

AN IMPORTANT NOTICE ABOUT YOUR GAS RATES

January 2019

The Ontario Energy Board (OEB) approved changes to the rates Union Gas charges customers effective January 1, 2019. Your new rates are shown on the accompanying **Rate M7** 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 0.0302 cents/m³. Individual customer impacts will vary based on usage.

Gas Supply

The gas commodity charge, **if applicable to your service**, has increased by 1.8162 cents/m³ to 15.0040 cents/m³. This change reflects the increase in Union Gas' forecast cost to purchase natural gas for the next 12 months. This charge includes transportation costs to Ontario.

In addition, there is an increase of 1.0812 cents/m³ related to the difference between the projected cost of natural gas that Union Gas expects to pay and the amounts that Union Gas expects to recover through its current gas commodity rate over the next 12 months. You will see the new rate on the "**Gas Price Adjustment**" line on your bill.

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. The price we pay for the gas commodity 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 change, please call your Account Representative. Our staff will be pleased to answer your questions.

Rate M7 + Appendix A + Appendix C (Rate M7)
[Rate schedule attached]