Ontario Energy Board

Commission de l'Énergie de l'Ontario

EB-2005-0001
EB-2005-0437

IN THE MATTER OF the *Ontario Energy Board Act 1998*, S.O.1998, c.15, (Schedule B);

AND IN THE MATTER OF an Application by Enbridge Gas Distribution Inc. for an Order or Orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas commencing April 1, 2006.

BEFORE: Pamela Nowina
Presiding Member and Vice Chair

Paul Sommerville
Member

Cynthia Chaplin
Member

RATE ORDER ARISING FROM THE 2006 TEST YEAR DECISION WITH REASONS EB-2005-0001/EB-2005-0437

Enbridge Gas Distribution Inc. ("EGDI") filed an application dated March 18, 2005 with the Ontario Energy Board (the "Board") under section 36 of the *Ontario Energy Board Act, 1998*, for an order or orders approving or fixing just and reasonable rates for the sale, distribution, transmission and storage of gas for EDGI's 2006 fiscal year commencing January 1, 2006. The Board assigned file number EB-2005-0001/EB-2005-0437 to the application.

The Board issued a Partial Decision with Reasons ("Partial Decision") on December 22, 2005, which addressed the following Demand Side Management related issues: proposal for a three year DSM plan (2006-2008), including O&M budgets and volume estimates; attribution of savings in jointly delivered programs; shared savings mechanism (SSM) incentive; market transformation programs and incentives; demand side management variance account (DSMVA) mechanism; disposition of the DSMVA for 2002 and 2003 and; revenue sharing for the Applicant's delivery of electricity programs;

On February 9, 2006, the Board issued its EB-2005-0001/EB-2005-0437 Decision with Reasons which addressed the balance of the 2006 Test Year issues.

The Board noted that with regard to the rate implementation of the EB-2005-0001/EB-2005-0437 Decision,

> "…the financial impact of the Settlement Proposal is reflected in the "N1, Tab2" series of exhibits filed on August 5, 2005. As a result of the Board's findings contained in this Decision and the Partial Decision dated December 22, 2005, the revenue requirement for the 2006 Test Year will change." (par.15.1.1)

Accordingly, the Board directed Enbridge to reflect any changes brought about by the Decisions, including an updated return on equity, in revised financial schedules similar to the "N1, Tab2" exhibits.

On the matter of the retroactive recovery, the Board found that…

> "…the revenue deficiency that otherwise would have been recovered during the January 1, 2006 to March 31, 2006 period is to be recovered by way of a one-time retroactive adjustment. The unit charge, for each rate class, will be calculated using January 1, 2006 to March 31, 2006 forecasted volumes as approved in this Decision. The unit charge will be applied to actual volumes so as to best approximate the outcome had the 2006 rates been implemented commencing January 1, 2006." (par.15.1.3)

The Board noted that it expected the new rates would be implemented by April 1, 2006. The Board expected EGDI to file a draft rate order by March 8, 2006. Any intervenor comments on the draft order were to be filed by March 15, 2006.

On March 3, 2006, EGDI filed its proposal for a final draft rate order. The proposed rate order contained the following elements:

- Rates designed to recover a 2006 test year revenue requirement of $3,718.3 million;

- Restated 2006 Test Year financial statements ("N1, Tab2" exhibits) indicating a deficiency of $17.8 million and a corresponding increase in rates;
- Unit rates for the one-time adjustment (charge) for the period January 1, 2006 to March 31, 2006;
- Unit rates for the one-time adjustment (credit) for the period October 1, 2004 to September 30, 2005 for the disposition of account balances for Transactional Services, Unaccounted for Gas, DSM and Storage Rights Compensation accounts;
- Accounting treatment descriptions for all 2006 deferral and variance accounts

The Industrial Gas Users Association filed comments indicating that it had carefully reviewed the materials provided by EGDI and was satisfied that the draft rate order complied with the Board's Decision. No other parties submitted comments.

Upon reviewing the materials, the Board finds it appropriate to issue a final 2006 Test Year rate order effective January 1, 2006, and implemented beginning April 1, 2006, reflecting the Board's EB-2005-0001/EB-2005-0437 Decision.

The Board acknowledges that this rate order will be immediately superseded by another rate order, docket number EB-2006-0035, effective April 1, 2006, implementing the changes associated with the 2006 2nd quarter Quarterly Rate Adjustment Mechanism ("QRAM"). The two orders provide an administrative path regarding the resulting rates.

THE BOARD ORDERS THAT:

1. The Financial Statements, attached as Appendix "A" to this order, are accepted as the basis for the rates in this order.

2. The rates in the Rate Handbook, attached as Appendix "B" to this order, are hereby approved effective January 1, 2006. These rates will be immediately superseded by the rates resulting from the April 2006 QRAM decision.

3. The adjustment to applicable billed volumes during the period January 1, 2006 to March 31, 2006 shall be calculated using the unit rates included in the attached Appendix "C".

4. The 2005 Unaccounted for Gas variance account, the 2005 Transactional Services variance account, the 2002 DSM variance account, the 2003 DSM variance account, and the 2005 Storage Rights Compensation account shall be cleared using the unit rates, applicable to billed volumes during the period October 1, 2004 to September 30, 2005, included in the attached Appendix “D”.

5. The accounting treatment for the Company’s fiscal 2006 deferral and variance accounts, including the applicable interest rate, shall be in accordance with the descriptions contained in the attached Appendix “E”.

ISSUED at Toronto, March 27, 2006

ONTARIO ENERGY BOARD

Original signed by

Peter H. O’Dell
Assistant Board Secretary

APPENDIX "A" TO
ENBRIDGE GAS DISTRIBUTION INC.
RATE ORDER
BOARD FILE NO. EB-2005-0001/EB-2005-0437
DATED: March 27, 2006

Enbridge Gas Distribution Inc.
OEB Approved 2006 Test Year
Utility Impact Summary

Line No.		Col. 1 Reference	Decision Impact Col. 2 ($Millions)	Adjusted Decision for Gas Price Variance (Note 1) Col. 3 ($Millions)	Adjusted Decision with Jan. 1, 2006 Rates Impact Col. 4 ($Millions)
1.	Utility rate base	App.A.S3.P1	3,561.6	3,633.6	3,863.5
2.	Utility income	App.A.S4.P1	398.8	267.6	287.4
3.	Indicated rate of return	App.A.S5.P1	11.20%	7.36%	7.44%
4.	Requested rate of return	App.A.S5.P1	7.78%	7.74%	7.74%
5.	Sufficiency/(Deficiency) in rate of return	App.A.S5.P1	3.42 %	(0.38)%	(0.30)%
6.	Net sufficiency/(deficiency)	App.A.S5.P1	121.8	(13.8)	(11.6)
7.	Gross sufficiency/(deficiency)	App.A.S5.P1	187.4	(21.2)	(17.8)
8.	Revenue at existing rates	App.A.S6.P1	3,093.3	3,093.0	3,700.5
9.	Revenue requirement	App.A.S6.P1	2,905.9	3,114.2	3,718.3
10.	Gross revenue sufficiency/(deficiency)	App.A.S6.P1	187.4	(21.2)	(17.8)

Note 1: Adjustments to remove the Gas Commodity price variance between the reference price projected within gas costs and gas in storage of $\$315.094/10^3m^3$ and that used within rates and revenue of $\$356.327/10^3m^3$.

Enbridge Gas Distribution Inc.
OEB Approved 2006 Test Year
Utility Rate Base

Line No.		Col. 1 ADR 2005-08-10 N1.T2.S3 (Note 1)	Col. 2 Decision Adjustments	Col. 3 Decision Utility Rate Base	Col. 4 Gas Price Variance Adjustments (Note 2)	Col. 5 Adjusted Decision Utility Rate Base	Col. 6 Impact of Jan. 1, 2006 Rates	Col. 7 Adjusted Decision with Jan. 1, 2006 Rates Impact Utility Rate Base
		($Millions)	($Millions)	($Millions)	($Millions)	($Millions)	($Millions)	($Millions)
	Property, plant, and equipment							
1.	Cost or redetermined value	4,695.8	(35.6)	4,660.2		4,660.2		4,660.2
2.	Accumulated depreciation	(1,666.3)	0.6	(1,665.7)		(1,665.7)		(1,665.7)
3.		3,029.5	(35.0)	2,994.5		2,994.5		2,994.5
	Allowance for working capital							
4.	Accounts receivable merchandise finance plan	0.1		0.1		0.1		0.1
5.	Accounts receivable rebillable projects	4.2		4.2		4.2		4.2
6.	Materials and supplies	26.2		26.2		26.2		26.2
7.	Mortgages receivable	0.9		0.9		0.9		0.9
8.	Customer security deposits	(36.6)		(36.6)		(36.6)		(36.6)
9.	Prepaid expenses	3.3		3.3		3.3		3.3
10.	Gas in storage	573.5		573.5	71.2	644.7	221.9	866.6
11.	Working cash allowance	(4.6)	0.1	(4.5)	0.8	(3.7)	8.0	4.3
12.	Total working capital	567.0	0.1	567.1	72.0	639.1	229.9	869.0
13.	**Utility rate base**	3,596.5	(34.9)	3,561.6	72.0	3,633.6	229.9	3,863.5

Note 1: Information from Col. 3 of Exhibit N1, Tab 2, Schedule 3, page 1, Filed: 2005-08-10.

Note 2: Adjustments to remove the Gas Commodity price variance between the reference price projected within gas costs and gas in storage of $315.094/10^3m^3$ and that used within rates and revenue of $356.327/10^3m^3$.

Enbridge Gas Distribution Inc.
OEB Approved 2006 Test Year
Explanation of Adjustments to Utility Rate Base

Col. & Line No. Adj'd	Adjustments ($Millions)	
		Explanation of Board Decision adjustments
Col. 2, Line 3.	(35.0)	**Property, plant, and equipment** To reflect the impact of the Board's decision to reduce the overall requested capital expenditure budget by $158.8 million. (pg. 13 of Decision)
Col. 2, Line 11.	0.1	**Working cash allowance** To reflect the impact on the required working cash allowance as a result of the Board's decision to reduce the requested O&M and capital expenditure budgets.
		Explanation of Gas price variance adjustments
Col. 4, Line 10.	71.2	**Gas in storage** To reflect the impact in gas in storage values of adjusting the projected gas commodity reference price of $\$315.094/10^3m^3$ to match the gas commodity reference price embedded in rates and revenues to $\$356.327/10^3m^3$ thereby removing any embedded gas commodity price variance and sufficiency.
Col. 4, Line 11.	0.8	**Working cash allowance** To reflect the impact in working cash of adjusting the projected gas commodity reference price of $\$315.094/10^3m^3$ to match the gas commodity reference price embedded in rates and revenues to $\$356.327/10^3m^3$ thereby removing any embedded gas commodity price variance and sufficiency.
		Explanation of Jan. 1, 2006 rates impact
Col. 6, Line 10.	221.9	**Gas in storage** To reflect the impact in the value of gas in storage from the increase in the gas commodity reference price from $\$356.327/10^3m^3$ within the adjusted Decision results to $\$484.195/10^3m^3$ approved at January 1, 2006. (EB-2005-0524)
Col. 6, Line 11.	8.0	**Working cash allowance** To reflect the impact on the required working cash allowance as a result of the increase in the gas commodity reference price from $\$356.327/10^3m^3$ within the adjusted Decision results to $\$484.195/10^3m^3$ approved at January 1, 2006. (EB-2005-0524)

Enbridge Gas Distribution Inc.
OEB Approved 2006 Test Year
Working Capital Components - Working Cash Allowance

Line No.		Col. 1 Disburs-ements ($Millions)	Col. 2 Net Lag-Days (Days)	Col. 3 Allowance ($Millions)
1.	Gas purchase and storage and transportation charges	2,707.5	3.8	28.2
2.	Items not subject to working cash allowance (Note 1)	69.8		
3.	Gas costs charged to operations	2,777.3		
4.	Operation and maintenance	316.7		
5.	Less: Storage costs	(6.4)		
6.	Operation and maintenance costs subject to working cash	310.3		
7.	Ancillary customer services	0.8		
8.		311.1	(33.8)	(28.8)
9.	Sub-total			(0.6)
10.	Storage costs	6.4	55.2	1.0
11.	Storage municipal and capital taxes	1.7	36.4	0.2
12.	Sub-total			1.2
13.	Goods and services tax			3.7
14.	Total working cash allowance			4.3

Note 1: Represents non-cash items such as amortization of deferred charges, accounting adjustments and the T-service capacity credit.

Gas in Storage
Month End Balances and Average of Monthly Averages
2006 Test Year

Line No.		Col. 1 Volume	Col. 2 Decision Value	Col. 3 Adjusted Decision for Gas Price Variance Value	Col. 4 Adjusted Decision & Jan. 1, 06 Rates Impact Value
		10*6 M*3	($Millions)	($Millions)	($Millions)
1.	January 1	2,084.6	729.1	815.1	1,081.4
2.	January 31	1,635.0	545.5	612.9	823.8
3.	February	1,261.0	392.8	444.8	610.8
4.	March	1,031.6	301.0	343.5	482.0
5.	April	1,003.5	296.3	337.7	472.7
6.	May	1,183.6	366.9	415.7	572.3
7.	June	1,422.3	460.6	519.2	704.3
8.	July	1,700.9	568.8	638.9	857.1
9.	August	1,978.7	676.9	758.5	1,009.8
10.	September	2,346.9	811.5	908.3	1,204.5
11.	October	2,549.8	881.5	986.7	1,308.1
12.	November	2,474.3	851.9	953.9	1,266.6
13.	December	2,168.8	727.7	817.1	1,093.0
14.	Avg. of monthly avgs.	1,726.2	573.5	644.7	866.6

Enbridge Gas Distribution Inc.
OEB Approved 2006 Test Year
Utility Income

Line No.		Col. 1 ADR 2005-08-10 N1.T2.S4 (Note 1) ($Millions)	Col. 2 Decision Adjustments ($Millions)	Col. 3 Decision Utility Income ($Millions)	Col. 4 Gas Price Variance Adjustments (Note 2) ($Millions)	Col. 5 Adjusted Decision Utility Income ($Millions)	Col. 6 Impact of Jan. 1, 2006 Rates ($Millions)	Col. 7 Adjusted Decision with Jan. 1, 2006 Rates Impact Utility Income ($Millions)
	Revenue							
1.	Gas sales	2,315.6		2,315.6		2,315.6	595.9	2,911.5
2.	Transportation of gas	775.7		775.7		775.7	11.2	786.9
3.	Transmission, compression & storage	1.9		1.9		1.9	0.2	2.1
4.	Other operating revenue	19.3	8.0	27.3		27.3		27.3
5.	Interest and property rental	-		-		-		-
6.	Other income	0.3		0.3		0.3		0.3
7.	**Total revenue**	3,112.8	8.0	3,120.8	-	3,120.8	607.3	3,728.1
	Costs and expenses							
8.	Gas costs	1,993.9		1,993.9	202.5	2,196.4	580.9	2,777.3
9.	Operation and maintenance	348.0	(31.3)	316.7		316.7		316.7
10.	Depreciation and amortization	208.7	(2.1)	206.6		206.6		206.6
11.	Fixed financing costs	1.4		1.4		1.4		1.4
12.	Notional utility account recovery	12.3		12.3		12.3		12.3
13.	Municipal and other taxes	52.0	(0.6)	51.4	0.3	51.7	1.3	53.0
14.	Interest and financing expense	-		-		-		-
15.	**Total costs and expenses**	2,616.3	(34.0)	2,582.3	202.8	2,785.1	582.2	3,367.3
16.	Utility income before income taxes	496.5	42.0	538.5	(202.8)	335.7	25.1	360.8
	Income taxes							
17.	Excluding interest shield	181.7	15.1	196.8	(70.9)	125.9	8.9	134.8
18.	Tax shield on interest expense	(57.5)	0.4	(57.1)	(0.7)	(57.8)	(3.6)	(61.4)
19.	Total income taxes	124.2	15.5	139.7	(71.6)	68.1	5.3	73.4
20.	**Utility net income**	372.3	26.5	398.8	(131.2)	267.6	19.8	287.4

Note 1: Information from Col. 3 of Exhibit N1, Tab 2, Schedule 4, page 1, Filed: 2005-08-10.

Note 2: Adjustments to remove the Gas Commodity price variance between the reference price projected within gas costs and gas in storage of $\$315.094/10^3m^3$ and that used within rates and revenue of $\$356.327/10^3m^3$.

Enbridge Gas Distribution Inc.
OEB Approved 2006 Test Year
Explanation of Adjustments to Utility Income

Col. & Line No. Adj'd	Adjustments ($Millions)	
		Explanation of Board Decision adjustments
Col. 2, Line 4.	8.0	**Other operating revenue**
		To reflect the ratepayer portion of the Board's decision to estimate $10.7 million of transactional services revenue in line with the most recent approved mechanism (RP-2003-0203), ($10.7 million x 75% = $8.0 million). (pages 35 - 37 of Decision)
Col. 2, Line 9.	(31.3)	**Operation and maintenance**
		To reflect the Board Decision adjustments to budgeted operation and maintenance expense:
Col. 2, Line 10.	(2.1)	**Depreciation and amortization**

-customer support costs adjustment (pg. 53 of Decision)	(15.3)
-corporate cost allocation adjustment (pg. 88 of Decision)	(4.1)
-total other O&M cost adjustment (pg. 97 of Decision)	(9.0)
-adjustment reflecting the negotiation of new CIS agreement (pg. 39 of Decision)	(2.9)
	(31.3)

Col. 2, Line 10.	(2.1)	**Depreciation and amortization**
		To reflect a decrease to depreciation and amortization as a result of the reduced capital expenditure budget of $300 million per the Board Decision (pg. 13 of Decision).
Col. 2, Line 13.	(0.6)	**Municipal and other taxes**
		To reflect a decrease to large corporation and Ontario capital taxes as a result of the reduced capital expenditure budget per the Board Decision.
Col. 2, Line 17.	15.1	**Income taxes - excluding interest shield**
		To reflect adjustments to utility income taxes as a result of the above noted changes contributing to higher taxable income.
Col. 2, Line 18.	0.4	**Income taxes - tax shield on interest expense**
		To reflect a decrease in the tax shield provided by interest expense mainly as a result of the decrease in utility rate base.

Enbridge Gas Distribution Inc.
OEB Approved 2006 Test Year
Explanation of Adjustments to Utility Income

Col. & Line No. Adj'd	Adjustments ($Millions)	
		Explanation of Gas price variance adjustments
Col. 4, Line 8.	202.5	**Gas costs**
		To reflect the impact on gas costs of adjusting the projected gas commodity reference price of $315.094/10^3m^3 to match the gas commodity reference price embedded in rates and revenues of $356.327/10^3m^3 thereby removing any embedded gas commodity price variance and sufficiency.
Col. 4, Line 13.	0.3	**Municipal and other taxes**
		To reflect the impact on large corporation and Ontario capital taxes of adjusting the projected gas commodity reference price of $315.094/10^3m^3 to match the gas commodity reference price embedded in rates and revenues of $356.327/10^3m^3 thereby removing any embedded gas commodity price variance and sufficiency.
Col. 4, Line 17.	(70.9)	**Excluding interest shield**
		To reflect adjustments to utility income taxes as a result of the above noted changes contributing to lower taxable income.
Col. 4, Line 18.	(0.7)	**Tax shield on interest expense**
		To reflect an increase in the tax shield provided by interest expense mainly as a result of an increase in utility rate base gas in storage slightly offset by a decrease in the return component of debt.

Enbridge Gas Distribution Inc.
OEB Approved 2006 Test Year
Explanation of Adjustments to Utility Income

Col. & Line No. Adj'd	Adjustments ($Millions)	
		Explanation of Jan. 1, 2006 Rates impact
Col. 6, Line 7.	607.3	**Total Revenues**
		To reflect the impact of the January 1, 2006 approved rates within gas sales (line 1, col. 6), transportation of gas (line 2, col. 6), and storage and transmission (line 3, col. 6). (EB-2005-0524)
Col. 6, Line 8.	580.9	**Gas costs**
		To reflect an increase in gas costs as a result of the increase in the gas commodity reference price from $356.327/10^3m^3 within the adjusted Decision results to $484.195/10^3m^3 approved at January 1, 2006. (EB-2005-0524)
Col. 6, Line 13.	1.3	**Municipal and other taxes**
		To reflect an increase in large corporation and Ontario capital taxes as a result of increased gas in storage values from the implementation of the approved January 1, 2006 gas commodity reference price. (EB-2005-0524)
Col. 6, Line 17.	8.9	**Excluding interest shield**
		To reflect adjustments to utility income taxes as a result of the above noted changes contributing to higher taxable income.
Col. 6, Line 18.	(3.6)	**Tax shield on interest expense**
		To reflect an increase in the tax shield provided by interest expense mainly as a result of an increase in utility rate base.

Enbridge Gas Distribution Inc.
OEB Approved 2006 Test Year
Utility Taxable Income and Income Tax Expense

Line No.		Col. 1 ADR 2005-08-10 N1.T2.S4.P3 (Note 1) ($Millions)	Col. 2 Decision Adjustments ($Millions)	Col. 3 Decision Utility Tax ($Millions)	Col. 4 Gas Price Variance Adjustments (Note 2) ($Millions)	Col. 5 Adjusted Decision Utility Tax ($Millions)	Col. 6 Impact of Jan. 1, 2006 Rates ($Millions)	Col. 7 Adjusted Decision with Jan. 1, 2006 Rates Impact Utility Tax ($Millions)
1.	Utility income before income taxes	496.5	42.0	538.5	(202.8)	335.7	25.1	360.8
	Add Backs							
2.	Depreciation and amortization	208.7	(2.1)	206.6		206.6		206.6
3.	Large corporation tax	4.9	(0.2)	4.7	0.1	4.8	0.4	5.2
4.	Other non-deductible items	1.2		1.2		1.2		1.2
5.	Total Add Back	214.8	(2.3)	212.5	0.1	212.6	0.4	213.0
6.	Sub total	711.3	39.7	751.0	(202.7)	548.3	25.5	573.8
	Deductions							
7.	Capital cost allowance - Federal	158.9	(3.3)	155.6		155.6		155.6
8.	Capital cost allowance - Provincial	158.8	(3.3)	155.5		155.5		155.5
9.	Items capitalized for regulatory purposes	29.7		29.7		29.7		29.7
10.	Deduction for "grossed up" Part VI.1 tax	5.9		5.9		5.9		5.9
11.	Amortization of share/debenture issue expense	2.5		2.5		2.5		2.5
12.	Amortization of cumulative eligible capital	0.1		0.1		0.1		0.1
13.	Amortization of C.D.E. and C.O.G.P.E	0.3		0.3		0.3		0.3
14.	Total Deduction - Federal	197.4	(3.3)	194.1	-	194.1	-	194.1
15.	Total Deduction - Provincial	197.3	(3.3)	194.0	-	194.0	-	194.0
16.	Taxable income - Federal	513.9	43.0	556.9	(202.7)	354.2	25.5	379.7
17.	Taxable income - Provincial	514.0	43.0	557.0	(202.7)	354.3	25.5	379.8
18.	Income tax provision - Federal	107.9	9.0	116.9	(42.5)	74.4	5.3	79.7
19.	Income tax provision - Provincial	72.0	6.0	78.0	(28.4)	49.6	3.6	53.2
20.	Income tax provision - combined	179.9	15.0	194.9	(70.9)	124.0	8.9	132.9
21.	Part V1.1 tax			2.0		2.0		2.0
22.	Investment tax credit			(0.1)		(0.1)		(0.1)
23.	Total taxes excluding tax shield on interest expense			196.8	(70.9)	125.9	8.9	134.8
	Tax shield on interest expense							
24.	Rate base			3,561.6		3,633.6		3,863.5
25.	Return component of debt			4.58%		4.54%		4.54%
26.	Interest expense			163.1		165.0		175.4
27.	Combined tax rate			35.00%		35.00%		35.00%
28.	Income tax credit			(57.1)	(0.7)	(57.8)	(3.6)	(61.4)
29.	Total income taxes			139.7	(71.6)	68.1	5.3	73.4

Note 1: Information from Col. 3 of Exhibit N1, Tab 2, Schedule 4, page 3, Filed: 2005-08-10.

Note 2: Adjustments to remove the Gas Commodity price variance between the reference price projected within gas costs and gas in storage of $315.094/10^3m^3$ and that used within rates and revenue of $356.327/10^3m^3$.

Enbridge Gas Distribution Inc.
OEB Approved 2006 Test Year

Line No.		Decision Utility Capital Structure, Required Return & Sufficiency/ (Deficiency)				Adjusted Decision Utility Capital Structure, with Gas Price to match that in Revenues Required Return & Sufficiency/ (Deficiency)				Adjusted Decision Required Return & & Jan. 1, 06 Rates Sufficiency/ (Deficiency)
		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
		Principal	Component	Cost Rate	Return Component	Principal	Component	Cost Rate	Return Component	Return Component
		($Millions)	%	%	%	($Millions)	%	%	%	%
1.	Long term debt	2,180.5	61.22	7.44	4.55	2,180.5	60.01	7.44	4.46	4.46
2.	Short term debt	34.7	0.97	3.46	0.03	81.5	2.24	3.46	0.08	0.08
3.		2,215.2	62.19		4.58	2,262.0	62.25		4.54	4.54
4.	Preference shares	99.8	2.81	5.00	0.14	99.8	2.75	5.00	0.14	0.14
5.	Common equity	1,246.6	35.00	8.74	3.06	1,271.8	35.00	8.74	3.06	3.06
6.		3,561.6	100.00		7.78	3,633.6	100.00		7.74	7.74
7.	Utility income		($Millions)		398.8				267.6	287.4
8.	Utility rate base		($Millions)		3,561.6				3,633.6	3,863.5
9.	Indicated rate of return				11.20%				7.36%	7.44%
10.	Sufficiency/(deficiency) in rate of return				3.42 %				(0.38)%	(0.30)%
11.	Net sufficiency/(deficiency)		($Millions)		121.8				(13.8)	(11.6)
12.	Gross sufficiency/(deficiency)		($Millions)		187.4				(21.2)	(17.8)
13.	Revenue at existing rates		($Millions)		3,093.3				3,093.0	3,700.5
14.	Revenue requirement		($Millions)		2,905.9				3,114.2	3,718.3
15.	Gross revenue sufficiency/(deficiency)		($Millions)		187.4				(21.2)	(17.8)

Enbridge Gas Distribution Inc.
OEB Approved 2006 Test Year
Change in Revenue Requirement

Line No.		Col. 1 ADR 2005-08-10 N1.T2.S6 (Note 1)	Col. 2 Change	Col. 3 Decision	Col. 4 Change (Note 2)	Col. 5 Adjusted Decision for Gas Price Variance	Col. 6 Change	Col.7 Adjusted Decision & Jan. 1, 06 Rates Impact
		($Millions)	($Millions)	($Millions)	($Millions)	($Millions)	($Millions)	($Millions)
	Cost of capital							
1.	Rate base	3,596.5		3,561.6		3,633.6		3,863.5
2.	Required & Decision rate of return	8.01%		7.78%		7.74%		7.74%
3.		288.1	(11.0)	277.1	4.1	281.2	17.8	299.0
	Cost of service							
4.	Gas costs	1,993.9		1,993.9		2,196.4		2,777.3
5.	Operation and maintenance	348.0		316.7		316.7		316.7
6.	Depreciation and amortization	208.7		206.6		206.6		206.6
7.	Fixed financing costs	1.4		1.4		1.4		1.4
8.	Notional utility account recovery	12.3		12.3		12.3		12.3
9.	Municipal and other taxes	52.0		51.4		51.7		53.0
10.		2,616.3	(34.0)	2,582.3	202.8	2,785.1	582.2	3,367.3
	Miscellaneous operating and non-operating revenue							
11.	Other operating revenue	(19.3)		(27.3)		(27.3)		(27.3)
12.	Interest and property rental	-		-		-		-
13.	Other income	(0.3)		(0.3)		(0.3)		(0.3)
14.		(19.6)	(8.0)	(27.6)	-	(27.6)	-	(27.6)
	Income taxes on earnings							
15.	Excluding tax shield	181.7		196.8		125.9		134.8
16.	Tax shield provided by interest expense	(57.5)		(57.1)		(57.8)		(61.4)
17.		124.2	15.5	139.7	(71.6)	68.1	5.3	73.4
	Taxes on sufficiency / (deficiency)							
18.	Gross sufficiency / (deficiency)	129.5		187.4		(21.2)		(17.8)
19.	Net sufficiency / (deficiency)	84.2		121.8		(13.8)		(11.6)
20.		(45.3)	(20.3)	(65.6)	73.0	7.4	(1.2)	6.2
21.	**Revenue requirement**	2,963.7	(57.8)	2,905.9	208.3	3,114.2	604.1	3,718.3
	Revenue at existing Rates							
22.	Gas sales	2,315.6		2,315.6		2,315.6		2,911.5
23.	Transportation service	775.7		775.7		775.7		786.9
24.	Transmission, compression and storage	1.9		1.9		1.9		2.1
25.	Sub-total	3,093.2	-	3,093.2	-	3,093.2	607.3	3,700.5
26.	Rounding adjustment	-	0.1	0.1	(0.3)	(0.2)	0.2	-
27.	Revenue at existing rates	3,093.2	0.1	3,093.3	(0.3)	3,093.0	607.5	3,700.5
28.	**Gross revenue sufficiency / (deficiency)**	129.5	57.9	187.4	(208.6)	(21.2)	3.4	(17.8)

Note 1: Information from Col. 1 of Exhibit N1, Tab 2, Schedule 6, page 1, Filed: 2005-08-10.

Note 2: Adjustments to remove the Gas Commodity price variance between the reference price projected within gas costs and gas in storage of $\$315.094/10^3m^3$ and that used within rates and revenue of $\$356.327/10^3m^3$.

APPENDIX "B" TO
ENBRIDGE GAS DISTRIBUTION INC.
RATE ORDER
BOARD FILE NO. EB-2005-0001/EB-2005-0437
DATED: March 27, 2006

RATE HANDBOOK

ENBRIDGE GAS DISTRIBUTION

HANDBOOK OF RATES AND DISTRIBUTION SERVICES

INDEX

Part I

GLOSSARY OF TERMS

In this Handbook of Rates and Distribution Services, each term set out below shall have the meaning set out opposite it:

Affiliated Gas Users: An Applicant for distribution services which is related to other Gas Users through the ownership of shares to which are attached more than fifty percent of the voting rights attached to all outstanding securities of each Gas User.

Annual Contract Demand ("ACD"): The volume of gas obtained by summing the Contract Demand applicable on each day of a contract year.

Annual Turnover Volume ("ATV"): The sum of the contracted volumes injected into and withdrawn from storage by an applicant within a contract year.

Annual Volume Deficiency: The difference between the Annual Minimum Volume and the volume actually taken in a contract year, if such volume is less than the Annual Minimum Volume.

Applicant: The party who makes application to the Company for one or more of the services of the Company and such term includes any party receiving one or more of the services of the Company.

Authorized Volume: The Contract Demand, less, in respect to a T-Service arrangement under the Large Volume Service Rates, the amount by which the Applicant's Mean Daily Volume exceeds the volume of gas delivered to the Company (the "Daily Delivered Volume), plus two percent (2%) and less the volume by which the Applicant has been ordered to curtail or discontinue the use of gas.

Back-stopping: A service whereby alternative supplies of gas may be available in the event that an Applicant's supply of gas is not available for delivery to the Company.

Billing Month: A period of approximately thirty (30) days following which the Company renders a bill to an applicant. The billing month is determined by the Company's monthly Reading and Billing Schedule such that there are four (4) winter and eight (8) summer billing months per year.

Board: Ontario Energy Board.

Bundled Service: A service in which the demand for natural gas at a Terminal Location is met by the Company utilizing whatever resources or combination of resources (pipeline capacity, load balancing, etc.) are available to the Company.

Buy/Sell Arrangement: An arrangement, the terms of which are provided for in one or more agreements to which one or more of an end user of gas (being a party that buys from the Company gas delivered to a Terminal Location), an affiliate of an end user and a marketer, broker or agent of an end user is a party and the Company is a party, and pursuant to which the Company agrees to buy from the end user or its affiliate a supply of gas and to sell to the end user gas delivered to a Terminal Location served from the gas distribution network. The Company will not enter into any new buy/sell agreement after April 1, 1999.

Buy/Sell Price: A price specified in the Company's Rate Schedules which the Company will pay for each cubic metre of gas, based on a specified energy content, purchased pursuant to a Buy/Sell Arrangement in which the purchase takes place in Ontario.

Commodity Charge: A charge per unit volume of gas actually taken by the Applicant, as distinguished from a demand charge which is based on the maximum daily volume an Applicant has the right to take.

Company: Enbridge Gas Distribution Inc.

Contract Demand: A contractually specified volume of gas applicable to service under a particular Rate Schedule which is the maximum volume of gas the Company is required to deliver to an Applicant on a daily basis under a Service Contract.

Cubic Metre ("m^3"): That volume of gas which at a temperature of 15 degrees Celsius and at an absolute pressure of 101.325 kilopascals ("kPa") occupies one cubic metre. "10^3m^3" means 1,000 cubic metres.

Curtailment: An interruption in an Applicant's gas supply at a Terminal Location resulting from compliance with a request or an order by the Company to discontinue or curtail the use of gas.

Curtailment Delivered Supply: An additional volume of gas, in excess of the Applicant's MDV and determined by mutual agreement between the Applicant and the Company, which is Nominated and delivered by or on behalf of the Applicant to a point of interconnection with the Company's distribution system on a day of Curtailment.

Customer Charge: A monthly fixed charge that reflects being connected to the gas distribution system and is not related to volume consumed.

Daily Capacity Repurchase Quantity: A contractually agreed upon quantity representing an estimate of the Applicant's average daily gas usage during the five highest demand days during a year.

Daily Delivered Volume: The volume of gas recognized by the Company as having been delivered by an Applicant to the Company on a day. This volume will be the sum of:

a) the volume of gas delivered under Intra-Alberta transportation arrangements, if any, plus;

b) the volume of gas delivered under FT transportation arrangements, if any, plus;

c) the FST portion, if any, of an Applicant's Mean Daily Volume, multiplied by the ratio of the Applicant's actual deliveries under FST transportation arrangements to the Applicant's pro rata share of the total FST volume tendered to the Company by TCPL on that day.

Daily Gas Quantity: The volume of natural gas taken on a day at a Terminal Location as measured by daily metering equipment or, where the Company does not own and maintain daily metering equipment at a Terminal Location, the volume of gas taken within a billing period divided by the number of days in the billing period.

Dedicated Service: An Unbundled Service provided through a gas distribution pipeline that is initially constructed to serve a single customer, and for which the volume of gas is measured through a billing meter that is directly connected to a third party transporter or other third party facility, when service commences.

Delivery Charge: A component of the rate schedule through which the Company recovers its operating costs.

Demand Charge: A fixed monthly charge which is applied to the Contract Demand specified in a Service Contract. It represents the charges for reserved capacity in the distribution system.

Demand Overrun: The amount of gas taken at a Terminal Location exceeding the Contract Demand.

Direct Purchase: Natural gas supply purchase arrangements transacted directly between two or more parties, who are producers, brokers, or agents or end users, at negotiated prices.

Disconnect and Reconnect Charges: The charges levied by the Company for disconnecting or reconnecting an Applicant from or to the Company's distribution system.

Diversion: Delivery of gas on a day to a delivery point different from the normal delivery point specified in a Service Contract.

Firm Service: A service for a continuous supply of gas without curtailment, except under extraordinary circumstances.

Firm Service Tendered ("FST"): A transportation service offered by TransCanada PipeLines Limited ("TCPL") for the transport of gas volumes from Western Canada to Ontario. This service provides for firm transportation of a total annual volume, but daily and seasonal transportation may vary at the discretion of TCPL. This service may be available to be used by Applicants in conjunction with Ontario Buy/Sell and Ontario T-service arrangements, or by the Company in conjunction with Western Buy/Sell or T-service arrangements.

Firm Transportation ("FT"): Firm Transportation service offered by TCPL for the transport of gas volumes from Western Canada to Ontario. This service may be available to be used by Applicants in conjunction with Ontario Buy/Sell and Ontario T-service arrangements, or by the Company in conjunction with Western Buy/Sell or T-service arrangements.

Force Majeure: A contract clause intended to excuse one or more parties from their obligations under a contract, in situations where performance is frustrated by unusual or severe circumstances beyond their control such as flood, fire, war, or prolonged labour strike.

Gas: Natural Gas.

Gas Purchase Agreement: A written agreement pursuant to which the Company agrees to purchase gas from an Applicant as part of a Buy/Sell Arrangement.

Gas Distribution Network: The physical facilities owned by the Company and utilized to contain, move and measure natural gas.

Gas Supply Charge: A charge for the gas commodity purchased by the applicant.

Gas Supply Load Balancing Charge: A charge in the rate schedules where the Company recovers the cost of transportation of gas.

General Service Rates: The Rate Schedules applicable to those Bundled Services for which a specific contract between the Company and the Applicant is not generally required. The General Service Rates include Rates 1, 6, and 9 of the Company.

Gigajoule ("GJ"): See Joule.

Hourly Demand: A contractually specified volume of gas applicable to service under a particular Rate Schedule which is the maximum volume of gas the Company is required to deliver to an Applicant on a hourly basis under a Service Contract.

Imperial Conversion Factors:

Volume:

1,000 cubic feet (cf)	=	1 Mcf
	=	28.32784 cubic metres (m^3)
1 billion cubic feet (cf)	=	28.32784 $10^6 m^3$

Pressure:

1 pound force per square inch (p.s.i.)	=	6.894757 kilopascals (kPa)
1 inch Water Column (in W.C.) (60°F)	=	0.249 kPa (15.5°C)
1 standard atmosphere	=	101.325 kPa

Energy:

1 million British thermal units	=	1 MMBtu
	=	1.054615 gigajoules (GJ)
948,213.3 Btu	=	1 GJ

Monetary Value:

$1 per Mcf	=	$0.03530096 per m^3
$1 per MMBtu	=	$0.9482133 per GJ

Interruptible Service: Gas service which is subject to curtailment for either capacity and/or supply reasons, at the option of the Company.

Intra-Alberta Service: Firm transportation service on the Nova pipeline system under which volumes are delivered to an Intra-Alberta point of acceptance.

Joule ("J"): The amount of work done when the point of application of a force of one newton is displaced a distance of one metre in the direction of the force. One megajoule ("MJ") means 1,000,000 joules; one gigajoule ("GJ") means 1,000,000,000 joules.

Large Volume Service Rates: The Rate Schedules applicable for Bundled Service exceeding 340,000 cubic metres of gas per year and for which a specific contract between the Company and the

Applicant is required. The Large Volume Service Rates include Rates 100, 110, 115, 135, 145, 170, and 200.

Load-Balancing: The balancing of the gas supply to meet demand. Storage and other peak supply sources, curtailment of interruptible services, and diversions from one delivery point to another may be used by the Company.

Make-up Volume: A volume of gas nominated and delivered, pursuant to mutually agreed arrangements, by an Applicant to the Company for the purpose of reducing or eliminating a net debit balance in the Applicant's Banked Gas Account.

Mean Daily Volume: The volume of gas which an Applicant who delivers gas to the Company, under a Buy/Sell or Bundled T-Service arrangement, agrees to deliver to the Company each day in the term of the arrangement. The Mean Daily Volume may be composed of volumes transported under Intra-Alberta, and/or FT, and/or FST transportation arrangements.

Metric Conversion Factors:

Volume:

1 cubic metre (m^3)	=	35.30096 cubic feet (cf)
1,000 cubic metres	=	10^3m^3
	=	35,300.96 cf
	=	35.30096 Mcf
28.32784 m^3	=	1 Mcf

Pressure:

1 kilopascal (kPa)	=	1,000 pascals
	=	0.145 pounds per square inch (p.s.i.)
101.325 kPa	=	one standard atmosphere

Energy:

1 megajoule (MJ)	=	1,000,000 joules
	=	948.2133 British thermal units (Btu)
1 gigajoule (GJ)	=	948,213.3 Btu
1.054615 GJ	=	1 MMBtu

Monetary Value:

$1 per 10^3m^3	=	$0.02832784 per Mcf
$1 per gigajoule	=	$1.054615 per MMBtu

Natural Gas: Natural and/or residue gas comprised primarily of methane.

Nominated Volume: The volume of gas which an Applicant has advised the Company it will deliver to the Company in a day.

Nominate, Nomination: The procedure of advising the Company of the volume which the Applicant will be delivering on a daily basis to the Company.

Nominations: Statements by Applicants of the volume of gas they expect to deliver to the Company in a day.

Ontario Energy Board: An agency of the Ontario Government which, amongst other things, approves the Company's Rate Schedules (Part V of this HANDBOOK) and the matters described in Parts III and IV of this HANDBOOK.

Overrun Gas: That amount of gas taken at a Terminal Location exceeding the Authorized Volume.

Point of Acceptance: The point at which the Company accepts delivery of a supply of natural gas for transportation to, or purchase from, the Applicant.

Rate Schedule: A numbered rate of the Company as fixed or approved by the Board and in effect from time to time.

Removal Permit: A permit issued by a producing Province and authorized by the Government of such Province that allows the removal of gas from the Province.

Required Orders: Such orders or other evidence of authorization necessary to carry into effect a Direct Purchase arrangement.

Sales Service: A service of the Company in which the Company acquires and sells to the Applicant the Applicant's natural gas requirements.

Service Contract: An agreement between the Company and the Applicant which describes the responsibilities of each party in respect to the arrangements for the Company to provide Sales Service or Transportation Service to one or more Terminal Locations.

Supply Overrun: For Bundled Service, shall mean overrun gas where the Authorized Volume is less than or equal to the Contract Demand. For Unbundled Service, shall be as set out in the applicable Rate Schedule.

T-Service: Transportation Service.

Terminal Location: The building or other facility of the Applicant at or in which natural gas will be used by the Applicant.

Transportation Service: A service in which the Company does not own the gas to be delivered to an Applicant at a Terminal Location.

Unbundled Service: A service in which the demand for natural gas at a Terminal Location is met by the level of separate services (transportation, load balancing/storage) contracted to be available to the Applicant.

Western Canada Buy Price: The price per cubic metre which the Company would pay for gas (with a heating value of 37.80 megajoules/cubic metre) under its Gas Purchase Agreements which provide for the purchase of gas from a customer who delivers gas to the Company in Western Canada and where such deliveries are effected at the interconnection (at or nearest to Burstall, Saskatchewan) of the facilities of NOVA Corporation of Alberta and TransCanada PipeLines Limited.

PART II

RATES AND SERVICES AVAILABLE

The provisions of this PART II are intended to provide a general description of services offered by the Company and certain matters relating thereto. Such provisions are not definitive or comprehensive as to their subject matter and may be changed by the Company at any time without notice.

SECTION A - INTRODUCTION

1. In Franchise Services

Enbridge Gas Distribution provides in franchise services for the transportation of natural gas from the point of its delivery to Enbridge Gas Distribution to the Terminal Location at which the gas will be used. The natural gas to be transported may be owned by the Applicant for service or by the Company. In the latter case, it will be sold to the customer at the outlet of the meter located at the Terminal Location.

Applicants may elect to have the Company provide all-inclusively the services which are mutually agreed to be required or they may select (from the 300 series of rates, and Rate 125) only the amounts of those services which they consider they need.

The all-inclusive services are provided pursuant to Rates 1, 6 and 9, ("the General Service Rates") and Rates 100, 110, 115, 135, 145, and 170 ("the Large Volume Service Rates"). Individual services are available under Rates 125, 300, 305, 310, and 315 ("the Unbundled Service Rates").

Service to residential locations is provided pursuant to Rate 1.

Service which may be interrupted at the option of the Company is available, at rates lower than would apply for equivalent service under a firm rate schedule, pursuant to Rates 145, 170 and 305. Under all other rate schedules, service is provided upon demand by the Applicant, i.e., on a firm service basis.

2. Ex-Franchise Services

Enbridge Gas Distribution provides ex-franchise services for the transportation of natural gas through its distribution system to a point of interconnection with the distribution system of other distributors of natural gas. Such service is provided pursuant to Rate 200 and provides for the bundled transportation of gas owned by the Company, owned by customers of that distributor, or owned by that distributor.

For the purposes of interpreting the terms and conditions contained in this Handbook of Rates and Distribution Services the ex - franchise distributor shall be considered to be the applicant for the transportation of its customer owned gas and shall assume all the obligations of transportation as if it owned the gas.

Nominations for transportation service must specify whether the volume to be transported is to displace firm or interruptible demand or general service.

In addition, the Company provides Compression, Storage, and Transmission services on its Tecumseh system under Rates 325, 330 and 331.

SECTION B - DIRECT PURCHASE ARRANGEMENTS

Applicants who purchase their natural gas requirements directly from someone other than the Company or who are brokers or agents for an end user, may arrange to transport gas on the Company's distribution network in conjunction with either an Ontario or a Western Canada Buy/Sell Arrangement or pursuant to an Ontario Delivery Transportation Service Arrangement, whether Bundled or Unbundled, or a Western Bundled Transportation Service Arrangement.

A. Ontario Buy/Sell Arrangement

In an Ontario Buy/Sell Arrangement the Applicant delivers gas to a contractually agreed-upon point in Ontario. Such deliveries may be under either FT- or FST-type transportation arrangements, as available. At the agreed-upon point of delivery, the Company purchases the gas from the Applicant at a price determined from the Buy/Sell Price specified in Rider 'B' of the Rate Schedules. The Company will not be entering into any new Ontario buy/sell arrangements after April 1, 1999.

B. Western Canada Buy/Sell

In a Western Canada Buy/Sell Arrangement the Applicant delivers gas to a point in Western Canada which connects with the transmission pipeline of TransCanada PipeLines Limited. At that point, the Company purchases the gas from the Applicant at a price specified in Rider 'B' of the rate schedules less the costs for transmission of the gas from the point of purchase to a point in Ontario at which the Company's gas distribution network connects with a transmission pipeline system. The Company will not be entering into any new Western Canada buy/sell arrangements after April 1, 1999.

C. Ontario Delivery T-Service Arrangements

In an Ontario Delivery T-Service Arrangement the Applicant delivers gas, to a contractually agreed-upon point in Ontario.

Such deliveries may be under either FT- or FST-type transportation arrangements, as available. Delivery from the point of direct interconnection with the Company's gas distribution network to a Terminal Location served from the Company's gas distribution network may be obtained by the Applicant either under the Bundled Service Rate Schedules or under the Unbundled Service Rate Schedules.

(i) Bundled T-Service

Bundled T-Service is so called because all of the services required by the Applicant (delivery and load balancing) are provided for the prices specified in the applicable Rate Schedule. In a Bundled T-Service arrangement the Applicant contracts to deliver each day to the Company a Mean Daily Volume of gas. Fluctuations in the demand for gas at the Terminal Location are balanced by the Company.

(ii) Unbundled T-Service

The Unbundled Service Rates allow an Applicant to contract for only such kinds of service as the Applicant chooses. The potential advantage to an Applicant is that the chosen amounts of service may be less than the amounts required by an average customer represented in the applicable Rate Schedule, in which case the Applicant may be able to reduce the costs otherwise payable under Bundled T-Service.

D. Western Delivery T-Service Arrangement

In a Western Delivery T-Service Arrangement the Applicant contracts to deliver each day to a point on the TransCanada PipeLines Ltd. transmission system in Western Canada a Mean Daily Volume of gas plus fuel gas. Delivery from that point to the Terminal Location is carried out by the Company using its contracted capacity on the TransCanada PipeLines Limited. system and its gas distribution network. Unbundled T-Service in Ontario is not available with the Western Delivery Option.

An Applicant desiring to receive Transportation Service or to establish a Buy/Sell Arrangement must first enter into the applicable written agreements with the Company.

PART III

TERMS AND CONDITIONS APPLICABLE TO ALL SERVICES

The provisions of this PART III are applicable to, and only to, Sales Service and Transportation Service. (That is, they do not apply to Gas Purchase Agreements.)

SECTION A - AVAILABILITY

Unless otherwise stated in a rate schedule, the Company's rates and services are available throughout the entire franchised area serviced by the Company. Transportation service and/or sales service will be provided subject to the Company having the capacity in its gas distribution network to provide the service requested. When the Company is requested to supply the natural gas to be delivered, service shall be available subject to the Company having available to it a supply of gas adequate to meet the requirement without jeopardizing the supply to its existing customers.

Service shall be made available after acceptance by the Company of an application for service to a Terminal Location at which the natural gas will be used.

SECTION B - ENERGY CONTENT

The price of natural gas sold at a Terminal Location is based on the assumption that each cubic metre of such natural gas contains a certain number of megajoules of energy which number is specified in the Rate Schedules. Variations in cost resulting from the energy content of the gas actually delivered to the Company by its supplier(s) differing from the assumed energy content will be recorded and used to adjust future bills. Such adjustments shall be made in accordance with practices approved from time to time by the Ontario Energy Board.

SECTION C - SUBSTITUTION PROVISION

The Company may deliver gas from any standby equipment provided that the gas so delivered shall be reasonably equivalent to the natural gas normally delivered.

SECTION D - BILLS

Bills will be mailed or delivered monthly or at such other time period as set out in the Service Contract. Gas consumption to which the Company's rates apply will be determined by the Company either by meter reading or by the Company's estimate of consumption where meter reading has not occurred. The rates and charges applicable to a billing month shall be those applicable to the calendar month which includes the last day of the billing month.

SECTION E - MINIMUM BILLS

The minimum bill per month applicable to service under any particular Rate Schedule shall be the Customer Charge plus any applicable Contract Demand Charges for Delivery, Gas Supply Load Balancing, and Gas Supply and any applicable Direct Purchase Administration Charge, all as provided for in the applicable Rate Schedule.

In addition, for service under each of the Large Volume Service Rates, if in a contract year a volume of gas equal to or greater than the product of the Contract Demand multiplied by a contractually specified multiple of the Contract Demand ("Minimum Annual Volume") is not taken at the Terminal Location the Applicant shall pay, in addition to the minimum monthly bills, the amount obtained when the difference between the Minimum Annual Volume and the volume taken in the contract year (such difference being the Annual Volume Deficiency) is multiplied by the applicable Minimum Bill Charge(s) as provided for in the applicable Rate Schedule. Notwithstanding the foregoing, the Minimum Annual Volume shall be the greater of the Minimum Annual Volume as determined above and 340,000 m^3.

If gas deliveries to the Terminal Location have been ordered to be curtailed or discontinued in a contract year at the request of the Company and have been curtailed or discontinued as ordered, the Minimum Annual Volume shall be reduced for each day of curtailment or discontinuance by the excess of the Contract Demand over the volume delivered to the Terminal Location on such day.

SECTION F - PAYMENT CONDITIONS

Enbridge Gas Distribution charges are due when the bill is received, which is considered to be three days after the date the bill is rendered, or within such other time period as set out in the Service Contract. A late payment charge of 1.5% of all of the unpaid Enbridge Gas Distribution charges, including all applicable federal and provincial taxes, is applied to the account on the seventeenth (17[tth]) day following the date the bill is due.

SECTION G - TERM OF ARRANGEMENT

When gas service is provided and there is no written agreement in effect relating to the provision of such service, the term for which such service is to continue shall be one year. The term shall automatically be extended for a further year immediately following the expiry of any initial one year term or one year extension unless reasonable notice to terminate service is given to the Company, in a manner acceptable to the Company, prior to the expiry of the term. An Applicant receiving such service who temporarily discontinues service in the initial one year term or any one year extension and does not pay all the minimum bills for the period of such temporary discontinuance of service shall, upon the continuance of service, be liable to pay an amount equal to the unpaid minimum bills for such period. When a written agreement is in effect relating to the provision of gas service, the term for which such service is to continue shall be as provided for in the agreement.

SECTION H - RESALE PROHIBITION

Gas taken at a Terminal Location shall not be resold other than in accordance with all applicable laws and regulations and orders of any governmental authority or Board having jurisdiction.

SECTION I - MEASUREMENT

The Company will install, operate and maintain at a Terminal Location such measurement equipment of suitable capacity and design as is required to measure the volume of gas delivered. Any special conditions for measurement are contained in the General Terms and Conditions which form part of each Service Contract.

SECTION J - RATES IN CONTRACTS

Notwithstanding any rates for service specified in any Service Contract, the rates and charges provided for in an applicable Rate Schedule shall apply for service rendered on and after the effective date stated in such Rate Schedule until such Rate Schedule ceases to be applicable.

SECTION K - ADVICE RE: CURTAILMENT

The Company, if requested, will advise Applicants taking interruptible service of its estimate of service curtailment for the forthcoming winter. Such estimate will be provided as guidance to the Applicant in arranging for standby fuel requirements. Abnormal weather and/or other unforeseen events may cause greater or lesser curtailment of service than expected.

SECTION L - DAILY DELIVERED VOLUMES

For purposes including that of calculating daily overrun gas volumes, the Company will recognize as having been delivered to it on a given day the sum of:

a) the volume of gas delivered under Intra-Alberta transportation arrangements, if any, plus;

b) the volume of gas delivered under FT transportation arrangements, if any, plus;

c) the FST portion, if any, of an Applicant's Mean Daily Volume, multiplied by the ratio of the Applicant's actual deliveries under FST transportation arrangements, to the Applicant's pro rata share of the total FST volume tendered to the Company by TCPL on that day.

SECTION M - AUTHORIZED OVERRUN GAS

If an Applicant requests permission to exceed the Authorized Volume for a day, and such authorization is granted, such gas shall constitute Authorized Overrun Gas. Such gas shall either be sold by the Company to the Applicant pursuant to the provisions of Rate 320 applicable on such day, or, at the Applicant's request and at the Company's sole discretion, be debited to the Applicant's Banked Gas Account.

SECTION N - UNAUTHORIZED OVERRUN GAS

If an Applicant for Transportation Service pursuant to the General Service Rates on any day delivers to the Company a Daily Delivered Volume less than the Mean Daily Volume, the volume of gas by which the Mean Daily Volume applicable to such day exceeds the Daily Delivered Volume delivered by the Applicant to the Company on such day shall constitute Unauthorized Overrun Gas and shall be deemed to have been taken and purchased on such day. The rate applicable to such volume shall be 150% of the average price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and the EDA delivery areas respectively.

Unauthorized Overrun Gas for a day applicable to a Service Contract with an Applicant for service under the Large Volume Service Rates is:

(a) the volume of gas by which the Daily Gas Quantity under the Service Contract on such day exceeds the Authorized Volume for such day, if any

plus

(b) if the day is in the months of December to March inclusive for an Applicant taking service on Rate 135, or if the day is a day on or in respect of which the Applicant has been requested in accordance with the Service Contract to curtail or discontinue the use of gas and the Service Contract is in whole or in part for interruptible Transportation Service, the volume of gas, if any, by which

(i) the Mean Daily Volume set out in the Service Contract and is applicable to such day exceeds

(ii) the Daily Delivered Volume delivered by the Applicant to the Company on such day, which excess volume of gas shall be deemed to have been taken and purchased by the Applicant on such day.

The Applicant shall pay the Company for Unauthorized Overrun Gas at the rate applicable to Unauthorized Overrun Gas as provided for in the Rate Schedule(s) applicable to the Service Contract.

Unauthorized Overrun Gas for a day applicable to a Service Contract with an Applicant for service under Rate 125, Rate 300 or Rate 305 shall be determined from the provisions of the applicable Rate Schedule. The Applicant shall pay the Company for Unauthorized Overrun Gas at the rate applicable to Unauthorized Overrun Gas as provided for in the Rate Schedule(s) applicable to the Service Contract.

PART IV

TERMS AND CONDITIONS – DIRECT PURCHASE ARRANGEMENTS

Any Applicant, at the time of applying for service, may elect, in and for the term of any Service Contract, to deliver its own natural gas requirements to the Company and the Company shall deliver gas to a Terminal Location as required by the Applicant, subject to the terms and conditions contained in the applicable Rate Schedule and in the Service Contract. For Buy/Sell Arrangements and Bundled T-Service the deliveries by the Applicant to the Company shall be at the Applicant's estimated mean daily rate of consumption.

Backstopping of an Applicant's natural gas supply for Transportation Service arrangements will be available pursuant to Rate 320 subject to the Company's ability to do so using reasonable commercial efforts. Gas Purchase Agreements in respect to Buy/Sell Arrangements shall specify terms and conditions available to the Company to alleviate certain consequences of the Applicant's failure to deliver the required volume of gas.

The following Terms and Conditions shall apply to, and only to, Transportation Service and/or Gas Purchase Agreements.

SECTION A - NOMINATIONS

An Applicant delivering gas to the Company pursuant to a contract is responsible for advising the Company, by means of a contractually specified Nomination procedure, of the daily volume of gas to be delivered to the Company by or on behalf of the Applicant.

An initial daily volume must be Nominated by a contractually specified time before the first day on which gas is to be delivered to the Company. Any Nomination, once accepted by the Company, shall be considered as a standing nomination applicable to each subsequent day in a contract term unless specifically varied by written notice to the Company.

A contract may specify certain contractual provisions that are applicable in the event that an Applicant either fails to advise of a revised daily nomination or fails to deliver the daily volume so nominated.

A Nominated Volume in excess of the Applicant's Maximum Daily Volume as specified in the Service Contract will not be accepted except as specifically provided for in any contract.

SECTION B - OBLIGATION TO DELIVER

During any period of curtailment or discontinuance of Bundled interruptible Transportation Service as ordered by the Company, any Applicant supplying its own gas requirements must, on such day, deliver to the Company the Mean Daily Volume of gas specified in any Service Contract.

An Applicant taking service on Rate 135 must deliver to the Company the Mean Daily Volume of gas specified in the Service Contract in the months of December to March, inclusive.

Applicants taking service on General Service rates pursuant to a Direct Purchase Agreement must, on each day in the term of such agreement, deliver to the Company the Mean Daily Volume of gas specified in such agreement.

SECTION C - DIVERSION RIGHTS

Subject to compliance with the Terms and Conditions of all Required Orders, an Applicant who has entered into a Transportation Service Agreement or Agreements which provide(s) for deliveries to the Company for more than one Terminal Location shall have the right, on such terms and only on such terms as are specified in the applicable Transportation Service Agreement, to divert deliveries from one or more contractually specified Terminal Locations to other contractually specified Terminal Locations.

SECTION D - BANKED GAS ACCOUNT

For T-Service Applicants, the Company shall keep a record ("Banked Gas Account") of the volume of gas delivered by the Applicant to the Company in respect of a Terminal Location (credits) and of the volume of gas taken by the Applicant at the Terminal Location (debits). (Any volume of gas sold by the Company to the Applicant in respect to the Terminal Location shall not be debited to the Banked Gas Account). The Company shall periodically report to the Applicant the net balance in the Applicant's Banked Gas Account.

SECTION E - OFFSET OF BANKED GAS ACCOUNTS

A. The following Terms and Conditions shall apply to Bundled T-Service:

If the Company maintains two or more Banked Gas Accounts (each of which is in respect of a contract year ending on the same date) for an Applicant, or one or more Banked Gas Accounts (each of which is in respect of a contract year ending on the same date) for each of an Applicant and an affiliate of the Applicant, then, in respect of any or all such Banked Gas Accounts as the Applicant chooses, by written notice to the Company within thirty (30) days of the end of such contract year or any later date which the Company accepts or agrees to in writing, the Applicant, subject to the terms hereof, shall combine

(i) the net debit balances, if any, of such Banked Gas Accounts in a Combined Banked Gas Account as a debit; and

(ii) the net credit balances, if any, of such Banked Gas Accounts in such Combined Banked Gas Account as a credit

and for purposes of applying the provisions which follow and appear under the heading "DISPOSITION OF BANKED GAS ACCOUNT BALANCES", all such Banked Gas Accounts (other than the Combined Banked Gas Account) shall be deemed to have no net debit balance or net credit balance and the Combined Banked Gas Account shall be deemed to be a Banked Gas Account of the Applicant. Under no circumstances shall the Combined Bank Gas Account balance to be carried forward exceed twenty (20) times the aggregate of the Mean Daily Volumes applicable to the Terminal Locations identified in the Applicant's notice to the Company requesting the combination of such Banked Gas Accounts. Notwithstanding the foregoing, without the written consent of the Company, the provisions of this paragraph shall not be applicable to the Applicant unless:

(i) all applicable Required Orders are in effect and all the provisions hereof relating to Banked Gas Accounts may be applied and performed without contravening any such Required Order or applicable law; and ,

(ii) if a Combined Banked Gas Account reflects the net debit balance or net credit balance of a Banked Gas Account of an affiliate of an Applicant, such affiliate consents to the same and agrees, in such form as the Company requires, that the balance in such Banked Gas Account has been eliminated and that such affiliate releases all rights that such affiliate had, or may have had, with respect to such Banked Gas Account.

B. The following Terms and Conditions shall apply to Unbundled T-Service:

The Terms and Conditions for offset of Banked Gas Accounts shall be as specified in the applicable Service Contracts. Notwithstanding such Terms and Conditions, an Applicant shall not be permitted to combine Banked Gas Accounts pertaining to Bundled and Unbundled T-Service respectively, under any circumstances.

SECTION F - DISPOSITION OF BANKED GAS ACCOUNT BALANCES

A. The following Terms and Conditions shall apply to Bundled T-Service:

(a) At the end of each contract year, disposition of any net debit balance in the Banked Gas Account shall be made as follows:

The Applicant, by written notice to the Company within thirty (30) days of the end of the contract year, may elect to return to the Company, in kind, during the one hundred and eighty (180) days following the end of the contract year that portion of any debit balance in the Banked Gas Account as at the end of the contract year not exceeding a volume of twenty times the Applicant's Mean Daily Volume by the Applicant delivering to the Company on days agreed upon by the Company and the Applicant a volume of gas greater than the Mean Daily Volume, if any, applicable to such day under a Service Contract. Any volume of gas returned to the Company as aforesaid shall not be credited to the Banked Gas Account in the subsequent contract year. Any debit balance in the Banked Gas Account as at the end of the contract year which is not both elected to be returned, and actually returned, to the Company as aforesaid shall be deemed to have been sold to the Applicant and the Applicant shall pay for such gas within ten (10) days of the rendering of a bill therefor. The rate applicable to such gas shall be 120% of the average price over the contracted year, based on the published index price for the Monthly AECO/NIT supply adjusted for Nova's AECO to Empress transportation tolls and compressor fuel costs.

(b)A credit balance in the Banked Gas Account as at the end of the contract year must be eliminated in one or more of the following manners, namely:

(i) Subject to clause (ii), if the Applicant continues to take service from the Company under a contract pursuant to which the Applicant delivers gas to the Company and the Applicant so elects (by written notice to the Company within thirty (30) days of the end of the contract year), that portion of such balance which the Applicant stipulates in such written notice and which does not exceed twenty times the Applicant's Mean Daily Volume may be carried forward as a credit to the Banked Gas Account for the next succeeding contract year. Any volume duly elected to be carried forward under this clause shall, and may only, be reduced within the period of one hundred and eighty (180) days ("Adjustment Period") immediately following the contract year, by the Applicant delivering to the Company, on days in the Adjustment Period agreed upon by the Company and the Applicant ("Adjustment Days"), a volume of gas less than the Mean Daily Volume applicable to such day under a Service Contract. Subject to the foregoing, the credit balance in the Banked Gas Account shall be deemed to be reduced on each Adjustment Day by the volume ("Daily Reduction Volume") by which the Mean Daily Volume applicable to such day exceeds the greater of the volume of gas delivered by the Applicant on such day and the Nominated Volume for such day which was accepted by the Company.

(ii) Any portion of a credit balance in the Banked Gas Account which is not eligible to be eliminated in accordance with clause (i), or which the Applicant elects (by written notice to the Company within thirty (30) days of the end of the contract year) to sell under this clause, shall be deemed to have been tendered for sale to the Company and the Company shall purchase such portion at a price per cubic metre of eighty percent (80%) of the average price over the contract year, based on the published index price for the Monthly AECO/NIT supply adjusted for Nova's AECO to Empress transportation tolls and compressor fuel costs, less the average Ontario Transportation Service Credit over the contract year. Any volume of gas deemed to have been so tendered for sale shall be deemed to have been eliminated from the credit balance of the Banked Gas Account.

During the Adjustment Period the Company shall use reasonable efforts to accept the Applicant's reduced gas deliveries. Any credit balance in the Banked Gas Account not eliminated as aforesaid in the Adjustment Period shall be forfeited to, and be the property of, the Company, and such volume of gas shall be debited to the Banked Gas Account as at the end of the Adjustment Period.

Subject to its ability to do so, the Company will attempt to accommodate arrangements which would permit adjustments to Banked Gas Account balances at times and in a manner which are mutually agreed upon by the Applicant and the Company.

B. The following Terms and Conditions shall apply to Unbundled T-Service:

The Terms and Conditions for disposition of Banked Gas Account balances shall be as specified in the applicable Service Contracts.

RATE NUMBER: 1	RESIDENTIAL SERVICE

APPLICABILITY:

To any Applicant needing to use the Company's natural gas distribution network to have transported a supply of natural gas to a residential building served through one meter and containing no more than six dwelling units ("Terminal Location").

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month
	January to December
Monthly Customer Charge	**$11.25**
Delivery Charge per cubic metre	
For the first 30 m³ per month	**15.6112 ¢/m³**
For the next 55 m³ per month	**14.9776 ¢/m³**
For the next 85 m³ per month	**14.4812 ¢/m³**
For all over 170 m³ per month	**14.1116 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**43.1074 ¢/m³**
Buy/Sell Sales Gas Supply Charge per cubic metre (If applicable)	**43.0894 ¢/m³**

The rates quoted above shall be subject to the Gas Inventory Adjustment contained in Rider “C” and the Revenue Adjustment Rider contained in Rider "E". Also, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer’s location as shown in Rider “F”. In addition, the Periodic Contribution Charge described in Rider "D" may be applicable. The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after January 1, 2006 under Sales Service, including Buy/Sell Arrangements, and Transportation Service. This rate schedule is effective January 1, 2006 and replaces the identically numbered rate schedule that specifies, as the Effective Date, January 1, 2006 and that indicates, as the Board Order, Interim EB-2005-0524.

APPLICABILITY:

To any Applicant needing to use the Company's natural gas distribution network to have transported a supply of natural gas to a single terminal location ("Terminal Location") for non-residential purposes.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month January to December
Monthly Customer Charge	**$22.00**
Delivery Charge per cubic metre	
For the first 500 m³ per month	**14.7134 ¢/m³**
For the next 1050 m³ per month	**12.6353 ¢/m³**
For the next 4500 m³ per month	**11.1803 ¢/m³**
For the next 7000 m³ per month	**10.2456 ¢/m³**
For the next 15250 m³ per month	**9.8300 ¢/m³**
For all over 28300 m³ per month	**9.7261 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**43.2497 ¢/m³**
Buy/Sell Sales Gas Supply Charge per cubic metre (If applicable)	**43.2318 ¢/m³**

The rates quoted above shall be subject to the Gas Inventory Adjustment contained in Rider “C” and the Revenue Adjustment Rider contained in Rider "E". Also, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer’s location as shown in Rider “F”. In addition, the Periodic Contribution Charge described in Rider "D" may be applicable. The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after January 1, 2006 under Sales Service, including Buy/Sell Arrangements, and Transportation Service. This rate schedule is effective January 1, 2006 and replaces the identically numbered rate schedule that specifies, as the Effective Date, January 1, 2006 and that indicates, as the Board Order, Interim EB-2005-0524.

APPLICABILITY:

To any Applicant needing to use the Company's natural gas distribution network to have transported a supply of natural gas to a single terminal location ("Terminal Location") at which, such gas is authorized by the Company to be resold by filling pressurized containers.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month January to December
Monthly Customer Charge	**$200.00**
Delivery Charge per cubic metre	
For the first 20,000 m³ per month	**13.5094 ¢/m³**
For all over 20,000 m³ per month	**12.9260 ¢/m³**
System Sales Gas Supply Charge per cubic metre	**42.9711 ¢/m³**
(If applicable)	
Buy/Sell Sales Gas Supply Charge per cubic metre	**42.9531 ¢/m³**
(If applicable)	

The rates quoted above shall be subject to the Gas Inventory Adjustment contained in Rider "C" and the Revenue Adjustment Rider contained in Rider "E". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer's location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after January 1, 2006 under Sales Service, including Buy/Sell Arrangements, and Transportation Service. This rate schedule is effective January 1, 2006 and replaces the identically numbered rate schedule that specifies, as the Effective Date, January 1, 2006 and that indicates, as the Board Order, Interim EB-2005-0524.

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation, to a single terminal location ("Terminal Location"), of a specified annual volume of natural gas of not less than 340,000 cubic metres to be delivered at a specified maximum daily rate.

CHARACTER OF SERVICE:

Service shall be continuous (firm) except for events as specified in the Service Contract including force majeure.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month
	January to December
Monthly Customer Charge	**$100.00**
Delivery Charge	
For the first 14,000 m³ per month	**5.1517 ¢/m³**
For the next 28,000 m³ per month	**3.7927 ¢/m³**
For all over 42,000 m³ per month	**3.2337 ¢/m³**
Gas Supply Load Balancing Charge	**5.5544 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**43.0379 ¢/m³**
Buy/Sell Sales Gas Supply Charge per cubic metre (If applicable)	**43.0200 ¢/m³**

The rates quoted above shall be subject to the Gas Inventory Adjustment contained in Rider “C” and the Revenue Adjustment Rider contained in Rider "E". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer’s location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the average price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively, and adjust the Contract Demand, effective on the next day, to the actual maximum daily taken.

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency
(See Terms and Conditions of Service):

10.5879 ¢/m^3

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after January 1, 2006 under Sales Service, including Buy/Sell Arrangements, and Transportation Service. This rate schedule is effective January 1, 2006 and replaces the identically numbered rate schedule that specifies, as the Effective Date, January 1, 2006 and that indicates, as the Board Order, Interim EB-2005-0524.

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation, to a single terminal location ("Terminal Location"), of an annual supply of natural gas of not less than 183 times a specified maximum daily volume of not less than 1,865 cubic metres.

CHARACTER OF SERVICE:

Service shall be continuous (firm) except for events as specified in the Service Contract including force majeure.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month January to December
Monthly Customer Charge	**$500.00**
Delivery Charge	
Per cubic metre of Contract Demand	**20.0000 ¢/m³**
Per cubic metre of gas delivered	
For the first 1,000,000 m³ per month	**0.4967 ¢/m³**
For all over 1,000,000 m³ per month	**0.3467 ¢/m³**
Gas Supply Load Balancing Charge	**4.7497 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**42.9711 ¢/m³**
Buy/Sell Sales Gas Supply Charge per cubic metre (If applicable)	**42.9531 ¢/m³**

The rates quoted above shall be subject to the Gas Inventory Adjustment contained in Rider “C” and the Revenue Adjustment Rider contained in Rider "E". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer’s location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the average price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, the Contract Demand shall be adjusted to the actual maximum daily volume taken and the Demand Charges stated above shall apply for the whole contract year, including retroactively if necessary.

RATE NUMBER: **110**

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency
(See Terms and Conditions of Service):

5.1282 ¢/m³

In determining the Annual Volume Deficiency, the minimum bill multiplier shall not be less than 183.

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after January 1, 2006 under Sales Service, including Buy/Sell Arrangements, and Transportation Service. This rate schedule is effective January 1, 2006 and replaces the identically numbered rate schedule that specifies, as the Effective Date, January 1, 2006 and that indicates, as the Board Order, Interim EB-2005-0524.

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation, to a single terminal location ("Terminal Location"), of an annual supply of natural gas of not less than 292 times a specified maximum daily volume of not less than 1,165 cubic metres.

CHARACTER OF SERVICE:

Service shall be continuous (firm) except for events as specified in the Service Contract including force majeure.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month January to December
Monthly Customer Charge	**$500.00**
Delivery Charge	
Per cubic metre of Contract Demand	**20.0000 ¢/m³**
Per cubic metre of gas delivered	
For the first 1,000,000 m³ per month	**0.2689 ¢/m³**
For all over 1,000,000 m³ per month	**0.1689 ¢/m³**
Gas Supply Load Balancing Charge	**3.8235 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**42.9711 ¢/m³**
Buy/Sell Sales Gas Supply Charge per cubic metre (If applicable)	**42.9531 ¢/m³**

The rates quoted above shall be subject to the Gas Inventory Adjustment contained in Rider “C” and the Revenue Adjustment Rider contained in Rider "E". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer’s location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the average price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

On the second and subsequent occasion in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, the Contract Demand shall be adjusted to the actual maximum daily volume taken and the Demand Charges stated above shall apply for the whole contract year, including retroactively if necessary.

RATE NUMBER: **115**

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency
(See Terms and Conditions of Service):

3.9743 ¢/m³

In determining the Annual Volume Deficiency the minimum bill multiplier shall not be less than 292.

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after January 1, 2006 under Sales Service, including Buy/Sell Arrangements, and Transportation Service. This rate schedule is effective January 1, 2006 and replaces the identically numbered rate schedule that specifies, as the Effective Date, January 1, 2006 and that indicates, as the Board Order, Interim EB-2005-0524.

RATE NUMBER: **125**	**EXTRA LARGE FIRM TRANSPORTATION SERVICE**

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation, to a single terminal location ("Terminal Location"), of a specified maximum daily volume (Contract Demand) of natural gas of not less than 600,000 cubic metres.

CHARACTER OF SERVICE:

Service shall be firm except for events as specified in the Service Contract including force majeure. The Applicant shall not take a volume of gas at the Terminal Location that varies, in any day, by more than two percent (2%) from the Delivered Volume. The Contract Demand shall be 24 times the Hourly Demand, and the Applicant shall not exceed the Hourly Demand.

RATE:

The following rates and charges, as applicable, shall apply for deliveries to the Terminal Location.

Demand Charge

Per cubic metre of Contract Demand per month	**8.3768 ¢/m³**
Direct Purchase Administration Charge	**$50.00**
Forecast Unaccounted For Gas Percentage	**0.3%**

AUTHORIZED DEMAND OVERRUN:

The following Authorized Demand Overrun Rate is applied to any quantities of gas transported in excess of the Contract Demand. Overrun will be authorized by the Company at its sole discretion.

Automatic authorization of transportation overrun will be given in the case of dedicated Service to the Terminal Location provided that pipeline capacity is available and subject to a maximum volume as specified in the Service Contract.

Authorized Demand Overrun Rate	**0.28 ¢/m³**

The Authorized Demand Overrun Rate may be applied to commissioning volumes at the Company's sole discretion, for a contractual period of not more than one year, as specified in the Service Contract.

MINIMUM BILL: **See Terms and Conditions of Service**

TERMS AND CONDITIONS OF SERVICE:

1. The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

2. The Applicant is required to deliver to the Company on a daily basis the sum of: (a) the volume of gas to be delivered to the Applicant's Terminal Location; and (b) a volume of gas equal to the forecast unaccounted for gas percentage as stated above multiplied by (a). In the case of a Dedicated Service, the Unaccounted for Gas volume requirement is not applicable.

3. a) Any volume of gas taken by the Applicant on a day at the Terminal Location which exceeds the sum of:
    i. any applicable Load Balancing Demand pursuant to Rate 310 and/or any applicable Storage Demand pursuant to Rate 315, plus

ii. the volume of gas delivered by the Applicant on that day shall constitute as Supply Overrun Gas.

Supply Overrun Gas up to a maximum of two percent (2%) of the volume delivered by the Applicant shall be debited to the Applicant's Banked Gas Account. Any remaining excess shall be classified as Unauthorized Supply Overrun Gas. In any instance of Unauthorized Supply Overrun, the customer shall purchase such gas at a price P_e, which is equal to 150% of the highest price, in effect for that day as defined below*.

b) Any volume of gas taken by the Applicant on a day at the Terminal Location which exceeds the Contract Demand shall be classified as Demand Overrun Gas.

In any instance in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, the Applicant must adjust the Contract Demand to the actual maximum daily volume taken and the Demand Charges stated above shall apply for the whole contract year, including retroactively if necessary.

4. Any volume of gas delivered by the Applicant on any day in excess of the sum of:

   i. any applicable Load Balancing Demand pursuant to Rate 310 and/or applicable Storage Demand pursuant to Rate 315, plus

   ii. the volume of gas taken by the Applicant at the Terminal Location on that day shall be classified as Supply Underrun Gas.

Supply Underrun Gas up to a maximum of two percent (2%) of the volume delivered by the Applicant on that day shall be credited to the Applicant's Banked Gas Account. The Company would order the Applicant to dispose of any remaining excess of the Unauthorized Supply Underrun Gas. Failing such action by the Applicant , the Company would purchase the portion of Unauthorized Supply Underrun Gas in excess of 2% at a price P_u, which is equal to fifty percent (50%) of the lowest price in effect on that day as defined below**.

* where the price, P_e, expressed in cents / cubic metre is defined as follows:

$P_e = (P_m * E_r * 100 * 0.03769 / 1.054615) * 1.5$

P_m = highest daily price in U.S. $/mmBtu published in the Gas Daily, a Platts Publication, for that day under the column "Absolute", for the Niagara export point if the terminal location is in the CDA delivery area, and the Iroquois export point if the terminal location is in the EDA delivery area.

E_r = Noon day spot exchange rate expressed in Canadian dollars per U.S. dollar for such day quoted by the Bank of Canada in the following days Globe & Mail Publication.

1.054615 = Conversion factor from mmBtu to GJ.

0.03769 = Conversion factor from GJ to cubic metres.

** where the price P_u expressed in cents / cubic metre is defined as follows:

$P_u = (P_l * E_r * 100 * 0.03769 / 1.054615) * 0.5$

P_l = lowest daily price in U.S. $/mmBtu published in the Gas Daily, a Platts Publication, for that day under the column "Absolute", for the Niagara export point if the terminal location is in the CDA delivery area, and the Iroquois export point if the terminal location is in the EDA delivery area.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after January 1, 2006. This rate schedule is effective January 1, 2006 and replaces the identically numbered rate schedule that specifies, as the Effective Date, January 1, 2006 and that indicates, as the Board Order, Interim EB-2005-0524.

RATE NUMBER: **135**	**SEASONAL FIRM SERVICE**

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation, to a single terminal location ("Terminal Location"), of an annual supply of natural gas of not less than 340,000 cubic metres.

CHARACTER OF SERVICE:

Service shall be continuous (firm) except for events as specified in the Service Contract including force majeure. A maximum of five percent of the contracted annual volume may be taken by the Applicant in a single month during the months of December to March inclusively.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month	
	December to March	**April to November**
Monthly Customer Charge	**$100.00**	**$100.00**
Delivery Charge		
For the first 14,000 m³ per month	**6.5402 ¢/m³**	**1.8402 ¢/m³**
For the next 28,000 m³ per month	**5.3402 ¢/m³**	**1.1402 ¢/m³**
For all over 42,000 m³ per month	**4.9402 ¢/m³**	**0.9402 ¢/m³**
Gas Supply Load Balancing Charge	**3.2848 ¢/m³**	**3.2848 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**43.1512 ¢/m³**	**43.1512 ¢/m³**
Buy/Sell Sales Gas Supply Charge per cubic metre (If applicable)	**43.1332 ¢/m³**	**43.1332 ¢/m³**

The rates quoted above shall be subject to the Gas Inventory Adjustment contained in Rider “C” and the Revenue Adjustment Rider contained in Rider "E". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer’s location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the average price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

Failure to deliver a volume of gas equal to the Mean Daily Volume set out in the Service Contract during the months of December to March inclusive may result in the Applicant not being eligible for service under this rate in a subsequent contract period, at the Company's sole discretion.

SEASONAL CREDIT:

Rate per cubic metre of Mean Daily Volume from December to March **$ 0.77 /m³**

SEASONAL OVERRUN CHARGE:

During the months of December through March inclusively, any volume of gas taken in a single month in excess of five percent of the annual contract volume (Seasonal Overrun Monthly Volume) will be subject to Seasonal Overrun Charges in place of both the Delivery and Gas Supply Load Balancing Charges. The Seasonal Overrun Charge applicable for the months of December and March shall be calculated as 2.0 times the sum of the Gas Supply Load Balancing Charge and the maximum Delivery Charge. The Seasonal Overrun Charge applicable for the months of January and February shall be calculated as 5.0 times the sum of the Load Balancing Charge and the maximum Delivery Charge.

Seasonal Overrun Charges:

December and March	**19.6500 ¢/m³**
January and February	**49.1250 ¢/m³**

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency (See Terms and Conditions of Service):	**6.5735 ¢/m³**

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after January 1, 2006 under Sales Service, including Buy/Sell Arrangements, and Transportation Service. This rate schedule is effective January 1, 2006 and replaces the identically numbered rate schedule that specifies, as the Effective Date, January 1, 2006 and that indicates, as the Board Order, Interim EB-2005-0524.

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation of a specified maximum daily volume of natural gas to a single terminal location ("Terminal Location") which can accommodate the total interruption of gas service as ordered by the Company exercising its sole discretion. Any Applicant for service under this rate schedule must agree to transport a minimum annual volume of 340,000 cubic metres.

CHARACTER OF SERVICE:

In addition to events as specified in the Service Contract including force majeure, service shall be subject to curtailment or discontinuance upon the Company issuing a notice not less than 72 hours prior to the time at which such curtailment or discontinuance is to commence. An Applicant may, by contract, agree to accept a shorter notice period (see Capacity Repurchase Rate).

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month
	January to December
Monthly Customer Charge	**$100.00**
Delivery Charge	
For the first 14,000 m³ per month	**3.3729 ¢/m³**
For the next 28,000 m³ per month	**2.0139 ¢/m³**
For all over 42,000 m³ per month	**1.4549 ¢/m³**
Gas Supply Load Balancing Charge	**5.0388 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**43.0963 ¢/m³**
Buy/Sell Sales Gas Supply Charge per cubic metre (If applicable)	**43.0783 ¢/m³**

The rates quoted above shall be subject to the Gas Inventory Adjustment contained in Rider “C” and the Revenue Adjustment Rider contained in Rider "E". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer’s location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

CURTAILMENT CREDIT:

Rate for 16 hours of notice per cubic metre of Mean Daily Volume from December to March	**$**	**0.50 /m³**
Rate for 72 hours of notice per cubic metre of Mean Daily Volume from December to March	**$**	**0.11 /m³**

In addition, if the Applicant is supplying its own gas requirements, the gas delivered by the Applicant during the period of curtailment shall be purchased by the Company for the Company's use. The purchase price for such gas will be equal to the price that is reported for the month, in the first issue of the Natural Gas *Market Report* published by Canadian Enerdata Ltd. during the month, as the "current" "Avg." (i.e., average) "Alberta One-Month Firm Spot Price" for "AECO 'C' and Nova Inventory Transfer" in the table entitled "Domestic spot gas prices", adjusted for AECO to Empress transportation tolls and compressor fuel costs.

For the areas specified in Appendix A to this Rate Schedule, the Company's gas distribution network does not have sufficient physical capacity under current operating conditions to accommodate the provision of firm service to existing interruptible locations. For any location presently served or any new Applicant for service pursuant to this Rate Schedule in these areas, the Company shall purchase the rights to take service hereunder at 1.25 ¢/m³ per unit of Daily Capacity Repurchase Quantity.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the average price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively, and adjust the Contract Demand, effective on the next day, to the actual maximum daily taken.

The third instance of such failure in any contract year may result in the Applicant forfeiting the right to be served under this Rate Schedule. In such case service hereunder would cease, notwithstanding any Service Contract between the Company and the Applicant. Gas supply and/or transportation service would continue to be available to the Applicant pursuant to the provisions of the Company's Rate 6 until a Service Contract pursuant to another applicable Rate Schedule was executed.

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency (See Terms and Conditions of Service):	**8.2935 ¢/m³**

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after January 1, 2006 under Sales Service, including Buy/Sell Arrangements, and Transportation Service. This rate schedule is effective January 1, 2006 and replaces the identically numbered rate schedule that specifies, as the Effective Date, January 1, 2006 and that indicates, as the Board Order, Interim EB-2005-0524.

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation of a specified maximum daily volume of natural gas of not less than 30,000 cubic metres and a minimum annual volume of 5,000,000 cubic metres to a single terminal location ("Terminal Location") which can accommodate the total interruption of gas service when required by the Company. The Company, exercising its sole discretion, may order interruption of gas service upon not less than four (4) hours notice.

CHARACTER OF SERVICE:

In addition to events as specified in the Service Contract including force majeure, service shall be subject to curtailment or discontinuance upon the Company issuing a notice not less than 4 hours prior to the time at which such curtailment or discontinuance is to commence.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month January to December
Monthly Customer Charge	**$200.00**
Delivery Charge	
Per cubic metre of Contract Demand	**3.0000 ¢/m³**
Per cubic metre of gas delivered	
For the first 1,000,000 m³ per month	**0.4430 ¢/m³**
For all over 1,000,000 m³ per month	**0.2430 ¢/m³**
Gas Supply Load Balancing Charge	**4.2320 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**42.9711 ¢/m³**
Buy/Sell Sales Gas Supply Charge per cubic metre (If applicable)	**42.9531 ¢/m³**

The rates quoted above shall be subject to the Gas Inventory Adjustment contained in Rider “C” and the Revenue Adjustment Rider contained in Rider "E". In addition, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer’s location as shown in Rider "F". The Gas Supply Charge is applicable if the Applicant is not providing its own supply of natural gas for transportation.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

CURTAILMENT CREDIT:

Rate for 4 hours of notice per cubic metre of Mean Daily Volume from December to March **$ 1.10 /m³**

In addition, if the Applicant is supplying its own gas requirements, the gas delivered by the Applicant during the period of curtailment shall be purchased by the Company for the Company's use. The purchase price for such gas will be equal to the price that is reported for the month, in the first issue of the Natural Gas *Market Report* published by Canadian Enerdata Ltd. during the month, as the "current" "Avg." (i.e., average) "Alberta One-Month Firm Spot Price" for "AECO 'C' and Nova Inventory Transfer" in the table entitled "Domestic spot gas prices", adjusted for AECO to Empress transportation tolls and compressor fuel costs.

For the areas specified in Appendix A to this Rate Schedule, the Company's gas distribution network does not have sufficient physical capacity under current operating conditions to accommodate the provision of firm service to existing interruptible locations. For any location presently served or any new Applicant for service pursuant to this Rate Schedule in these areas, the Company shall purchase the rights to take service hereunder at 1.25 ¢/m³ per unit of Daily Capacity Repurchase Quantity.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the average price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

On the second and subsequent occasions in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, the Contract Demand shall be adjusted to the actual maximum daily volume taken and the Demand Charges stated above shall apply for the whole contract year, including retroactively if necessary.

The third instance of such failure in any contract year may result in the Applicant forfeiting the right to be served under this Rate Schedule. In such case service hereunder would cease, notwithstanding any Service Contract between the Company and the Applicant. Gas supply and/or transportation service would continue to be available to the Applicant pursuant to the provisions of the Company's Rate 6 until a Service Contract pursuant to another applicable Rate Schedule was executed.

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency
(See Terms and Conditions of Service): **4.5569 ¢/m³**

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after January 1, 2006 under Sales Service, including Buy/Sell Arrangements, and Transportation Service. This rate schedule is effective January 1, 2006 and replaces the identically numbered rate schedule that specifies, as the Effective Date, January 1, 2006 and that indicates, as the Board Order, Interim EB-2005-0524.

APPLICABILITY:

To any Distributor who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation of an annual supply of natural gas to customers outside of the Company's franchise area.

CHARACTER OF SERVICE:

Service shall be continuous (firm), except for events as specified in the Service Contract including force majeure, up to the contracted firm daily demand and subject to curtailment or discontinuance, of demand in excess of the firm contract demand, upon the Company issuing a notice not less than 4 hours prior to the time at which such curtailment or discontinuance is to commence.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month January to December
Monthly Customer Charge	
The monthly customer charge shall be negotiated with the applicant and shall not exceed:	**$2,000.00**
Delivery Charge	
Per cubic metre of Firm Contract Demand	**10.0000 ¢/m³**
Per cubic metre of gas delivered	**0.7508 ¢/m³**
Gas Supply Load Balancing Charge	**5.3474 ¢/m³**
System Sales Gas Supply Charge per cubic metre (If applicable)	**42.9711 ¢/m³**
Buy/Sell Sales Gas Supply Charge per cubic metre (If applicable)	**42.9531 ¢/m³**

The rates quoted above shall be subject to the Gas Inventory Adjustment contained in Rider "C" and the Revenue Adjustment Rider contained in Rider "E". Also, meter readings will be adjusted by the Atmospheric Pressure Factor relevant to the customer's location as shown in Rider "F". The Gas Supply Charge is applicable to volumes of natural gas purchased from the Company. The volumes purchased shall be the volumes delivered at the Point of Delivery less any volumes, which the Company does not own and are received at the Point of Acceptance for delivery to the Applicant at the Point of Delivery.

DIRECT PURCHASE ARRANGEMENTS:

Rider "A" or Rider "B" shall be applicable to Applicants who enter into Direct Purchase Arrangements under this Rate Schedule.

CURTAILMENT CREDIT:

Rate for 4 hours of notice per cubic metre of Mean Daily Volume from December to March **$ 1.10 /m³**

In addition, if the Applicant is supplying its own gas requirements, the gas delivered by the Applicant during the period of curtailment shall be purchased by the Company for the Company's use. The purchase price for such gas will be equal to the price that is reported for the month, in the first issue of the Natural Gas *Market Report* published by Canadian Enerdata Ltd. during the month, as the "current" "Avg." (i.e., average) "Alberta One-Month Firm Spot Price" for "AECO 'C' and Nova Inventory Transfer" in the table entitled "Domestic spot gas prices", adjusted for AECO to Empress transportation tolls and compressor fuel costs.

For the areas specified in Appendix A to this Rate Schedule, the Company's gas distribution network does not have sufficient physical capacity under current operating conditions to accommodate the provision of firm service to existing interruptible locations. For any location presently served or any new Applicant for service pursuant to this Rate Schedule in these areas, the Company shall purchase the rights to take service hereunder at 1.25 ¢/m³ per unit of Daily Capacity Repurchase Quantity.

UNAUTHORIZED OVERRUN GAS RATE:

When the Applicant takes Unauthorized Supply Overrun Gas, the Applicant shall purchase such gas at a rate of 150% of the average price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

On the second and subsequent occasions in a contract year when the Applicant takes Unauthorized Demand Overrun Gas, the Contract Demand shall be adjusted to the actual maximum daily volume taken and the Demand Charges stated above shall apply for the whole contract year, including retroactively if necessary.

The third instance of such failure in any contract year may result in the Applicant forfeiting the right to be served under this Rate Schedule. In such case service hereunder would cease, notwithstanding any Service Contract between the Company and the Applicant. Gas supply and/or transportation service would continue to be available to the Applicant pursuant to the provisions of the Company's Rate 6 until a Service Contract pursuant to another applicable Rate Schedule was executed.

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency (See Terms and Conditions of Service):	**5.9800 ¢/m³**

TERMS AND CONDITIONS OF SERVICE:

The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after January 1, 2006 under Sales Service, including Buy/Sell Arrangements, and Transportation Service. This rate schedule is effective January 1, 2006 and replaces the identically numbered rate schedule that specifies, as the Effective Date, January 1, 2006 and that indicates, as the Board Order, Interim EB-2005-0524.

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation to a single Terminal Location of a specified maximum daily volume of natural gas. This rate is also applicable to volumes delivered to any applicant taking service under a Curtailment Delivered Supply contract with the Company.

CHARACTER OF SERVICE:

Service shall be continuous (firm) except for events as specified in the Service Contract including force majeure. The volume of gas taken by the Applicant at the Terminal Location must not vary by more than two percent (2%) from the Delivered Volume.

RATE:

The following rates and charges, as applicable, shall apply for deliveries to the Terminal Location.

	Billing Month **January to December**
Monthly Customer Charge	
The monthly customer charge shall be negotiated with the Applicant and shall not exceed:	**$2,000.00**
Delivery Charge	
Per cubic metre of Contract Demand	
For the first 100,000 m³	**18.0000 ¢/m³**
For the next 100,000 m³	**12.0000 ¢/m³**
For all over 200,000 m³	**6.0000 ¢/m³**
Per cubic metre of gas delivered	
For the first 2,000,000 m³ per month	**0.5123 ¢/m³**
For the next 2,000,000 m³ per month	**0.4923 ¢/m³**
For all over 4,000,000 m³ per month	**0.4723 ¢/m³**
Direct Purchase Administration Charge	**$50.00**
UFG Credit (If applicable)	**0.4842 ¢/m³**

The UFG Credit is applicable if the Applicant contracts to supply a quantity of natural gas to supplement the Company's purchases for Unaccounted for Gas. (See Terms and Conditions of Service).

UNAUTHORIZED OVERRUN GAS RATE:

On the first occasion in a contract year when the Applicant, under a contract other than a Curtailment Delivered Supply contract, takes Unauthorized Overrun Gas the Applicant may elect to either:

(i) purchase such gas at a rate of 150% of the average price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.
(ii) adjust the Contract Demand to the actual maximum daily volume taken and the Demand Charges stated above shall apply for the whole contract year, including retroactively if necessary.

On the second and subsequent occasions in a contract year when the Applicant takes Unauthorized Overrun Gas both (i) and (ii) shall apply.

When the Applicant under Curtailment Delivered Supply contract takes Unauthorized Overrun Gas the Applicant shall purchase such gas at a rate of 150% of the average price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency
(See Terms and Conditions of Service): **0.3941 ¢/m³**

TERMS AND CONDITIONS OF SERVICE:

1. The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

2. Where an Applicant contracts to supply the Company with a volume of natural gas to supplement the Company's purchases for Unaccounted for Gas (UFG) the Applicant will be deemed to have delivered at the Point of Acceptance a volume of natural gas equal to 99.01 percent of the volume actually delivered by the Applicant. Such deemed volume of gas delivered shall be considered to be the volume of gas delivered as it applies to the Terms and Conditions of Service under this Rate Schedule.

3. Any volume of gas taken by the Applicant on a day at the Terminal Location which exceeds the lesser of:

   (a) the sum of
      (i) any applicable Load Balancing Demand pursuant to Rate 310 or any applicable Storage Demand pursuant to Rate 315
      plus
      (ii) the volume of gas delivered by the Applicant on that day
      and
   (b) the Contract Demand

   shall be classified as Overrun Gas ("Overrun Gas").

   Overrun Gas up to a maximum of two percent (2%) of the volume delivered by the Applicant in the case of (a) above or two percent (2%) of the Contract Demand in the case of (b) above shall be debited to the Applicant's Banked Gas Account. Any remaining excess shall be classified as Unauthorized Overrun Gas.

4. Any volume of gas delivered by the Applicant on any day in excess of the sum of:

   (i) any applicable Load Balancing Demand pursuant to Rate 310 or any applicable Storage Demand pursuant to Rate 315
   plus
   (ii) the volume of gas taken by the Applicant at the Terminal Location on that day

   shall be classified as Underrun Gas.

   Underrun Gas up to a maximum of two percent (2%) of the volume delivered by the Applicant on that day (or, all underrun gas if deliveries are being made under a Curtailment Delivered Supply Contract), shall be credited to the Applicant's Banked Gas Account. Any remaining excess shall be classified as Unauthorized Underrun Gas and shall be deemed to have been offered for sale to the Company and the Company shall purchase such

Unauthorized Underrun Gas at a price of eighty percent (80%) of the Western Canada Buy Price in effect on that day.

5. If the Applicant has contracted for service under Rate 310 or Rate 315 for the Terminal Location and if on any day the volume delivered by the Applicant other than as Underrun Gas minus the volume taken by the Applicant other than as Overrun Gas ("Difference") is positive/negative then volumes equal to the Difference shall be deemed to be received / delivered under Rate 310 as load balancing gas or Rate 315 as gas received from or delivered to storage as applicable.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after January 1, 2006. This rate schedule is effective January 1, 2006 and replaces the identically numbered rate schedule that specifies, as the Effective Date, January 1, 2006 and that indicates, as the Board Order, Interim EB-2005-0524.

APPLICABILITY:

To any Applicant who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation of a specified maximum daily volume of natural gas to a single Terminal Location in an area in which the Company does not have the capacity in its gas distribution network to provide firm service to existing interruptible customers and which can accommodate the total interruption of gas service when required by the Company.

CHARACTER OF SERVICE:

In addition to events as specified in the Service Contract including force majeure, service shall be subject to curtailment or discontinuance upon the Company issuing a notice not less than 4 hours prior to the time at which such curtailment or discontinuance is to commence. On each day in a period of interruption of service to the Terminal Location ordered by the Company, the Company shall purchase, at the rate of 48.4195 ¢/m³ the gas delivered by the Applicant on such day which is in excess of any applicable Load Balancing Demand or any applicable Storage Demand if the Company has accepted the Applicant's Nominated Volume for such day. The volume of gas taken by the Applicant at the Terminal Location must not vary by more than two percent (2%) from the Delivered Volume (see below).

RATE:

The following rates and charges, as applicable, shall apply for deliveries to the Terminal Location.

	Billing Month **January to December**
Customer Charge	
The monthly customer charge shall be negotiated with the Applicant and shall not exceed:	**$2,000.00**
Delivery Charge	
For the first 2,000,000 m³ per month	**0.5123 ¢/m³**
For the next 2,000,000 m³ per month	**0.4923 ¢/m³**
For all over 4,000,000 m³ per month	**0.4723 ¢/m³**
Direct Purchase Administration Charge	**$50.00**
UFG Credit (If applicable)	**0.4842 ¢/m³**

The UFG Credit is applicable if the Applicant contracts to supply a quantity of natural gas to supplement the Company's purchases for Unaccounted for Gas. (See Terms and Conditions of Service).

UNAUTHORIZED OVERRUN GAS RATE:

On the first occasion in a contract year when the Applicant takes Unauthorized Overrun Gas the Applicant may elect to either:

(i) purchase such gas at a rate of 150% of the average price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and EDA respectively.
(ii) adjust the Contract Demand to the actual maximum daily volume taken and the Demand Charges stated above shall apply for the whole contract year, including retroactively if necessary.

On the second and subsequent occasions in a contract year when the Applicant takes Unauthorized Overrun Gas both (i) and (ii) shall apply.

The third instance of such failure in any contract year may result in the Applicant forfeiting the right to be served under this Rate Schedule. In such case service hereunder would cease, notwithstanding any Service Contract between the Company and the Applicant. Gas supply and/or transportation service would continue to be available to the Applicant pursuant to the provisions of the Company's Rate 6 until a Service Contract pursuant to another applicable Rate Schedule was executed.

MINIMUM BILL:

Per cubic metre of Annual Volume Deficiency
(See Terms and Conditions of Service): **0.3941 ¢/m³**

TERMS AND CONDITIONS OF SERVICE:

1. The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

2. Where an Applicant contracts to supply the Company with a volume of natural gas to supplement the Company's purchases for Unaccounted for Gas (UFG) the Applicant will be deemed to have delivered at the Point of Acceptance a volume of natural gas equal to 99.01 percent of the volume actually delivered by the Applicant. Such deemed volume of gas delivered shall be considered to be the volume of gas delivered as it applies to the Terms and Conditions of Service under this Rate Schedule.

3. Any volume of gas taken by the Applicant on a day at the Terminal Location which exceeds the lesser of:

   (a) the sum of
      (i) any applicable Load Balancing Demand pursuant to Rate 310 or any applicable Storage Demand pursuant to Rate 315
      plus
      (ii) the volume of gas delivered by the Applicant on that day
      and
   (b) the Contract Demand

   shall be classified as Overrun Gas ("Overrun Gas").

   Overrun Gas up to a maximum of two percent (2%) of the volume delivered by the Applicant in the case of (a) above or two percent (2%) of the Contract Demand in the case of (b) above shall be debited to the Applicant's Banked Gas Account. Any remaining excess shall be classified as Unauthorized Overrun Gas.

4. Except on a day of interruption of service, any volume of gas delivered by the Applicant on any day in excess of the sum of:

   (i) any applicable Load Balancing Demand pursuant to Rate 310 or any applicable Storage Demand pursuant to Rate 315
   plus
   (ii) the volume of gas taken by the Applicant at the Terminal Location on that day
   shall be classified as Underrun Gas.

Underrun Gas up to a maximum of two percent (2%) of the volume delivered by the Applicant on that day shall be credited to the Applicant's Banked Gas Account. Any remaining excess shall be classified as Unauthorized Underrun Gas and shall be deemed to have been offered for sale to the Company and the Company shall purchase such Unauthorized Underrun Gas at a price of eighty percent (80%) of the Western Canada Buy Price in effect on that day.

Any volume of gas delivered by the Applicant and accepted by the Company on a day of interruption of service shall be purchased by the Company at the rate of 48.4195 ¢/m³ and shall not be classified as Underrun Gas.

5. If the Applicant has contracted for service under Rate 310 or Rate 315 for the Terminal Location and if on any day the volume delivered by the Applicant other than as Underrun Gas minus the volume taken by the Applicant other than as Overrun Gas ("Difference") is positive/negative then volumes equal to the Difference shall be deemed to be received / delivered under Rate 310 as load balancing gas or Rate 315 as gas received from or delivered to storage as applicable.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after January 1, 2006. This rate schedule is effective January 1, 2006 and replaces the identically numbered rate schedule that specifies, as the Effective Date, January 1, 2006 and that indicates, as the Board Order, Interim EB-2005-0524.

APPLICABILITY:

To any Applicant who has entered into a Companion Service Contract with the Company for service under Rate 125, Rate 300 or Rate 305 and for whom the Company has determined that this service is available. The Applicant for service hereunder must enter into a Service Contract for a maximum daily volume of natural gas which the Company must deliver to or receive from the Applicant for load balancing purposes at the Terminal Location specified in the Companion Service Contract. Such Load Balancing Demand shall not exceed fifty percent (50%) of the Contract Demand specified in the Companion Service Contract.

CHARACTER OF SERVICE:

Service shall be continuous (firm) except for events as specified in the Service Contract including force majeure.

RATE:

The following rates and charges shall apply in respect to any Daily Difference between the volume of gas delivered by the Applicant other than as Underrun Gas under the Companion Service Contract and the volume of gas taken at the Terminal Location other than as Overrun Gas.

Monthly Demand and Commodity Charges:

Demand Charge	
Per cubic metre of Load Balancing Demand	**13.1928 ¢/m³**
Commodity Charge	
Per cubic metre of Difference	**4.1508 ¢/m³**

MINIMUM BILL:

See Terms and Conditions of Service.

TERMS AND CONDITIONS OF SERVICE:

1. The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

2. The actual volumes of gas received as or delivered as load balancing gas on a day shall be determined pursuant to the Terms and Conditions of Service of the Companion Rate Schedule applicable to the Companion Service Contract.

3. The Company shall keep a record ("Load Balancing Account") of the net volume of gas owing to or from the Applicant. Any debit or credit balance in the Load Balancing Account shall be cleared within 20 days of the end of the contract year.

4. If within 20 days of the end of each contract year in a continuing relationship any balance in the Applicant's Load Balancing Account with respect to the prior contract year has not been cleared, such balance shall be disposed of as follows:

   (i) any debit balance shall be deemed to have been sold to the Applicant pursuant to the provisions of Rate 320 as if the gas had been consumed in equal portions during the months of December, January, February and March, of the contract year and the Applicant shall pay for such gas within ten (10) days of the rendering of a bill therefor.

(ii) any credit balance shall be deemed to have been tendered for sale to the Company and the Company shall purchase such gas at a price per cubic metre of eighty percent (80%) of the Western Canada Buy Price in effect at the end of the contract year.

EFFECTIVE DATE:

To apply to bills rendered for gas service provided on and after January 1, 2006. This rate schedule is effective January 1, 2006 and replaces the identically numbered rate schedule that specifies, as the Effective Date, January 1, 2006 and that indicates, as the Board Order, Interim EB-2005-0524.

APPLICABILITY:

To any Applicant who has entered into a Companion Service Contract with the Company for service under Rate 125, Rate 300 or Rate 305 and for whom the Company has determined that this service is available. The Applicant for service hereunder must enter into a Service Contract with the Company for a maximum daily volume of natural gas which the Company must receive from storage for transportation to a single Terminal Location specified in the Companion Service Contract. The Service Contract shall also specify a minimum annual capacity of storage space of sixty (60) times the Storage Demand.

CHARACTER OF SERVICE:

Service shall be continuous (firm) except for events as specified in the Service Contract including force majeure. The maximum daily volume of natural gas that the Company must receive for injection to storage shall be sixty percent (60%) of the Storage Demand.

RATE:

The following rates and charges shall apply in respect to all gas received by the Company from and delivered by the Company to storage on behalf of the Applicant.

Monthly Demand and Commodity Charges:

Demand Charge	
Per cubic metre of Storage Demand	**12.1022 ¢/m³**
Per cubic metre of Space Demand	**0.0378 ¢/m³**
Commodity Charge	
Per cubic metre of gas delivered to / received from storage	**0.5857 ¢/m³**

FUEL RATIO REQUIREMENT:

The Fuel Ratio per unit of gas injected and withdrawn is 0.35%.

MINIMUM BILL:

See Terms and Conditions of Service.

TERMS AND CONDITIONS OF SERVICE:

1. The provisions of PARTS III and IV of the Company's **HANDBOOK OF RATES AND DISTRIBUTION SERVICES** apply, as contemplated therein, to service under this Rate Schedule.

2. A Nominated Volume will not be accepted for withdrawal if greater than:

   (I) the Storage Demand
   (ii) the balance of gas in storage on the day of a withdrawal nomination.

3. A Nominated Volume will not be accepted for injection if greater than:

   (I) sixty percent (60%) of the Storage Demand
   (ii) the difference between the Space Demand and the balance of gas in storage on the day of an injection nomination.

4. The actual volumes of gas received from and delivered to storage on a day shall be determined pursuant to the Terms and Conditions of Service of the Companion Rate Schedule applicable to the Companion Service Contract.

5. The Company shall keep a record of the net volume of gas owing to the Applicant.

6. If the Service Contract is renewed the Applicant may elect to carry any balance of gas in storage at the end of the current Service Contract forward into the renewal Service Contract, provided that such carry forward quantity shall not exceed the Space Demand under the renewal Service Contract.

7. The Applicant shall give notice in writing at least ninety (90) days in advance of the end of the contract year that it will not be renewing the Service Contract and in such notice shall advise the Company of its plans to dispose of any balance of gas in storage as of the date of giving such notice. Any balance not withdrawn by the end of the contract year shall be forfeited to, and be the property of, the Company.

EFFECTIVE DATE:

To apply to bills rendered for gas service provided on and after January 1, 2006. This rate schedule is effective January 1, 2006 and replaces the identically numbered rate schedule that specifies, as the Effective Date, January 1, 2006 and that indicates, as the Board Order, Interim EB-2005-0524.

APPLICABILITY:

To any Applicant whose delivery of natural gas to the Company for transportation to a Terminal Location has been interrupted prior to the delivery of such gas to the Company.

CHARACTER OF SERVICE:

The volume of gas available for backstopping in any day shall be determined by the Company exercising its sole discretion. If the aggregate daily demand for service under this Rate Schedule exceeds the supply available for such day, the available supply shall be allocated to firm service customers on a first requested basis and any balance shall be available to interruptible customers on a first requested basis.

RATE:

The rates applicable in the circumstances contemplated by this Rate Schedule, in lieu of the Gas Supply Charges specified in any of the Company's other Rate Schedules pursuant to which the Applicant is taking service, shall be as follows:

	Billing Month
	January to December
Gas Supply Charge	
Per cubic metre of gas sold	**47.4461 ¢/m³**

provided that if upon the request of an Applicant, the Company quotes a rate to apply to gas which is delivered to the Applicant at a particular Terminal Location on a particular day or days and to which this Rate Schedule is applicable (which rate shall not be less than the Company's avoided cost in the circumstances at the time nor greater than the otherwise applicable rate specified above), then the Gas Supply Charge applicable to such gas shall be the rate quoted by the Company.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed by customers on and after January 1, 2006 under Sales Service, including Buy/Sell Arrangements, and Transportation Service. This rate schedule is effective January 1, 2006 and replaces the identically numbered rate schedule that specifies, as the Effective Date, January 1, 2006 and that indicates, as the Board Order, Interim EB-2005-0524.

APPLICABILITY AND CHARACTER OF SERVICE:

Service under this rate schedule shall apply to the Transmission and Compression Service Agreement with Union Gas Limited dated April 1, 1989, and the Transmission, Compression and Pool Storage Service Agreement with Centra Gas Ontario Inc. dated May 30, 1994. Service shall be provided subject to the terms and conditions specified in the Service Agreement.

RATE:

The Customer shall pay for service rendered in each month in a contract year, the sum of the following applicable charges:

	Transmission & Compression $\$/10^3m^3$	Pool Storage $\$/10^3m^3$
Demand Charge for:		
Annual Turnover Volume	**0.1776**	**0.2131**
Maximum Daily Withdrawal Volume	**16.0517**	**19.3327**
Commodity Charge	**2.1781**	**0.9158**

FUEL RATIO REQUIREMENT:

Fuel Ratio applicable to per unit of gas injected and withdrawn is 0.35%.

MINIMUM BILL:

The minimum monthly bill shall be the sum of the applicable Demand Charges as stated in Rate Section above.

EXCESS VOLUME AND OVERRUN RATES:

In addition to the charges provided for in the Rate Section above, the Customer shall pay, for services rendered, the sum of the following applicable charges as they are incurred:

TERMS AND CONDITIONS OF SERVICE:

1. Excess Volumes will be billed at the total of the Excess Volume Charges as stated above.

2. Transmission and Compression, and Pool Storage Overrun Service will be billed according to the following:
   (a) At the end of each month, in a contract year, the Company will make a determination, for each day in the month, of

      (i) the difference between the volume of gas actually delivered, exclusive of the fuel volume, for Customer's account into the Company System, at the Point of Delivery and the Customer's Maximum Daily Injection Volume, and

      (ii) the difference between the volume of gas actually delivered, exclusive of the fuel volume, for Customer's account from the Company System, at the Point of Delivery, and the Customer's Maximum Daily Withdrawal Volume.

	Excess Volume Charge $/10³m³ / Year	Overrun Charge $/10³m³ / Day
Transmission & Compression		
Authorized	**2.3438**	**0.5277**
Unauthorized	**-**	**211.8829**
Pool Storage		
Authorized	**2.8135**	**0.6356**
Unauthorized	**-**	**255.1914**

(b) For each day of the month, where any such differences exceed 2.0 percent of the Customer's relevant Maximum Daily Injection Volume and/or Maximum Daily Withdrawal Volume, the Customer shall pay a charge equal to the relevant Overrun rates, as stated above, for such differences.

BILLING ADJUSTMENT:

1. Injection deficiency - If at the beginning of any Withdrawal Period the Customer's Storage Balance is less than the Customer's Annual Turnover Volume, due solely to the Company's inability to inject gas for any reason other than the fault of the Customer, then the applicable Demand Charge for Annual Turnover Volume for the contract year beginning the prior April 1 as stated in Rate Section as applicable, shall be adjusted by multiplying each by a fraction, the numerator of which shall be the Customer's Storage Gas Balance as of the beginning of such Withdrawal Period and the denominator shall be the Customer's Annual Turnover Volume as it may have been established for the then current year.

2. Withdrawal deficiency - If in any month in a contract year for any reason other than the fault of the Customer, the Company fails or is unable to deliver during any one or more days, the amount of gas which the Customer has nominated, up to the maximum volumes which the Company is obligated by the Agreement to deliver to the Customer, then the Demand Charge for maximum Contract Daily Withdrawal Volume in the contract year otherwise payable for the month in which such failure occurs, as stated in Rate Section above, as applicable, shall be reduced by an amount for each day of deficiency to be calculated as follows: The Demand Charge for maximum Contract Daily Withdrawal Volume for the contract year for the month will be divided by 30.4 and the result obtained will then be multiplied by a fraction, the numerator being the difference between the nominated volume for such day and the delivered volume for such day and the denominator being the Customer's maximum Contract Daily Withdrawal Volume for such contract year.

TERMS AND EXPRESSIONS:

In the application of this Rate Schedule to each of the Agreements, terms and expressions used in this Rate Schedule have the meanings ascribed thereto in such Agreement.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after January 1, 2006. This rate schedule is effective January 1, 2006 and replaces the identically numbered rate schedule that specifies, as the Effective Date, January 1, 2006 and that indicates, as the Board Order, Interim EB-2005-0524.

APPLICABILITY:

To any Applicant who enters into a Storage Contract with the Company for delivery by the Applicant to the Company and re-delivery by the Company to the Applicant of a volume of natural gas owned by the Applicant.

CHARACTER OF SERVICE:

Service under this rate is for Full Cycle or Short Cycle storage service; with firm or interruptible injection and withdrawal service, all as may be available from time to time.

RATE:

The following rates and charges shall apply in respect of all gas received by the Company from and re-delivered by the Company to the Applicant.

	Full Cycle		Short Cycle
	Firm	Interruptible	
	$/10³m³	$/10³m³	$/10³m³
Monthly Demand Charge per unit of Annual Turnover Volume:			
Minimum	**0.3907**	**0.3907**	**-**
Maximum	**1.9535**	**1.9535**	**-**
Monthly Demand Charge per unit of Contracted Daily Withdrawal:			
Minimum	**35.3844**	**28.3075**	**-**
Maximum	**176.9221**	**141.5377**	**-**
Commodity Charge per unit of gas delivered to / received from storage:			
Minimum	**3.0939**	**3.0939**	**1.2365**
Maximum	**15.4695**	**15.4695**	**45.5913**

FUEL RATIO REQUIREMENT:

The Fuel Ratio per unit of gas injected and withdrawn is 0.35%.

TRANSACTING IN ENERGY:

The conversion factor is 37.74MJ/m3, which corresponds to Union Gas' System Wide Average Heating Value, as per the Board's RP-1999-0017 Decision with Reasons.

MINIMUM BILL:

The minimum monthly bill shall be the sum of the applicable Demand Charges.

RATE NUMBER: **330**

OVERRUN RATES:

The units rates stated below will apply to overrun volumes. The provision of Authorized Overrun service will be at the Company's sole discretion.

	Full Cycle		Short Cycle
	Firm	Interruptible	
	$/10³m³	$/10³m³	$/10³m³
Authorized Overrun			
Annual Turnover Volume			
Negotiable, not to exceed:	**45.5913**	**45.5913**	**45.5913**
Authorized Overrun			
Daily Injection/Withdrawal			
Negotiable, not to exceed:	**45.5913**	**45.5913**	**45.5913**
Unauthorized Overrun			
Annual Turnover Volume			
Excess Storage Balance			
September 1 - November 30	**455.9129**	**455.9129**	**455.9129**
December 1 - October 31	**45.5913**	**45.5913**	**45.5913**
Unauthorized Overrun			
Annual Turnover Volume			
Negative Storage Balance			

TERMS AND CONDITIONS OF SERVICE:

1. All Services are available at the Company's sole discretion.

2. Delivery and Re-delivery of the volume of natural gas shall be from/to the facilities of Union Gas Limited and / or TransCanada PipeLines Limited in Dawn Township and/or Niagara Gas Transmission Limited in Moore Township.

3. The Customers daily injections or withdrawals will be adjusted to provide for the fuel ratio stated in the Fuel Ratio Section. In the event that a Short Cycle service does not require fuel for injection and/or withdrawal, the fuel ratio commodity charge may be waived.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after January 1, 2006. This rate schedule is effective January 1, 2006 and replaces the identically numbered rate schedule that specifies, as the Effective Date, January 1, 2006 and that indicates, as the Board Order, Interim EB-2005-0524.

APPLICABILITY:

To any Applicant who enters into a Contract with the Company for transportation on the Company's Tecumseh Transmission System.

CHARACTER OF SERVICE:

Service under this rate is for firm transportation service as may be available from time to time.

RATE:

The following rates and charges shall apply in respect of all gas received by the Company from and re-delivered by the Company to the Applicant.

	Firm $\$/10^3m^3$	Interruptible $\$/10^3m^3$
Monthly Demand Charge per unit of Maximum Contracted Daily Delivery:	**3.3350**	**-**
Commodity Charge per unit of gas delivered:	**-**	**0.1320**

MINIMUM BILL:

The minimum monthly bill shall be the sum of the applicable Demand Charges.

TERMS AND CONDITIONS OF SERVICE:

1. Delivery of the volume of natural gas by the Applicant shall be at the interconnection of the Company's Tecumseh transmission facilities with that of Niagara Gas Transmission Limited at the Tecumseh Compressor Station.

2. Re-delivery of the volume of natural gas shall be at the interconnection of the Company's facilities with those of interconnecting pipelines in Dawn Township.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after January 1, 2006. This rate schedule is effective January 1, 2006 and replaces the identically numbered rate schedule that specifies, as the Effective Date, January 1, 2006 and that indicates, as the Board Order, Interim EB-2005-0524.

Applicants located off the piping networks noted below or off piping systems supplied from these networks may be curtailed to maintain distribution system integrity.

The Town of Collingwood
The Town of Midland

APPLICABILITY:

This rider is applicable to any Applicant who enters into Gas Transportation Agreement with the Company under any rate other than Rates 125, 300 and 305.

MONTHLY DIRECT PURCHASE ADMINISTRATION CHARGE:

Base Charge	$50.00	per month
Maximum Charge	$815.00	per month
Account Charge		
New Accounts	$0.50	per month per account
Renewal Accounts	$0.15	per month per account

The above Basic Charge shall be increased up to the maximum charge, by the new account charge for each new account and by the Renewal Account charge for each renewal account in a Direct Purchase Contract.

T-SERVICE CREDIT:

In T-Service Arrangements excluding Ontario ABC-T arrangements, between the Company and an Applicant, and with a T-Service Arrangement and a contractually specified Point of Acceptance as indicated below, the Company shall pay or charge the Applicant the Transportation Service Credit or Debit shown for any volumes of natural gas owned by the Applicant and received by the Company at the Point of Acceptance. The ability of the Company to accept deliveries under FT-type arrangements at Dawn is constrained and the availability of this service is at the Company's sole discretion.

TOLLS CREDIT	**Type of Arrangement**	
Point of Acceptance	Firm Transportation (FT)	Firm Service Tendered (FST)
Western Canada	0.0000 ¢/m³	0.0000 ¢/m³
CDA, EDA	3.7597 ¢/m³	0.0000 ¢/m³
Dawn	3.2510 ¢/m³	0.0000 ¢/m³
Intra-Alberta	-0.6194 ¢/m³	N/A

Effective February 1, 2001, in Ontario ABC-T arrangements with a contractually specified Point of Acceptance in the CDA and/or EDA, the toll credit shall equal the Eastern Zone Firm Transportation tolls approved by the National Energy Board for TCPL at a 100% load factor.

TCPL FT CAPACITY TURNBACK:

APPLICABILITY:

To Ontario T-Service customers who have been or will be assigned TCPL capacity by the Company.

TERMS AND CONDITIONS OF SERVICE:

1. The Company will accommodate TCPL FT capacity turnback from customers to the extent that the Company is allowed to turnback FT capacity to TCPL.

2. The Company will accommodate all TCPL FT capacity turnback requests in a manner that minimizes stranded and other transitional costs. The Company is committed to maintaining the integrity of its distribution system and the sanctity of all contracts.

3. The Company may amend any contracts to accommodate a customer's request to turnback capacity.

4. Notice of TCPL FT turnback capacity will be accepted on Enbridge's Election for Enbridge Firm Transportation Assignment form or other authorized written notice.

5. The daily contractual right to receive natural gas would still be subject to the delivery, on a firm basis, of the full Mean Daily Volume into the Company's Central Delivery Area (CDA) and/or Eastern Delivery Area (EDA). The delivery area must match the area in which consumption will occur.

6. The proportion of TCPL FT capacity that an eligible customer may request to be turned back each year ("percentage turnback") shall not exceed the proportion of the TCPL capacity that Enbridge is entitled to turn back that year. This percentage turnback will be applied to calculate the customer's turnback capacity limit based on the renewal volume of the direct purchase agreement.

7. If the Company is unable to accommodate all or a portion of an eligible customer's request to turnback TCPL FT capacity in the month requested by the customer, the Company will indicate the month(s) when such customer request can be fully satisfied and the costs, if any, associated with accommodating this request. The customer may then advise the Company as to whether or not they wish to proceed with the TCPL FT capacity turnback request.

8. All TCPL FT capacity turnback requests will be treated on an equitable basis.

9. Customers may withdraw their original election given they provide notice to the Company a minimum of one week prior to the deadline specified in the TransCanada tariff for FT contract extension.

10. The percentage turnback of TCPL FT capacity will be applied at the Direct Purchase Agreement level.

11. Written notice to turnback capacity must be received by the Company the earlier of:

    (a) Sixty days prior to the expiry date of the current contract.

    or

    (b) A minimum of one week prior to the deadline specified in TransCanada tariff for FT contract extension.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after January 1, 2006. This rate schedule is effective January 1, 2006 and replaces the identically numbered rate schedule that specifies, as the Effective Date, January 1, 2006 and that indicates, as the Board Order, Interim EB-2005-0524.

APPLICABILITY:

This rider is applicable to any Applicant who entered into a Gas Purchase Agreement with the Company, prior to April 1, 1999, to sell to the Company a supply of natural gas.

MONTHLY DIRECT PURCHASE ADMINISTRATION CHARGE:

Base Charge	$50.00	per month
Maximum Charge	$815.00	per month
Account Charge		
New Accounts	$0.50	per month per account
Renewal Accounts	$0.15	per month per account

The above Basic Charge shall be increased up to the maximum charge, by the new account charge for each new account and by the Renewal Account charge for each renewal account in a Direct Purchase Contract.

BUY / SELL PRICE:

In Buy/Sell Arrangements between the Company and an Applicant, the Company shall buy the Applicants gas at the Company's actual FT-WACOG price determined on a monthly basis in the manner approved by the Ontario Energy Board. For Western Buy/Sell arrangements the FT-WACOG price shall be reduced by pipeline transmission costs.

FT FUEL PRICE:

The FT fuel price used to establish the Buy price in Western Buy/Sell arrangements without fuel will be determined monthly based upon the actual FT-WACOG.

EFFECTIVE DATE:

To apply to bills rendered for gas delivered on and after January 1, 2006. This rate schedule is effective January 1, 2006 and replaces the identically numbered rate schedule that specifies, as the Effective Date, January 1, 2006 and that indicates, as the Board Order, Interim EB-2005-0524.

RIDER: C	GAS COST ADJUSTMENT RIDER

The following adjustment is applicable to all gas sold or delivered during the period January 1, 2006 to December 31, 2006.

Rate Class	Sales Service (¢/m³)	Transportation Service (¢/m³)
Rate 1	(1.9301)	0.0000
Rate 6	(2.2484)	0.0000
Rate 9	3.5137	0.0000
Rate 100	(0.8468)	0.0000
Rate 110	1.5055	0.0000
Rate 115	3.1888	0.0000
Rate 135	3.5137	0.0000
Rate 145	(1.1702)	0.0000
Rate 170	1.2633	0.0000
Rate 200	(1.8339)	0.0000

RIDER: D	PERIODIC DISTRIBUTION CHARGE

APPLICABILITY:

To any Applicant that qualifies for service under Rates 1or 6 and agrees to pay a charge in order to meet the feasibility standards of the Company.

PERIODIC DISTRIBUTION CHARGE:

Rate 1	$15.00	per month
Rate 6	$15.00	per month

multiplied by the combined rated inputs of the natural gas appliances contributing to peak use divided by 136,000 BTU/hour (or metric equivalent, 143.43 MJ/hour).

The above charge shall be applied, in addition to the charges under Rate 1 or 6 as applicable, for the duration defined in the service agreement.

EFFECTIVE DATE:

To apply to bills rendered for gas consumed on and after January 1, 2006.

RIDER: E	REVENUE ADJUSTMENT RIDER

The following adjustment shall be applicable to billed volumes during the period January 1, 2006 to March 31, 2006.

Rate Class	Sales Service (¢/m³)	Transportation Service (¢/m³)
Rate 1	0.2011	0.2165
Rate 6	0.1376	0.1202
Rate 9	0.2811	0.3074
Rate 100	0.0968	0.1241
Rate 110	0.0459	0.0722
Rate 115	0.0314	0.0577
Rate 135	0.0818	0.0373
Rate 145	0.0441	0.0474
Rate 170	0.0542	0.0805
Rate 200	0.0958	0.1221
Rate 300	N/A	N/A
Rate 305	N/A	0.0093

RIDER: F	ATMOSPHERIC PRESSURE FACTORS

The following elevation factors shall be applicable to metered volumes measured by a meter that does not correct for atmospheric pressure.

Zone	Elevation Factor
1	0.9644
2	0.9652
3	0.9669
4	0.9678
5	0.9686
6	0.9703
7	0.9728
8	0.9745
9	0.9762
10	0.9771
11	0.9839
12	0.9847
13	0.9856
14	0.9864
15	0.9873
16	0.9881
17	0.9890
18	0.9898
19	0.9907
20	0.9915
21	0.9932
22	0.9941
23	0.9949
24	0.9958
25	0.9960
26	0.9966
27	0.9975
28	0.9981
29	0.9983
30	0.9992
31	0.9997
32	1.0000
33	1.0017
34	1.0025
35	1.0034
36	1.0051
37	1.0059
38	1.0170

	Rate (excluding GST)
New Account Or Activation	
New Account Charge Turning on of gas, activating appliances, obtaining billing data and establishing an opening meter reading for new customers in premises where gas has been previously supplied	$25.00
Appliance Activation Charge - Commercial Customers Only Commercial customers are charged an appliance activation charge on unlock and red unlock orders, except on the very first unlock and service unlock at a premise.	$65.00 minimum 1/2 hour work. Total Amount depends on time required
Meter Unlock Charge - Seasonal or Pool Heater Seasonal for all other revenue classes, or Pool Heater for residential only	$65.00
Statement of Account	
Lawyer Letter Handling Charge Provide the customer's lawyer with gas bill information.	$15.00
Statement of Account Charge (for one year history)	$10.00
Cheques Returned Non-Negotiable Charge	$20.00
Gas Termination	
Red Lock Charge Locking meter or shutting off service by closing the street shut-off valve (when work can be performed by Field Collector)	$65.00
Removal of Meter Removing meter by Construction & Maintenance crew	$260.00
Cut Off At Main Charge Cutting service off at main by Construction & Maintenance Crew	$1,200.00
Valve Lock Charge Shutting off service by closing the street shut-off valve	
- work performed by Field Investigator	$125.00
- work performed by Construction & Maintenance	$260.00

Safety Inspection

Inspection Not Ready Charge (safety inspection) When a builder requests an unlock and the appliance(s) are not ready for inspection, this charge will apply to cover the cost of returning to the same property for the additional inspection.	$65.00
Inspection Reject Charge (safety inspection) Energy Board Inspection rejects are billed to the meter installer or homeowner.	$65.00

Meter Test

Meter Test Charge When a customer disputes the reading on his/her meter, he/she may request to have the meter tested. This charge will apply if the test result confirms the meter is recording consumption correctly.	
Residential meters	$97.50
Non-Residential meters	Time & Material per Contractor

Street Service Alteration

Street Service Alteration Charge For installation of service line beyond allowable guidelines (for new residential services only)	$32.00

NGV Rental

NGV Rental Cylinder (weighted average)	$12.00

Other Customer Services (ad-hoc request)

Labour Hourly Charge-Out Rate	$130.00
Cut Off At Main Charge - Commercial & Special Requests Cut Off At Main charges for commercial services and other residential services that involve significantly more work than the average will be custom quoted.	custom quoted
Cut Off At Main Charge - Other Customer Requests Other residential Cut Off At Main requests due to demolitions, fires, inactive services, etc. will be charged at the standard COAM rate.	$1,200.00
Meter In-Out (Residential Only)) Relocate the meter from inside to outside per customer request	$260.00
Request For Service Call Information Provide written information of the result of a service call as requested by home owners.	$30.00
Temporary Meter Removal As requested by customers.	$260.00

APPENDIX "C" TO
ENBRIDGE GAS DISTRIBUTION INC.
RATE ORDER
BOARD FILE NO. EB-2005-0001/EB-2005-0437
DATED: March 27, 2006

Filed: 2006-03-03
EB-2005-0001
Final Board Order
Appendix C

RIDER: E	REVENUE ADJUSTMENT RIDER

The following adjustment is applicable to billed volumes during the period January 1, 2006 to March 31, 2006

Rate Class	Sales Service (¢/m^3)	Transportation Service (¢/m^3)
Rate 1	0.2011	0.2165
Rate 6	0.1376	0.1202
Rate 9	0.2811	0.3074
Rate 100	0.0968	0.1241
Rate 110	0.0459	0.0722
Rate 115	0.0314	0.0577
Rate 135	0.0818	0.0373
Rate 145	0.0441	0.0474
Rate 170	0.0542	0.0805
Rate 200	0.0958	0.1221
Rate 300	N/A	N/A
Rate 305	N/A	0.0093

APPENDIX "D" TO
ENBRIDGE GAS DISTRIBUTION INC.
RATE ORDER
BOARD FILE NO. EB-2005-0001/EB-2005-0437
DATED: March 27, 2006

RATE AND TYPE OF SALE

		COL.1	COL. 2	COL.3	COL. 4	COL. 5
		TOTAL	**TOTAL DELIVERIES**	**TOTAL BUNDLED PEAK**	**SPACE**	**DELIVE-RABILITY**
		(¢/m³)	(¢/m³)	(¢/m³)	(¢/m³)	(¢/m³)
RATE 1	**- SYSTEM SALES**	(0.0892)	0.0366	0.0082	(0.0621)	(0.0720)
	- BUY/SELL	0.0000	0.0000	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	(0.0892)	0.0366	0.0082	(0.0621)	(0.0720)
	- WESTERN T-SERVICE	(0.0892)	0.0366	0.0082	(0.0621)	(0.0720)
RATE 6	**- SYSTEM SALES**	(0.0955)	0.0366	0.0085	(0.0656)	(0.0751)
	- BUY/SELL	0.0000	0.0000	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	(0.0955)	0.0366	0.0085	(0.0656)	(0.0751)
	- WESTERN T-SERVICE	(0.0955)	0.0366	0.0085	(0.0656)	(0.0751)
RATE 9	**- SYSTEM SALES**	0.0382	0.0366	0.0071	0.0000	(0.0055)
	- BUY/SELL	0.0000	0.0000	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	0.0000	0.0000	0.0000	0.0000	0.0000
	- WESTERN T-SERVICE	0.0382	0.0366	0.0071	0.0000	(0.0055)
RATE 100	**- SYSTEM SALES**	(0.0635)	0.0366	0.0070	(0.0488)	(0.0584)
	- BUY/SELL	0.0000	0.0000	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	(0.0635)	0.0366	0.0070	(0.0488)	(0.0584)
	- WESTERN T-SERVICE	(0.0635)	0.0366	0.0070	(0.0488)	(0.0584)
RATE 110	**- SYSTEM SALES**	0.0151	0.0366	0.0032	(0.0152)	(0.0096)
	- BUY/SELL	0.0000	0.0000	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	0.0151	0.0366	0.0032	(0.0152)	(0.0096)
	- WESTERN T-SERVICE	0.0151	0.0366	0.0032	(0.0152)	(0.0096)
RATE 115	**- SYSTEM SALES**	0.0347	0.0366	0.0024	(0.0024)	(0.0020)
	- BUY/SELL	0.0000	0.0000	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	0.0347	0.0366	0.0024	(0.0024)	(0.0020)
	- WESTERN T-SERVICE	0.0347	0.0366	0.0024	(0.0024)	(0.0020)
RATE 135	**- SYSTEM SALES**	0.0368	0.0366	0.0002	0.0000	0.0000
	- BUY/SELL	0.0000	0.0000	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	0.0368	0.0366	0.0002	0.0000	0.0000
	- WESTERN T-SERVICE	0.0368	0.0366	0.0002	0.0000	0.0000
RATE 145	**- SYSTEM SALES**	(0.0049)	0.0366	0.0027	(0.0443)	0.0000
	- BUY/SELL	0.0000	0.0000	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	(0.0049)	0.0366	0.0027	(0.0443)	0.0000
	- WESTERN T-SERVICE	(0.0049)	0.0366	0.0027	(0.0443)	0.0000
RATE 170	**- SYSTEM SALES**	0.0216	0.0366	0.0004	(0.0155)	0.0000
	- BUY/SELL	0.0000	0.0000	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	0.0216	0.0366	0.0004	(0.0155)	0.0000
	- WESTERN T-SERVICE	0.0216	0.0366	0.0004	(0.0155)	0.0000
RATE 200	**- SYSTEM SALES**	(0.0271)	0.0366	0.0051	(0.0485)	(0.0203)
	- BUY/SELL	0.0000	0.0000	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	(0.0271)	0.0366	0.0051	(0.0485)	(0.0203)
	- WESTERN T-SERVICE	0.0000	0.0000	0.0000	0.0000	0.0000

Note: (1) Unit Rates derived based on 2005 Actual 12 months volumes

APPENDIX "E" TO
ENBRIDGE GAS DISTRIBUTION INC.
RATE ORDER
BOARD FILE NO. EB-2005-0001/EB-2005-0437
DATED: March 27, 2006

ACCOUNTING TREATMENT FOR A
PURCHASED GAS VARIANCE ACCOUNT
("2006 PGVA")

For the 2006 Fiscal Year
(January 1, 2006 to December 31, 2006)

The purpose of the 2006 PGVA is to record the effect of price variances between actual 2006 gas purchase prices and the forecast prices that underpin the revenue rates to be charged in 2006. Without this deferral account, the ratepayers and the Company are exposed to the risk of purchased gas price variances, which could unduly penalize or benefit one party at the benefit or expense of the other. Lower than forecast gas purchase prices would result in an over recovery from the customers and higher prices would result in an under recovery to the Company. This deferral account ensures that such effects are eliminated.

Methodology

The actual unit cost is determined by dividing the total commodity and transportation costs (less the demand charges related to unutilized TransCanada firm service transportation capacity, if any) plus any other costs associated with emerging gas pricing mechanisms incurred in the month by the actual volumes purchased in the month. The rate differential between the PGVA reference price and the actual unit cost of the purchases, multiplied by the actual volumes purchased, is recorded in the PGVA monthly.

The fixed cost component of the TransCanada firm service transportation costs (i.e., Transportation Demand Charge) is included in the determination of the reference price. However, any demand charges relating to unutilized transportation capacity, either forecast or actual, are excluded. This treatment of forecast and actual Transportation Demand Charges for unutilized transportation capacity is consistent with the Board's concerns that these amounts be excluded from the PGVA.

Since all transportation costs on volumes purchased by the Company related to forecast utilized capacity are included in the determination of the PGVA reference price, any changes in the TransCanada tolls will be recorded in the PGVA. Any toll changes related to the cost of forecast unutilized capacity will not be recorded in the PGVA and therefore, requires separate adjustment. The inclusion of changes in TransCanada tolls in the PGVA is consistent with past practice.

Since the transportation tolls for the Alliance and Vector pipelines that were used in the determination of the PGVA reference price were based upon an estimate, any variation between the actual transportation costs (including associated fuel costs) and the estimated transportation costs will be recorded in the PGVA.

Since transportation costs related to the transport of Western Canada Bundled T-Service and Ontario ABC volumes are not included in the derivation of the PGVA reference price, changes in TransCanada tolls will be recorded in the PGVA as a separate adjustment.

For the period January 1, 2006 to December 31, 2006 expenditures related to TransCanada's Storage Transportation Services including balancing fees related to TransCanada's Limited Balancing Agreement will be recorded in the 2006 PGVA. The 2006 PGVA will also record amounts related to a Limited Balancing Agreement with Union Gas.

The PGVA will record adjustments related to transactional services activities which are designed to record the impact of direct and avoided costs between the PGVA and the TSDA. These adjustments are required to ensure appropriate allocation of costs and benefits to the underlying transactions and appropriate recording of amounts in the 2006 PGVA and 2006 TSDA for purposes of deferral account dispositions.

In addition, the 2006 PGVA will record the amounts related to unforecast penalty revenues received from interruptible customers who do not comply with the Company's curtailment requirements, unauthorized supply overrun gas, the Company's gas purchase risk management activities, the use of electronic bulletin boards, and the unforecast Unabsorbed Demand Charge ("UDC") that arises as a consequence of the Company voluntarily leaving transportation capacity unutilized in order to gain a net benefit for the customer by purchasing lower priced unforecast discretionary delivered supplies.

The 2006 PGVA will also record fiscal 2006 inventory valuation adjustments. The adjustment consists of the storage inventory valuation adjustment necessary to price actual inventory volumes at a rate equal to the change in Board approved 2006 PGVA reference price, minus the unitized forecast inventory adjustment collected from or refunded to customers through the Gas Inventory Adjustment Rider.

The cost consequences associated with the under utilization of the Link Pipeline will be calculated as the difference between the Company's daily contractual entitlement on the Link Pipeline and the maximum daily utilization during the year for satisfying its own distribution requirements. This amount will be segregated as a separate component within the 2006 PGVA. The Company will record as an offset to this amount the revenue received for marketing its capacity to third parties. This treatment is consistent with prior year Board decisions.

There will be similar treatment for the cost consequences, if any, associated with under utilization of the Vector Pipeline. This amount will be segregated as a separate component within the 2006 PGVA and the Company will record as an offset to this amount revenue received for marketing its capacity to third parties.

Also, the Company will record the variation, if any, between the Company's forecast 2005 PGVA balance and the actual year end balance of the 2005 PGVA, as the opening balance of the 2006 PGVA.

The Company will record, at the time a Banked Gas Account Balance is purchased from a customer, the difference in the amount payable to the customer and the amount included in the PGVA (the Ontario T-Service credit). This amount would be credited to a sub-account of the PGVA.

In the event the Company incurs unforecast UDC costs as a result of having to purchase Banked Gas Account Balances then the amount in such sub-account would be used to offset corresponding UDC costs. All amounts remaining in this sub-account, after offsetting these UDC costs, will be rolled up into the PGVA.

The commodity sale price on the disposition of Banked Gas Account Balances is set at 120% of an average Empress price over the 12 months of the contractual year inclusive of compressor fuel costs. Any amount in excess of 100% of the gas supply charge stated in the applicable rate schedule, net of the commodity related bad debt, would be included in the PGVA.

Simple interest is to be calculated on the opening monthly balance of the 2006 PGVA at the Board approved short-term interest rate. The balance of the 2006 PGVA, together with carrying charges, will be disposed of in a manner designated by the Board in a future rate hearing.

Accounting Entries

1. To record the monthly gas purchase variance:

Debit:	2006 PGVA	(Account 179.706)
Credit:	Gas in Storage	(Account 152.000)
	or	
Debit:	Gas in Storage	(Account 152.000)
Credit:	2006 PGVA	(Account 179.706)

To record the total rate variance on the current month's gas purchases.

2. TransCanada Toll changes related to forecast un-utilized transportation capacity:

Debit:	2006 PGVA	(Account 179.706)
Credit:	Accounts Payable	(Account 259.000)
	or	
Debit:	Sundry Accounts Receivable	(Account 141.030)
Credit:	2006 PGVA	(Account 179.706)

To record the amounts related to TransCanada toll changes on forecast unutilized transportation capacity.

3. TransCanada Toll changes related to Western Canada Bundled T-Service transportation capacity:

Debit:	2006 PGVA	(Account 179. 706)
Credit:	Accounts Payable	(Account 259. 000)
	or	
Debit:	Sundry Accounts Receivable	(Account 141. 030)
Credit:	2006 PGVA	(Account 179. 706)

To record the amounts related to TransCanada toll changes on Western Canada Bundled T-Service transportation capacity.

4. Transactional services activities:

Debit/Credit:	2006 TSDA	(Account 179. 726)
Debit/Credit:	2006 Accounts	(Account Various)
Credit/Debit:	2006 PGVA	(Account 179. 706)

To record adjustments for direct and avoided costs related to Transactional Services activities between the 2006 PGVA and 2006 TSDA, and other accounts such as Gas Costs, Gas Stored Underground and Storage Demand Charges.

5. Risk management activities:

Debit:	2006 PGVA	(Account 179. 706)
Credit:	Accounts Payable	(Account 259. 000)
	or	
Debit:	Sundry Accounts Receivable	(Account 141. 030)
Credit:	2006 PGVA	(Account 179. 706)

To record the amounts related to the Company's gas purchase risk management activities.

6. Electronic bulletin boards:

Debit:	2006 PGVA	(Account 179. 706)
Credit:	Accounts Payable	(Account 259. 000)

To record the amounts related to the Company's use of electronic bulletin boards.

7. Unforecast penalty revenues:

Debit:	Accounts Receivable	(Account 140. 010)
Credit:	2006 PGVA	(Account 179. 706)

To record unforecast penalty revenues received from interruptible customers who do not comply with the Company's curtailment requirements.

8. Voluntary UDC:

Debit:	2006 PGVA	(Account 179. 706)
Credit:	Accounts Payable	(Account 259. 000)

To record voluntary UDC as a result of purchasing lower priced unforecast discretionary delivered supplies.

9. Inventory valuation adjustment:

Credit/Debit:	Gas In Storage	(Account 152. 000)
Debit/Credit:	2006 PGVA	(Account 179. 706)

To record the adjustment necessary to value actual inventory volumes at a rate equal to the 2006 PGVA reference price.

10. Refund or collection of the inventory valuation adjustment:

Debit/Credit:	2006 PGVA	(Account 179. 706)
Credit/Debit:	Accounts Receivable	(Account 140. 010)

To record the amounts refunded or collected from customers through the Gas Inventory Adjustment rider.

11. Cost consequences of under utilization of Link capacity:

Debit:	2006 PGVA - Under Utilization of Link Capacity	(Account 179. 706)
Credit:	2006 PGVA	(Account 179. 706)

To record cost consequences of under utilization of Link Capacity.

12. Revenues related to release of excess capacity on Link Pipeline:

Debit:	Accounts Receivable	(Account 140. 010)
Credit:	2006 PGVA	(Account 179. 706)

To record revenue received for marketing Link Capacity.

13. Purchase of banked gas account balance:

Debit:	Gas In Storage	(Account 152. 000)
Credit:	2006 PGVA	(Account 179. 706)

To record the purchase of the Banked Gas Account Balance less the Ontario T-Service credit.

14. Unforecast UDC:

Debit:	2006 PGVA	(Account 179. 706)
Credit:	Accounts Payable	(Account 259. 000)

To record unforecast UDC costs resulting from the purchase of Banked Gas Account Balances from T-Service customers.

15. Sales in excess of 100% of the applicable gas supply charge:

Debit:	Revenue	(Account 152. 000)
Credit:	2006 PGVA	(Account 179. 706)

To record the amount of sales in excess of 100% of the gas supply charge stated in the applicable rate schedule, net of the commodity related bad debt amount.

16. Cost consequences of underutilization of Vector:

Debit:	2006 PGVA – Underutilization of Vector	(Account 179. 706)
Credit:	2006 PGVA	(Account 179. 706)

To record the cost consequences of the underutilization of the Vector pipeline.

17. Interest accrual:

Debit:	2006 PGVA - Interest Receivable	(Account 179. 716)
Credit:	Interest Expense	(Account 323.000)
	or	
Debit:	Interest Expense	(Account 323.000)
Credit:	2006 PGVA - Interest Payable	(Account 179. 716)

To record simple interest on the opening monthly balance of the 2006 PGVA at the Board approved short-term interest rate.

ACCOUNTING TREATMENT FOR A
TRANSACTIONAL SERVICES DEFERRAL ACCOUNT
("2006 TSDA")

For the 2006 Fiscal Year
(January 1, 2006 to December 31, 2006)

The purpose of the 2006 TSDA is to record the amount by which the actual Gross Margin exceeds forecast from the provision of transactional services including: gas loans, exchanges, assignments, peak storage, off-peak storage, and released transportation capacity.

Amounts in the 2006 TSDA will be recorded on the basis of a 75:25 sharing mechanism between the Company's customers and shareholders respectively for amounts greater than a forecast Gross Margin of $10.7 million and any negative variances in Gross Margin to the account of the shareholder.

The customers' portion of the amount by which the actual Gross Margin generated from transactional services exceeds the forecast Gross Margin will be recorded in this account.

Gross Margin is defined as gross revenues for providing these services less any direct incremental costs incurred, plus, any avoided costs. Direct incremental costs represent those direct costs incurred as a result of a transactional service activity and avoided costs are those costs that have been avoided as a result of a transactional service activity. Typical direct incremental costs and avoided costs would include transportation costs, fuel costs, charges for name changes, re-direct charges, etc.

The Board determined that the operating and maintenance expenses such as salaries, benefits, promotion, legal fees, etc. are properly recovered from ratepayers through rates outside of the TS sharing mechanism.

Also, the Company will record the variation, if any, between the Company's forecast 2005 TSDA balance and the actual year end balance of the 2005 TSDA as the opening balance of the 2006 TSDA.

Simple interest is to be calculated on the opening monthly balance of the 2006 TSDA at the Board approved short-term interest rate. The balance of the 2006 TSDA, together with carrying charges, will be disposed of in a manner designated by the Board in a future rate hearing.

Accounting Entries

1. To record Transactional Services revenues and costs:

Debit/Credit:	Other Income	(Account 319. 010)
Credit/Debit:	2006 TSDA	(Account 179. 726)

To record actual Gross Margin generated from transactional services activities in excess of the forecast Gross Margin.

2. Allocation of costs and benefits to Transactional Services activities:

Debit/Credit:	2006 TSDA	(Account 179. 726)
Debit/Credit:	2006 Accounts	(Account Various)
Credit/Debit:	2006 PGVA	(Account 179. 706)

To record adjustments for direct and avoided costs related to transactional services activities between the 2006 PGVA and 2006 TSDA, and other accounts such as Gas Costs, Gas Stored Underground and Storage Demand Charges.

3. Interest accrual:

Debit:	Interest Expense	(Account 323. 000)
Credit:	2006 TSDA - Interest Payable	(Account 179. 736)

To record simple interest on the opening monthly balance of the 2006 TSDA at the Board approved short-term interest rate.

ACCOUNTING TREATMENT FOR AN
UNACCOUNTED FOR GAS VARIANCE ACCOUNT
("2006 UAFVA")

For the 2006 Fiscal Year
(January 1, 2006 to December 31, 2006)

The purpose of the 2006 UAFVA is to record the cost of gas for the 2006 Test Year that is associated with volumetric variances in the actual volume of unaccounted for gas ("UAF") in comparison to the Board approved UAF volumetric forecast.

The gas costs associated with the proposed UAF variance account will be calculated at the end of fiscal 2006 based on the estimated 2006 volumetric variance between the Board approved level and the estimate of the actual UAF. An adjustment would be made to the UAFVA in the subsequent year to record any differences between the estimated UAF and actual UAF.

The UAF annual variance would then be allocated on a monthly basis in proportion to actual sales and costed at the monthly PGVA reference price. Carrying costs for the UAFVA will be calculated at the Board approved short-term interest rate. The balance of the UAFVA, together with the carrying charges, will be disposed of in a manner designated by the Board in a future rate hearing.

Accounting Entries

1. To record the estimated volumetric variance between the December 31, 2006 actual UAF and the Board approved level:

Debit/Credit:	2006 UAFVA	(Account 179. 766)
Credit/Debit:	Gas Costs	(Account 623. 010)

To record the costs associated with the volumetric variance related to Unaccounted For Gas.

2. Interest accrual:

Debit/Credit:	Interest on 2006 UAFVA	(Account 179. 776)
Credit/Debit:	Interest expense	(Account 323. 000)

To record simple interest on the opening monthly balance of the 2006 UAFVA at the Board approved short-term interest rate.

ACCOUNTING TREATMENT FOR A
UNION GAS DEFERRAL ACCOUNT
("2006 UGDA")

For the 2006 Fiscal Year
(January 1, 2006 to December 31, 2006)

The purpose of the 2006 UGDA is to record the difference between the Union Gas rates included in the Company's approved rates and the final Union Gas rates approved by the Board.

The 2006 UGDA will also record the variance between the forecast Union Gas storage and transportation demand levels and the actual Union Gas storage and transportation demand levels, as well as, variances between the various Union Gas rebate programs included in the Company's approved rates and the final rebates received by the Company.

In addition, the 2006 UGDA will record amounts related to deferral account dispositions received or invoiced from Union Gas.

The Company will record the variation, if any, between the Company's forecast 2005 UGDA balance and the actual year end balance of the 2005 UGDA as the opening balance of the 2006 UGDA.

Simple interest is to be calculated on the opening monthly balance of the 2006 UGDA at the Board approved short-term interest rate.

The balance of this account, together with carrying charges, will be disposed of in a manner designated by the Board in a future rate hearing.

Accounting Entries

1. Union Gas rate variance:

[(Final approved Union rates) – (Union Gas rates underpinning the Company's 2006 rates)] **X** Actual storage and/or transportation volumes

Debit/Credit:	2006 Union Gas Deferral Account	(Account 179. 746)
Credit/Debit:	Gas in Storage	(Account 152. 000)
	or	
Credit/Debit:	Gas Costs	(Account 623. 010)

To record the difference between the Union Gas rates included in the Company's 2006 rates and the final Union Gas rates approved by the Board.

2. To record variances in the Union Gas rebate programs:

Debit:	Sundry Accounts Receivable	(Account 141. 030)
Credit:	2006 UGDA	(Account 179. 746)
	or	
Debit:	2006 UGDA	(Account 179. 746)
Credit:	Accounts Payable	(Account 259. 000)

To record the difference between the Union Gas rebate programs included in the Company's 2006 rates and the final rebates received by the Company.

3. To record Union Gas deferral account disposition:

Debit:	Sundry Accounts Receivable	(Account 141. 030)
Credit:	2006 UGDA	(Account 179. 746)
	or	
Debit:	2006 UGDA	(Account 179. 746)
Credit:	Accounts Payable	(Account 259. 000)

To record amounts related to deferral account dispositions received or invoiced from Union Gas.

4. Interest accrual:

Debit/Credit:	Interest on 2006 UGDA	(Account 179. 756)
Credit/Debit:	Interest Income/Expense	(Account 323. 000)

To record simple interest on the monthly opening balance of the 2006 UGDA at the Board approved short-term interest rate.

ACCOUNTING TREATMENT FOR A
CLASS ACTION SUIT DEFERRAL ACCOUNT
("2006 CASDA")

For the 2006 Fiscal Year
(January 1, 2006 to December 31, 2006)

The purpose of the 2006 CASDA is to record the Company's legal costs, plaintiff's costs, costs of actuarial advice and costs of historical records analysis incurred in defending the Company's 5% late payment penalty as agreed to in the Settlement Proposal in EB-2005-0001. The Company will transfer all the costs recorded in the 2005 CASDA to the 2006 CASDA.

Background

On April 25, 1994, the action was commenced against The Consumers' Gas Company Ltd. ("Consumers Gas") in the Ontario Court of Justice (General Division) by a customer named Gordon Garland claiming that the Consumers Gas late payment penalties charged to customers were contrary to Canadian federal law and seeking certification of the action as a class action. The claim sought $112 million in "restitutionary payments" and other relief and was brought on behalf of all people who were customers of Consumers Gas and who had paid or been charged for late payment penalties since April 1, 1981.

On February 13, 1995, Mr. Justice Winkler of the Ontario Court of Justice, General Division issued a summary judgement on a threshold issue in favour of Consumers Gas dismissing the class action lawsuit. He concluded that the late payment charge is not interest payable on a credit transaction, but is an incentive to customers to pay their bills by a certain date. He held that Section 347 of the Criminal Code of Canada, which deals with interest on credit transactions, did not apply.

On March 10, 1995, the plaintiff's solicitors filed a motion of an appeal of the decision of the trial judge. The appeal was heard on September 12, 1996 and on September 19, 1996 the Ontario Court of Appeal dismissed the appeal.

The plaintiff then sought leave to appeal to the Supreme Court of Canada from the decision of the Ontario Court of Appeal. The Supreme Court of Canada granted leave to appeal on June 19, 1997 and the appeal was heard by the Supreme Court of Canada on March 23, 1998.

On October 30, 1998, the Supreme Court of Canada rendered its decision. In its decision, the Court allowed the customer's appeal and set aside the trial court's judgement dismissing the action. The Court rejected the threshold argument of Enbridge Gas Distribution with respect to Section 347 and remitted the matter back to the trial court for determination of all other issues and for proceedings in accordance with the Class Proceedings Act, 1992 (Ontario).

On March 20, 2000, the Company and the class action plaintiff reattended before the Ontario Superior Court of Justice to present argument respecting the Company's late payment penalties. On April 14, 2000, Mr. Justice Winkler issued a summary judgement in favour of Enbridge Gas Distribution dismissing the proposed class action lawsuit. On May 16, 2000, the plaintiff filed a Notice of Appeal of the judgement of Mr. Justice Winkler.

The 5% percent penalty was implemented in 1975 after being reviewed and approved by the Board during a public hearing on the Company's rates. The late payment penalty was further reviewed by a Task Force of Ontario Public Utilities in consultation with the then Ministry of Energy. Voluntary guidelines were published by the Task Force. These guidelines included the specific late payment penalty concept adopted by Enbridge Gas Distribution. The late payment penalty concept has been reviewed subsequently in a number of rate proceedings by the Board and found to be fair and reasonable.

Enbridge Gas Distribution will continue to apply the late payment penalty as a means of ensuring that all customers pay promptly so as to minimize the costs of carrying and collecting accounts that must be borne by all customers in rates charged for the sale of natural gas.

The Company first brought this issue to the attention of the Board in a letter, dated September 6, 1994, requesting an accounting order to set up a deferral account. This request was assigned file number U.A. 93 and was approved by the Board on February 13, 1995 with the collection of costs to be effective October 1, 1994. Since that time the Board has authorized, through rate decisions and accounting orders, the Company to establish a series of deferral accounts to capture the third party costs incurred while defending the 5% late payment penalty.

In RP-1999-0001, parties argued that the class action lawsuit costs were inconsistent with the parameters of the PBR plan and that a materiality threshold should be applied which would have precluded the continuation of the deferral account. The Board, in its decision, found no persuasive reasons to change the status quo and authorized the continuation of the CASDA deferral account.

On April 22, 2004, the Supreme Court of Canada issued its judgment on an appeal to that Court by the plaintiff in the late payment penalty litigation. The action had been dismissed on a motion for summary judgment and the dismissal of the action was upheld on an appeal by the plaintiff to the Ontario Court of Appeal. The Supreme Court of Canada, however, allowed the further appeal by the plaintiff with costs throughout. The Court held that the rate orders authorizing the late payment penalties at issue in the litigation are constitutionally inoperative and that the plaintiff has a claim for restitution (unjust enrichment). The Supreme Court of Canada set aside the judgment of the Ontario Court of Appeal and replaced it with an order that the Company repay the late payment penalties collected from the plaintiff in excess of the interest limit stipulated in s. 347 of the *Criminal Code* after the action was commenced in 1994 in an amount to be determined by the trial judge. Any such amount plus any further amounts determined payable by the Court including those attributable to the litigation and plaintiff's costs at December 31, 2005 and beyond are to be transferred to or recorded in the 2006 CASDA.

Simple interest is to be calculated on the opening monthly balance of this account at the Board approved short-term interest rate. The balance of this account, together with carrying charges, will be disposed of in a manner to be designated by the Board in a future rate hearing.

Accounting Entries

1. To record the costs associated with defending the Company's late payment penalty:

Debit:	2006 CASDA	(Account 179. 066)
Credit:	Accounts payable	(Account 251. 010)

To record the third party incremental costs incurred to defend the late payment penalty class action lawsuit.

2. Interest accrual:

Debit:	Interest on 2006 CASDA	(Account 179. 076)
Credit:	Interest expense	(Account 323. 000)

To record simple interest on the opening monthly balance of the 2006 CASDA at the Board approved short-term interest rate.

ACCOUNTING TREATMENT FOR A
DEBT REDEMPTION DEFERRAL ACCOUNT
("2006 DRDA")

For the 2006 Fiscal Year
(January 1, 2006 to December 31, 2006)

The purpose of the 2006 DRDA is to record the interest savings realized on any unforecast early debt redemption occurring in the 2006 Test Year. The interest savings will be offset by the portion of the first year's amortization of costs.

The interest savings will be calculated as the benefit to ratepayers of the difference between the interest cost on the redeemed debt and the lower interest cost on the refinanced debt from the date of the redemption and replacement to December 31, 2006.

The costs incurred by the Company in completing the early debt redemption will be included in an unamortized debt discount and expense account and amortized over the life of the new debt. These costs would include, but not be limited to, any trustee's fees, bondholder redemption fees, issue costs of the refinanced debt including any costs to hedge the rate thereon, the premium paid on redemption, and any remaining unamortized debt discount and expense.

While the Company has no way to forecast the need for this account, having the DRDA provides a low cost method of ensuring a mechanism is in place for the Company to take advantage of usually short lived opportunities to provide benefits to ratepayers through lower interest costs. The Company would be required to demonstrate that a benefit for ratepayers has been achieved before the account balance is cleared to customers.

Simple interest is to be calculated on the opening monthly balance of this account at the Board approved short-term interest rate. The balance of this account, together with carrying charges, will be disposed of in a manner to be designated by the Board in a future rate hearing.

Accounting Entries

1. To record the benefits of unforecast debt redemptions:

Debit:	Interest expense	(Account 320. 000)
Credit:	2006 DRDA	(Account 179. 086)

To record the difference between the interest costs associated with the redeemed debt and that of the replacement debt from the date of redemption and refinancing to December 31, 2006.

2. To record the costs of unforecast early debt redemption:

Debit:	Unamortized debt discount and expense	(Account 170. 990)
Credit:	Cash/Accounts payable	(Various accounts)

To record the costs incurred on the redemption and re-issue of debt.

3. To record the amortization of costs in the year of redemption:

Debit:	2006 DRDA	(Account 179. 086)
Credit:	Unamortized debt discount and expense	(Account 170. 990)

To record the amortization of costs in year 1, the year of redemption.

4. Interest accrual:

Debit:	Interest expense	(Account 323. 000)
Credit:	Interest on 2006 DRDA	(Account 179. 096)

To record simple interest on the opening monthly balance of the 2006 DRDA at the Board approved short-term interest rate.

ACCOUNTING TREATMENT FOR A
DEFERRED REBATE ACCOUNT
("2006 DRA")

For the 2006 Fiscal Year
(January 1, 2006 to December 31, 2006)

The purpose of the 2006 DRA is to record any amounts payable to or receivable from customers of Enbridge Gas Distribution as a result of the Board's EB-2005-0001 Decision with Reasons which will not be paid or collected due to the Company's inability to locate such customers.

Also, for the non-gas supply related deferral accounts approved for disposition by the Board in EB-2005-0001, the account will record the difference between the actual closing balance in the accounts and the amounts collected from or refunded to customers.

Simple interest is to be calculated on the opening monthly balance of this account at the Board approved short-term interest rate. The balance of this account, together with carrying charges, will be disposed of in a manner designated by the Board in a future rate hearing.

Accounting Entries

1. Disposition of 2005 non-gas supply deferral accounts:

Debit:	2005 DRA	(Account 179. 005)
Debit:	Interest payable on the 2005 DRA	(Account 179. 015)
Debit:	2002 LRAM	(Account 179. 340)
Debit:	2003 LRAM	(Account 179. 183)
Credit:	2002 DSMVA	(Account 179. 300)
Credit:	2003 DSMVA	(Account 179. 023)
Credit:	2002 SSMVA	(Account 179. 360)
Credit:	2003 SSMVA	(Account 179. 203)
Credit:	2005 OHCVA	(Account 179. 185)
Credit:	2005 CCAMDA	(Account 179. 245)
Credit:	2005 SRCCDA	(Account 179. 165)
Credit:	2005 GSRMPDA	(Account 179. 225)
Credit:	Interest on DA's & VA's – various	(Account 179. ___)
Credit:	2006 DRA	(Account 179. 006)

2. Disposition of 2005 gas supply deferral accounts:

Debit:	2005 PGVA	(Account 179. 705)
Debit:	2005 UGDA	(Account 179. 745)
Credit:	2005 UAFVA	(Account 179. 765)

Debit:	2005 TSDA	(Account 179. 725)
Debit:	2005 Interest on DA's & VA's –various	(Account 179. ___)
Credit:	2006 DRA	(Account 179. 006)

3. Refund or collection:

Debit:	2006 Deferred Rebate Account	(Account 179. 006)
Credit:	Accounts Receivable	(Account 140. 010)
	or	
Debit:	Accounts Receivable	(Account 140. 010)
Credit:	2006 Deferred Rebate Account	(Account 179. 006)

To record the actual amounts refunded to / recovered from customers.

4. Interest accrual:

Debit/Credit:	Interest expense	(Account 323. 000)
Debit/Credit:	Interest on the 2006 DRA	(Account 179. 016)

To record simple interest on the opening monthly balance of the 2006 DRA at the Board approved short-term interest rate.

ACCOUNTING TREATMENT FOR A
GAS DISTRIBUTION ACCESS RULE COSTS DEFERRAL ACCOUNT
("2006 GDARCDA")

For the 2006 Fiscal Year
(January 1, 2006 to December 31, 2006)

The purpose of the 2006 GDARCDA is to record all prudently incurred incremental unbudgeted costs associated with the development, implementation, and operation of the Gas Distribution Access Rule. Such costs would include, but not be limited to, market restructuring oriented customer education and communication programs, legal or expert advice required in relation to the establishment of contractual agreements and developing revised business processes and related computer hardware and software required to meet the requirements of the GDAR.

Simple interest is to be calculated on the opening monthly balance of this account at the Board approved short-term interest rate. The balance of this account, together with carrying charges, will be disposed of in a manner to be designated by the Board in a future rate hearing.

Accounting Entries

1. To record costs related to Gas Distribution Access Rule requirements:

Debit:	2006 GDARCDA	(Account 179. 206)
Credit:	Accounts payable	(Account 251. 010)

To record the costs associated with unforecast generic regulatory hearings.

2. Interest accrual:

Debit:	Interest on 2006 GDARCDA	(Account 179. 216)
Credit:	Interest expense	(Account 323. 000)

To record simple interest on the opening monthly balance of the 2006 GDARDA at the Board approved short-term interest rate.

ACCOUNTING TREATMENT FOR A
ONTARIO HEARING COSTS VARIANCE ACCOUNT
("2006 OHCVA")

For the 2006 Fiscal Year
(January 1, 2006 to December 31, 2006)

The purpose of the 2006 OHCVA is to record any variance between the actual cost incurred by the Company in relation to the fiscal 2006 rate hearing budgeted expense level for these costs of $9,950,000.

Simple interest is to be calculated on the opening monthly balance of the 2006 OHCVA at the Board approved short-term interest rate. The balance of the OHCVA, together with carrying charges, will be disposed of in a manner designated by the Board in a future rate hearing.

Accounting Entries

1. To record the variance between actual and forecast Ontario hearing costs:

Debit:	2006 OHCVA	(Account 179. 186)
Credit:	Accounts payable	(Account 251. 010)

To record variances between actual and forecast Ontario hearing costs.

2. Interest accrual:

Debit:	Interest on 2006 OHCVA	(Account 179. 196)
Credit:	Interest expense	(Account 323. 000)

To record simple interest on the opening monthly balance of the 2006 OHCVA at the Board approved short-term interest rate.

ACCOUNTING TREATMENT FOR A
DEMAND SIDE MANAGEMENT VARIANCE ACCOUNT
("2006 DSMVA")

For the 2006 Fiscal Year
(January 1, 2006 to December 31, 2006)

The purpose of the 2006 DSMVA is to record the difference between actual and forecast DSM program costs, up to 20% of the total budget of $18.9 million dependent upon the Company achieving more than the 2006 DSM-related TRC net benefits target approved by the Board subject to other findings included within the Partial Decision with Reasons (EB-2005-0001/EB-2005-0437 on pages 5 to 9).

Simple interest is to be calculated on the opening monthly balance of this account at the Board approved short-term interest rate. The balance of this account, together with carrying charges, will be disposed of in a manner to be designated by the Board in a future rate hearing.

Accounting Entries

1. To record variances in variable costs only:

Debit:	2006 DSMVA	(Account 179. 026)
Credit:	Operating & Maintenance	(Various accounts)
	or	
Debit:	Operating & Maintenance	(Various accounts)
Credit:	2006 DSMVA	(Account 179. 026)

To record the difference between actual and forecast Demand Side Management operating expenditures.

2. Interest accrual:

Debit:	Interest on 2006 DSMVA	(Account 179. 036)
Credit:	Interest expense	(Account 323. 000)
	or	
Debit:	Interest expense	(Account 323. 000)
Credit:	Interest on 2006 DSMVA	(Account 179. 036)

To record simple interest on the opening monthly balance of the 2006 DSMVA at the Board approved short-term interest rate.

ACCOUNTING TREATMENT FOR A
LOST REVENUE ADJUSTMENT MECHANISM
("2006 LRAM")

For the 2006 Fiscal Year
(January 1, 2006 to December 31, 2006)

The purpose of the 2006 LRAM is to record the amount of distribution margin gained or lost when the Company's DSM programs are less or more successful than budgeted for the period January 1, 2006 to December 31, 2006.

When the utility's DSM programs are less successful in the Test Year than budgeted, the utility gains distribution margin. Similarly, the utility loses distribution margin in the Test Year when its DSM programs are more successful than budgeted.

Simple interest is to be calculated on the opening monthly balance of this account at the Board approved short-term interest rate. The balance of this account, together with carrying charges, will be disposed of in a manner to be designated by the Board in a future rate hearing.

Accounting Entries

1. To record the monthly LRAM amounts:

Debit:	Gas costs	(Account 623. 010)
Credit:	2006 LRAM	(Account 179. 106)
	or	
Debit:	2006 LRAM	(Account 179. 106)
Credit:	Gas costs	(Account 623. 010)

To record in the LRAM, the distribution margin impact of differences between actual and budget gas savings forecast in the Company's DSM programs.

2. Interest accrual:

Debit:	Interest expense	(Account 323. 000)
Credit:	Interest on 2006 LRAM	(Account 179. 116)
	or	
Debit:	Interest on 2006 LRAM	(Account 179. 116)
Credit:	Interest expense	(Account 323. 000)

To record simple interest on the opening monthly balance of the 2006 LRAM at the Board approved short-term interest rate.

ACCOUNTING TREATMENT FOR A
SHARED SAVINGS MECHANISM VARIANCE ACCOUNT
("2006 SSMVA")

For the 2006 Fiscal Year
(January 1, 2006 to December 31, 2006)

The purpose of the 2006 SSMVA is to record the actual amount of the shareholder incentive earned by the Company as a result of its DSM programs. The structure has been altered to a format which finds an appropriate balance between the shareholder and ratepayer interests as approved in the Partial Decision with Reasons (EB-2005-0001/EB-2005-0437 pages 10-12).

Simple interest is to be calculated on the opening monthly balance of this account at the Board approved short-term interest rate. The balance of this account, together with carrying charges, will be disposed of in a manner to be designated by the Board in a future rate hearing.

Accounting Entries

1. Shareholder incentive earned by the Company related to DSM programs:

Debit:	2006 SSMVA	(Account 179. 126)
Credit:	Other income	(Account 319. 010)
	or	
Debit:	Other expense	(Account 312. 000)
Credit:	2006 SSMVA	(Account 179. 126)

To record the shareholder incentive earned by the Company related to its DSM programs.

2. Interest accrual:

Debit/Credit:	Interest on 2006 SSMVA	(Account 179. 136)
Credit/Debit:	Interest expense	(Account 323. 000)

To record simple interest on the opening monthly balance of the 2006 SSMVA at the Board approved short-term interest rate.

ACCOUNTING TREATMENT FOR A
CORPORATE COST ALLOCATION METHODOLOGY DEFERRAL ACCOUNT
("2006 CCAMDA")

For the 2006 Fiscal Year
(January 1, 2006 to December 31, 2006)

The purpose of the CCAMDA is to capture costs incurred for the independent evaluation of the corporate cost allocation methodology for services received from Enbridge Inc. as per the Boards findings in the EB-2005-001 Decision.

Simple interest is to be calculated on the opening monthly balance of this account at the Board approved short-term interest rate. The balance of this account, together with carrying charges, will be disposed of in a manner to be designated by the Board in a future rate hearing.

Accounting Entries

1. To record costs:

Debit:	2006 CCAMDA	(Account 179. 246)
Credit:	Accounts Payable	(Account 251. 010)

To record the costs associated with the independent review of corporate cost allocation methodology.

2. Interest accrual:

Debit:	Interest on 2006 CCAMDA	(Account 179. 256)
Debit:	Interest expense	(Account 323. 000)

To record simple interest on the opening monthly balance of the 2006 CCAMDA at the Board approved short-term interest rate.

ACCOUNTING TREATMENT FOR A
MANUFACTURED GAS PLANT DEFERRAL ACCOUNT
("2006 MGPDA")

For the 2006 Fiscal Year
(January 1, 2006 to December 31, 2006)

The purpose of the 2006 MGPDA is to capture all costs incurred in managing and resolving issues related to the Company's manufactured gas plant ("MGP") legacy operations. Such costs would include, but would not be limited to:

- Responding to all enquiries, demands and court actions relating to former MGP sites;
- All oral and written communications with existing and former third party liability and property insurers of the Company;
- Conducting all necessary historical research and reviews to facilitate the Company's responses to all enquiries, demands, court actions and communications with claimants, third parties and insurers;
- Engaging appropriate experts (for example, environmental, insurance archivists, engineers, etc.) for the purposes of evaluating any alleged contamination that may have resulted from former MGP operations and providing advice regarding the appropriate steps to remediate/contain/monitor such contamination, if any;
- Engaging legal counsel to respond to all demands and court actions by claimants, and to take appropriate steps in relation to the Company's existing and former third party liability and property insurers; and
- Undertaking appropriate research into the regulatory treatment of costs resulting from former MGP operations in the United States.

The MGPDA would also be used to record any amounts which are payable to any claimant following settlement or trial, including any damages, interest, costs and disbursements and any recoveries from insurers or third parties.

Simple interest is to be calculated on the opening monthly balance of this account at the Board approved short-term interest rate. The balance of this account, together with carrying charges, will be disposed of in a manner to be designated by the Board in a future rate hearing.

Accounting Entries

1. To record costs:

Debit:	2006 MGPDA	(Account 179. 166)
Credit:	Accounts Payable	(Account 251. 010)

To record the unbudgeted costs incurred in managing and resolving manufactured gas plants legal proceedings and litigation.

2. Interest accrual:

Debit:	Interest on 2006 MGPDA	(Account 179. 176)
Debit:	Interest expense	(Account 323. 000)

To record simple interest on the opening monthly balance of the 2006 MGPDA at the Board approved short-term interest rate.