are billed at a rate that more closely reflects the market price of natural gas and avoids large out-of-period adjustments. Union Gas does not earn income on the sale of the natural gas commodity and transportation. The price we pay for the gas commodity and transportation is passed on directly to customers with no profit included.

We appreciate and thank you for your business. If you have any questions about the rate changes, please call your account representative. Our staff will be pleased to answer your questions.

Rate 20 + Appendix A (Rate 20)
[Rate schedule attached]