

ENBRIDGE GAS INC.

TRANSACTION RULES

APPLICABLE TO
DISTRIBUTION AND DIRECT PURCHASE SERVICES

(Formatting Cleanups Underway)

TRANSACTION RULES

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Introduction

These Transaction Rules are in addition to the General Terms and Conditions for distribution and Direct Purchase (DP) Services and provide further rules, policies, and procedures where applicable. This information is generally provided in the same sequence as the General Terms and Conditions.

The Company operates in multiple Rate Zones. These Rate Zones include the Union North West Rate Zone and Union North East Rate Zone (collectively the Union North Rate Zones), the Union South Rate Zone, and the Enbridge Gas Distribution (EGD) Rate Zone. Any necessary distinctions in direct purchase and distribution Service terms, conditions, and rules for these Rate Zones are provided in applicable sections to these Transaction Rules for the Union North Rate Zone and Union South Rate Zone, and in the EnTRAC Transactions Rules for the EGD Rate Zone.



Customers that contract for Firm, Firm Seasonal, and/or Interruptible distribution Services are subject to the applicable Union North Rate Zones – Distribution (D) and Union South Rate Zone – Distribution (H) Section(s) of these Transaction Rules. Customers that contract for distribution in the EGD Rate Zone are subject to Section I of these Transaction Rules (EnTRAC Transaction Rules).

Customer movement between supply options in the Union North and Union South Rate Zones is subject to Section(s) A and E of these Transactions Rules, respectively.

Customers that contract for bundled DP Service in the Union North Rate Zones under Northern Bundled T Service, or the Union South Rate Zone under Southern Bundled T Service, are subject to Bundled DP Section(s) B and F of these Transaction Rules, respectively. Customers that contract for bundled DP service in the EGD Rate Zone are subject to Section I of these Transaction Rules (EnTRAC Transaction Rules).

Customers that contract for unbundled DP Service under the Transportation Service (T-Service) option with distribution Service in the Union North Rate Zones are subject to the Union North Rate Zone Unbundled DP T-Service (Section C) and the Union North Rate Zones – Distribution (Section D) of these Transaction Rules.

Customers that contract for semi-unbundled DP Service combined with distribution Service under the T1, T2, and T3 Rate Schedules in the Union South Rate Zone are subject to the Union South Rate Zone - Semi-Unbundled DP T-Service (Section G) and the Union South Rate Zone – Distribution (Section H) of these Transaction Rules.

Customers that contract for unbundled DP Service under the T2 Rate Schedule in the Union South Rate Zone where Customer has contracted for their Dawn deliveries to be Non-Obligated are subject to the Union South Rate Zone - Semi-Unbundled DP T-Service (Section G) and the Union South Rate Zone – Distribution (Section H) of these Transaction Rules.

A. UNION NORTH RATE ZONES

1. Switching Between Supply Options

If Customer is a Gas Vendor governed by the Gas Distribution Access Rule (“GDAR”), notice to add or drop Points of Consumption from bundled DP Pools must be provided according to the GDAR deadlines.

If Customer is not represented by a Gas Vendor, Customer may request a change to a more, or less, bundled Service than what they have currently contracted with the Company at least 60 days prior to the effective date. Such requests will be subject to evaluation by the Company as outlined below. If the Company is not able to accommodate Customer’s request, Customer may continue to utilize its currently Contracted Services.

If additional financial assurance is required because of the requested change in Service, Customer must provide such assurance to the Company before the change in Service is effective.

Where termination of Customer’s Contract is required, notice must be provided as required in that Contract. Existing DP related contractual obligations to the Company, if any, must be fulfilled prior to a Service switch.

1.1. Switching to a Less Bundled Service

A switch from Sales Service to a Bundled DP Service is subject to Customer contracting to deliver gas to the Company under the Union North Rate Zones – Bundled DP Service Section of these Transaction Rules.

A switch from Sales Service or a Bundled DP Service to the unbundled DP T-Service option is subject to the Company’s review of the assets (upstream transportation and storage) used by the Company to meet Customer’s Firm consumption under Customer’s current Contracted Services with the Company.

Customer will be required to take an assignment of upstream transportation capacity from the Company unless, based on the Company’s review, it determines that capacity is not available to be assigned to Customer. In addition, the Company will consider Customer requests to assign a lower level of transportation assets.

A switch to the unbundled DP T-Service option by a bundled firm customer is also subject to an allocation of storage at Dawn if the Company determines storage is available to be allocated. Storage space is first allocated from the Union South Rate Zone to the Union North Rate Zone using the OEB approved Aggregate/Excess methodology (i.e. total winter consumption – $[(151/365) * \text{annual consumption}]$). The resulting quantity is then allocated to delivery areas and firm bundled customers based on the OEB approved Peak Day Shortfall methodology (i.e. peak day demand – allocated firm transportation capacity). Storage deliverability is set to 1.2% of storage space.

Once elected by Customer, the storage quantity will not change unless Customer requests it be reduced. If Customer elects less than the calculated quantity at any time, Customer will no longer be able to access the declined space.

Customer will be required to acquire any necessary upstream transportation and storage assets or other Services to meet any needs in excess of the assets provided by the Company.

1.2. Switching to a More Bundled Service

The Company will evaluate Customer's needs and determine the assets required to meet those needs. The Company will determine whether the Company may need to acquire additional Firm assets to serve Customer.

The Company will evaluate and may, at its sole discretion, take a temporary or permanent assignment of assets held by Customer.

If appropriate Firm assets and supply arrangements cannot be made available on a permanent basis, the Company will use reasonable efforts to provide service on an Interruptible basis until such time as a permanent arrangement can be made.

If Customer's Point of Consumption is returned to Sales Service from a Bundled DP Pool, the DP parameters will not be changed until Contract renewal or Contract termination unless otherwise agreed to by the Company.

B. UNION NORTH RATE ZONES – BUNDLED DP SERVICE

2. Daily Gas Deliveries

2.1. Setting New, and Increasing or Decreasing Existing, Daily Contract Quantity

In the Union North Rate Zones, Daily Contract Quantity (DCQ) for bundled DP Service is set equal to 12 months historical and/or forecasted weather normalized general service consumption, and Firm consumption under a contract rate at the Points of Consumption underlying the DP Pool / 365 days * Average Heat Value. If the Contract has a Term greater than 12 months and/or includes February 29th, the DCQ is calculated by dividing the consumption for the Term of the Pool by the number of days in the Contract Term.

Pools are established and maintained for each TCPL delivery area within the Union North Rate Zones.

In the Union North Rate Zones, a minimum DCQ of 4 GJ is required for a Pool. If the calculated DCQ at initiation or renewal/amendment is less than 4 GJ then the contracted DCQ is set at 4 GJ.

When initiating a Pool, and at renewal for the next Contract Year, the DCQ is set to reflect the historical and/or forecasted consumption for all associated Points of Consumption.

During the Term of the Pool, if general service rates Points of Consumption are added or removed from a Pool pursuant to the Gas Distribution Access Rule Electronic Business Transactions Standard, the DCQ will be reviewed by the Company. If the net change in DCQ resulting from Point of Consumption additions and removals since the last DCQ update is greater than 4 GJ/day then the DCQ will be updated to reflect the consumption for all Points of Consumption associated with the Pool per the DP Processing Timelines in Table 1.

2.2. DP Processing Timelines

The steps and associated timing for parameter updates are provided in Table 1. The parameters for Pools that include only cycle read Points of Consumption are determined using historical consumption and are processed with a shorter lead time. Pools that have Points of Consumption with daily consumption information have longer lead times to enable Customer input. In circumstances where the Company expects Customer to propose an alternative forecast with justification acceptable to the Company, the steps and associated timing are adjusted accordingly.

Table 1: DP Processing Timelines – Union North Rate Zones

Step Completion (days prior to effective date)	Pools only with cycle read Points of Consumption	Pools with daily read Points of Consumption	Pools with an alternate forecast
Historical information used by Company	44	75	75
Initial parameters determined by Company		60	60
Alternate forecast from Customer			50
Finalize parameters	35	35	35
Acceptance (Customer) / Execution (Company)	25	25	25

For Pools with only cycle read Points of Consumption, a revised DP Schedule reflecting updated DCQ and balancing requirements will be issued prior to the effective date of the change for acceptance by Customer. If Customer does not acknowledge and agree to the revised DP Schedule at least 25 days prior to the effective date of the change then the Pool will be terminated.

For Pools with at least one daily read Point of Consumption, if the parties cannot reach a negotiated agreement, in good faith, for a revised DP Schedule, prior to 25 days before the beginning of the next Contract Year, then the existing parameters shall apply.

2.3. Points of Receipt

The DCQ on a bundled DP Pool reflects the Company's upstream transportation arrangements used to serve the applicable Rate Zone in effect at the time. All DCQ deliveries for Pools in the North West Rate Zone are at the Empress Point of Receipt and all DCQ deliveries for Pools in the North East Rate Zone are at the Dawn Point of Receipt.

3. Upstream Transportation

As per section 8.4 of the General Terms & Conditions.

4. Balancing

The BGA will be used to accumulate the differences between the quantities of gas received by the Company from Customer, and the total quantity of gas distributed by the Company to the associated Points of Consumption, plus any BGA transactions authorized and scheduled by the Company.

In the Union North Rate Zones, where the cumulative quantities received by the Company exceed the cumulative quantities distributed by the Company, the resulting BGA balance shall be positive. Where the cumulative quantities distributed by the Company exceed the cumulative quantities received by the Company, the resulting BGA balance shall be negative. The BGA is tracked in energy.

4.1. Balancing During the Contract Year

Subject to the terms of the Contract, the Company's nominations to Customer shall be adjusted periodically to reflect a planned zero BGA balance at the end of the Contract Year. The Company shall not be liable for any damages, losses, costs, or expenses incurred by Customers as a consequence of said adjusting of receipts. Customer's ability to manage the BGA balance through changes in its supply arrangements will require authorization from the Company.

4.2. Balancing at End of Contract Year

At the end of each Contract Year, or Contract termination for any reason, the BGA balance will be settled financially to a zero balance. If the BGA balance is positive (excess supply position), the quantity required to bring the BGA balance to zero shall be sold to the Company by Customer. If the BGA balance is negative (supply shortfall position), the quantity required to bring the BGA balance to zero shall be purchased by Customer from the Company at the applicable rate in Rider A.

5. Balancing Transaction Services

The Company provides Balancing Transaction Services to assist bundled DP Customers in balancing their BGA.

Table 2 provides the location for each type of Balancing Transaction Service available for bundled DP in the Union North Rate Zones. Further details and the associated rates for each Balancing Transaction Service are posted on the Company's website and in Rider A, respectively.

Table 2: Balancing Transaction Services – Union North Rate Zones

Service	Location
Incremental Supply	Dawn
Ex-Franchise Transfer (EFT)	Dawn
In-Franchise Transfer (IFT)	Dawn
Short Term Storage	Dawn
Loan	Dawn

5.1. Transaction Authorization

Customer is required to have prior authorization of all Balancing Transaction Services from the Company via Authorization Notice.

Customer must request authorization of a Balancing Transaction Service from the Company at least 1 day in advance of the effective date of the transaction via Enerline. Requests submitted with shorter notice will be evaluated by the Company on a reasonable effort basis.

The Company evaluates each request based on the current BGA variance, the projected BGA variance at the next balancing date, and required balancing obligations. To be authorized, the requested transaction must be consistent with any required balancing obligations and should reduce the current and projected BGA variances.

Customer must Nominate authorized Balancing Transaction Services, pursuant to the Nomination process in section 7 of the General Terms and Conditions, where applicable. Each Balancing Transaction Service must be Nominated separately and is independent of any other Balancing Transaction Service.

Balancing Transaction Services may be subject to scheduling reductions or interruptions through the Nomination process. The Company shall advise only the party who Nominated on behalf of Customer of such scheduling reduction or interruption through the Nomination process.

Notwithstanding the scheduling of any Balancing Transaction Services, Customer bears the risk that the Balancing Transaction Service may result in overrun. Scheduling a particular Balancing Transaction Service does not constitute the authorization of any overrun of any Contract parameter.

C. UNION NORTH RATE ZONES – UNBUNDLED DP T-SERVICE

6. Daily Gas Deliveries

Customer delivers a variable quantity of gas each day to the TCPL Delivery Area that their plant is located as identified in Customer's DP and Distribution Schedule to meet daily consumption at Customer's Point(s) of Consumption.

7. Upstream Transportation

As per section 8.4 of the General Terms & Conditions.

7.1. Assignment of Upstream Capacity

In addition to section 8.4 of the General Terms & Conditions, where Customer accepts an assignment of a portion of the Company's upstream capacity with TCPL ("Temporary Transportation Contract Assignment Agreement(s)" or "Assignment Agreement(s)"), the Assignment Agreement(s) shall continue in full force and effect for each Contract Year subject to TCPL's renewal/termination requirements on the underlying capacity. Customer agrees to execute any renewals of the Assignment Agreement(s) as required by either the Company or TCPL.

7.2. Renewal/Turnback of Upstream Capacity

If Customer was allocated and temporarily assigned TCPL Firm transportation capacity as part of their DP Service with the Company, Customer will be provided the opportunity to renew or turn back a portion of that capacity per the renewal rights provisions in the underlying contract(s) between the Company and TCPL and the associated toll schedules.

The Company will undertake a review of its contracts with TCPL in accordance with TCPL's notice requirements for renewal/turnback. If the Company determines that capacity is renewable, the Company will inform Customer of the timing and quantity available for election and Customer will elect its quantity to the Company accordingly.

Subsequent to TCPL's acceptance of the Company's notice to renew, all required amendments to Customer's DP Contract(s) and/or, where applicable, TCPL Temporary Contract Assignment Agreements will be effective upon the renewal date of the TCPL contract with the Company.

7.3. Transportation from Dawn to Union North East Rate Zone

(a) Base and Supplemental Service

Customers may contract for a transportation service from the Company to transport gas from Dawn to Customer's Delivery Area in the Union North East Rate Zone utilizing the Company's Dawn to Parkway transportation system and transportation services contracted by the Company on TCPL's system from Parkway to Customer's Delivery Area. This transportation service is subject to availability. There are two service offerings: Base Service and Supplemental Service.

Under the Base Service, Customer contracts for a quantity up to the greater of Customer's Firm Contract Demand for distribution Service or their peak day consumption provided that the result is no more than 3,000 GJ/day ("Firm Daily Quantity" or "FDQ") for the Term of the underlying contract with TCPL. Customer may request a decrease in the contracted quantity per Section d).

Under the Supplemental Service, Customer may contract for any quantity for the Term of the underlying contract with TCPL. Once contracted, Customer cannot request a decrease in the contracted quantity.

Quantities and terms for both Service offerings are subject to availability and terms of underpinning transportation capacity from the Company and TCPL.

(b) Annual Fuel Factor Adjustment

Customer's contracted Dawn to Parkway transportation capacity is subject to annual adjustment by the Company to facilitate the movement of fuel required for the TCPL transportation capacity from Parkway to the Delivery Area. Unless otherwise determined by the Company, the adjustment will reflect the highest TCPL fuel rate from Parkway to the Delivery Area for the most recent three years effective November 1. The Company will inform Customer of the change.

(c) Assignability of Transportation Capacity

Customers who meet the Company's and TCPL's credit requirements may request a temporary or permanent assignment of the Company's Dawn to Parkway transportation capacity and/or TCPL's Parkway to Delivery Area transportation capacity, or both.

Base Service temporary assignments are a minimum 1-year Term, beginning every November 1st. Under a permanent assignment, all contractual obligations, including renewal and deferral account clearing, remain with any transportation capacity assigned on a permanent basis.

(d) Decreases to Base Service

At least three (3) months prior to Contract renewal, Customer may request a reduction to their Base Service FDQ if both the Total Distribution Contract Demand and the Maximum Hourly Flow parameters decrease by at least 5%.

The Company will reduce Customer's contracted Base Service FDQ in proportion to the smallest percentage change in the above parameters at Contract renewal.

8. Balancing

8.1. Rate 25 Sales Service

Subject to the Company's determination of its operational capability to provide Service, the Rate 25 (Interruptible) Sales Service Daily Contract Demand for T-Service customers in the Union North Rate Zones shall, for the period October 1 through April 30, not exceed the greater of 15% of Customer's Firm Daily Contract Demand or 30,000 m³/day, unless specifically authorized by the Company, which authorization shall be granted at the Company's sole discretion.

8.2. Customer Balancing Service ("CBS")

If Customer contracts for T-Service in the Union North Rate Zones, Customer shall also contract for a Customer Balancing Service (“CBS”) account to track differences between the quantities of gas received by the Company (excluding fuel and including, where applicable, storage withdrawal) at the Point of Receipt from Customer, and the quantities of gas distributed by the Company to Customer’s Point(s) of Consumption. Where the quantities received by the Company exceed the quantities distributed by the Company, the resulting change in the CBS Account balance shall be positive. Where the quantities delivered by the Company exceed the quantities received by the Company, the resulting change in the CBS Account balance shall be negative.

(a) Account Limits

Unless authorized in advance by the Company, the CBS Account balance cannot be higher than the Maximum Tolerance or lower than the Minimum Tolerance defined in Customer’s DP and Distribution Schedule.

If Customer has a Firm Daily Contract Demand of 1,200,000 m³/day or greater, and a Firm Hourly Quantity of 60,000 m³/hr or greater and the Company, at its sole discretion, determines that Customer’s operational requirements are such that the Company’s system operations could be put at risk, Customer’s CBS parameters shall be set and operate on an hourly difference basis (“Hourly CBS”). The difference between the Maximum Tolerance and the Minimum Tolerance shall not exceed Customer’s Firm Hourly Quantity, multiplied by two (2).

Otherwise, Customer’s CBS parameters shall be set and operate on a daily basis (“Daily CBS”). The difference between the Maximum Tolerance and the Minimum Tolerance shall not exceed the greater of Customer’s Firm T-Service Contract Demand or 1,132 GJ.

Customer’s CBS parameters will be reviewed prior to each Contract amendment and renewal period for any change in risk to the Company’s system operations.

(b) Operation Within and in Excess of Account Limits

For Daily CBS Customers, CBS activity is considered within tolerance each Gas Day when the CBS Account balance is between the Minimum Tolerance and Maximum Tolerance.

For Hourly CBS Customers, CBS activity is considered within tolerance each Hour in each Gas Day when the CBS Account balance is between the Minimum Tolerance and Maximum Tolerance, and the absolute value of the CBS Hourly Injection or the CBS Hourly Withdrawal, as the case may be, does not exceed the Hourly Balancing Amount.

Upon three (3) calendar days’ Notice from the Company, any balance in excess of the Maximum Tolerance will be forfeited to the Company without recourse.

The CBS Account balance will not be less than the Minimum Tolerance at any point in time.

(c) Interruption of CBS Service

The Daily CBS and the Hourly CBS are Interruptible Services.

If, in the Company’s opinion, CBS is not available and if the CBS Account balance is positive, upon notification from the Company, Customer must remove the balance within five (5) calendar days. If the

CBS Account balance remains positive at the end of the five (5) calendar days, the positive balance will be forfeited to the Company without recourse upon three (3) calendar days Notice from the Company.

If, in the Company's opinion, CBS is not available and if the CBS Account balance is negative, upon notification from the Company, Customer must replace the balance within five (5) calendar days. If the CBS Account balance remains negative at the end of the five (5) calendar days, the negative balance will be purchased by Customer at the Unauthorized Gas Supply Overrun rate in the Rate 25 Rate Schedule.

When Notice of Interruption is given on injections into the CBS Account, any quantities injected shall be treated the same as quantities that exceed the Maximum Tolerance.

When Notice of Interruption is given on withdrawals from the CBS Account, any quantities withdrawn shall be purchased by Customer at the Unauthorized Gas Supply Overrun rate in the Rate 25 Rate Schedule.

(d) Disposition of Gas at Contract Termination

If this Contract terminates or expires and Customer does not have a Contract for Storage Services with the Company then, unless otherwise agreed to by the Company, any positive CBS Account balance shall be immediately forfeited to the Company without recourse.

Unless otherwise agreed to by the Company, any negative CBS Account balance as of the date of termination or expiry shall be deemed to have been purchased by Customer at the Unauthorized Gas Supply Overrun rate in the Rate 25 Rate Schedule.

(e) Termination of CBS Service

If the balancing agreement between the Company and TCPL used to facilitate this Service terminates, the CBS may also be terminated by the Company on the same date.

(f) Sharing of CBS Account

If Customer has multiple contract rate Points of Consumption within the same TCPL delivery area with a Daily CBS account, Customer may combine each Point of Consumption's Daily CBS account into a single shared Daily CBS provided Customer identifies each Point of Consumption's priority ranking for access to the shared CBS account as outlined in Customer's DP and Distribution Schedule.

8.3. T-Service Storage Service

If Customer contracts for T-Service Storage Service under the Rate 20 or Rate 100 Rate Schedule, the injection, storage, and withdrawal of gas for Customer by the Company will be subject to the Company's agreement(s) as amended from time to time for storage and transportation services with TCPL and the constraints imposed by virtue of those agreement(s) and the operational procedures and constraints on the Company's system.

(a) Storage Injection

The Company agrees to inject a quantity of gas to storage, provided the Company is not obligated to inject a quantity of gas that exceeds the Contracted Daily Storage Injection/Withdrawal Entitlement or the Maximum Storage Quantity Entitlement.

(b) Storage Withdrawal

The Company agrees to withdraw a quantity of gas from storage, provided the Company is not obligated to withdraw a quantity of gas that exceeds the Contracted Daily Storage Injection/Withdrawal Entitlement or the quantity of gas remaining in Customer's Maximum Storage Quantity Entitlement. If the total quantity of gas remaining in Customer's storage is less than 20% of Customer's Maximum Storage Quantity Entitlement, Customer's withdrawal entitlement will be reduced to 67% of the Contracted Daily Storage Injection/Withdrawal Entitlement.

(c) Storage Overrun

Unless the Company specifically provides written authorization, in advance, to exceed Contract Parameters, any excess shall be Unauthorized Overrun and, in addition to any other remedies the Company may pursue, Customer shall incur charges as referenced in the applicable Rate Schedule.

(d) Renewal of Storage Service

Unless otherwise agreed to by the Company, the availability of storage will be determined by the Company each year. Customer must request storage as part of the annual Contract renewal process.

(e) Survival of Gas Storage Obligations

Upon the termination of this Contract, Customer shall have until the Storage Service end date to withdraw all gas remaining in Customer's storage account. Any gas remaining in Customer's storage account, after the Storage Service end date, shall immediately be forfeited to the Company without any recourse. The provisions of this Section 8.3 shall survive the termination of this Contract.

D. UNION NORTH RATE ZONES – DISTRIBUTION SERVICE

The following is applicable to all distribution Services provided under a contract Rate Schedule in the Union North Rate Zones, including distribution Service provided with unbundled DP T-Service.

9. Allocation of Gas Consumption at Point of Consumption

If Customer contracted for multiple Interruptible Services in the Union North Rate Zones, further to section 11.4 of the General Terms and Conditions to this Contract, the allocation of consumption between Interruptible Services is set out below:

Next Gas Used	Rate 25 T-Service, if applicable and available
Next Gas Used	Rate 25 Sales Service (negotiated price), if applicable and available
Next Gas Used	Rate 25 Sales Service (posted price), if applicable and available

In addition, if Customer contracted for T-Service, quantities consumed by Customer will be allocated to Firm and Interruptible T-Service parameters based on the quantity of gas delivered by Customer, including gas withdrawn from Customer’s CBS and, where applicable, storage accounts.

10. Compliance With Minimum Annual Volume

10.1. Setting Minimum Annual Volume

Customer’s Firm and/or Interruptible Minimum Annual Volume(s) shall not be set less than the requirements set out in the Rate Schedule applicable to their contracted service. Where load factor is a requirement to qualify for a distribution Service under a contracted rate, Minimum Annual Volume will be set no less than the applicable Contract Demand for the contracted service multiplied by load factor multiplied by the number of days in the Contract Year.

10.2. Firm Minimum Annual Volume

In each Contract Year, Customer shall consume or, in any event, pay for the Adjusted Firm Minimum Annual Volume (“AFMAV”) as determined in the formula below. The Firm quantity not consumed in any Contract Year (the “Firm Deficiency Volume” or “FDV”) shall be as determined in the formula below.

Where:

$$AFMAV = FMAV \times [(U - DF) / U]$$

$$FDV = AFMAV - (FV - F)$$

And:

FMAV = Firm Minimum Annual Volume

U = number of days in the Contract Year

DF = number of days of Force Majeure in the Contract Year

FV = total Firm volume consumed in the Contract Year

F = volumes delivered to the Points of Consumption during Force Majeure

The payment required for the FDV shall be calculated by multiplying FDV by the Monthly Firm Delivery Commodity rate as of the last day of the Contract Year. This payment would only apply if the FDV was greater than zero.

10.3. Interruptible Minimum Annual Volume

In each Contract Year, Customer shall consume or, in any event, pay for the Adjusted Interruptible Minimum Annual Volume (“AIMAV”) as determined in the formula below. The interruptible quantity not consumed in any Contract Year (the “Interruptible Deficiency Volume”) (“IDV”) shall be determined in the formula below.

Where:

$$\text{AIMAV} = \text{IMAV} \times [(U - \text{DI}) / U]$$

$$\text{IDV} = \text{AIMAV} - (\text{IV} - \text{I})$$

And:

IMAV = Interruptible Minimum Annual Volume

U = number of days in the Contract Year

DI = number of days of Interruption in the Contract Year

IV = total Interruptible volume consumed in the Contract Year

I = volume delivered to Point of Consumption during an Interruption

The payment required for the IDV shall be calculated by multiplying IDV by the Monthly Interruptible Delivery Commodity rate as of the last day of the Contract Year. This payment would only apply if the IDV was greater than zero.

E. UNION SOUTH RATE ZONE

11. Switching Between Supply Options

If Customer is a Gas Vendor governed by the Gas Distribution Access Rule (“GDAR”), notice to add or drop Points of Consumption from bundled DP Pools must be provided according to the GDAR deadlines.

If Customer is not represented by a Gas Vendor, Customer may request a change to a more, or less, bundled Service than what they have currently contracted with the Company at least 60 days prior to the effective date. Such requests will be subject to evaluation by the Company as outlined below. If the Company is not able to accommodate Customer’s request, Customer may continue to utilize its currently contracted Services.

If additional financial assurance is required because of the requested change in Service, Customer must provide such assurance to the Company before the change in Service is effective.

Where termination of Customer’s Contract is required, notice must be provided as required in that Contract. Existing DP related contractual obligations to the Company, if any, must be fulfilled prior to a Service switch.

11.1. Switching to a Less Bundled Service

A switch from Sales Service to a Bundled DP Service is subject to Customer contracting to deliver gas to the Company under the Union South Rate Zone – Bundled DP Service Section of these Transaction Rules.

A switch from Sales Service or Bundled DP Service to T1, T2 or T3 Service is also subject to an allocation of storage space and deliverability at Dawn under the methodologies outlined in the applicable Rate Schedule.

Customer will be required to acquire any necessary upstream transportation and storage assets or other Services to meet any needs in excess of the assets provided by the Company.

11.2. Switching to a More Bundled Service

The Company will evaluate Customer’s needs and determine the assets required to meet those needs. The Company will determine whether the Company may need to acquire additional Firm assets to serve Customer.

The Company will evaluate and may, at its sole discretion, take a temporary or permanent assignment of assets held by Customer.

If appropriate Firm assets and supply arrangements cannot be made available on a permanent basis, the Company will use reasonable efforts to provide service on an Interruptible basis until such time as a permanent arrangement can be made.

If Customer’s Point of Consumption is returned to Sales Service from a Bundled DP Pool, the DP parameters will not be changed until Contract renewal or Contract termination unless otherwise agreed to by the Company.

F. UNION SOUTH RATE ZONE – BUNDLED DP SERVICE

12. Daily Gas Deliveries

12.1. Setting New, and Increasing or Decreasing Existing, Daily Contract Quantity

In the Union South Rate Zone, Daily Contract Quantity (DCQ) for bundled DP Service is set equal to 12 months historical and/or forecasted weather normalized general service consumption, and Firm and Interruptible consumption under a contract rate at the Points of Consumption underlying the DP Pool / 365 days * Average Heat Value. If the contract has a Term greater than 12 months and/or includes February 29th, the DCQ is calculated by dividing the consumption for the Term of the Pool by the number of days in the Contract Term.

A minimum DCQ of 4 GJ is required for a Pool. If the calculated DCQ at initiation or renewal/amendment is less than 4 GJ then the contracted DCQ is set at 4 GJ.

When initiating a Pool, and at renewal for the next Contract Year, the DCQ is set to reflect the historical and/or forecasted consumption for all associated Points of Consumption.

During the Term of the Pool, if general service rate Points of Consumption are added or removed from a Pool pursuant to the Gas Distribution Access Rule Electronic Business Transactions Standard, the DCQ will be reviewed by the Company. If the net change in DCQ resulting from Point of Consumption additions and removals since the last DCQ update is greater than 4 GJ/day, then the DCQ will be updated to reflect the consumption for all Points of Consumption associated with the Pool per the DP Processing Timelines in Table 3.

12.2. DP Processing Timelines

The steps and associated timing for parameter updates are provided in Table 3. The parameters for Pools that include only cycle read Points of Consumption are determined using historical consumption and are processed with a shorter lead time. Pools that have Points of Consumption with daily consumption information have longer lead times to enable Customer input. In circumstances where the Company expects Customer to propose an alternative forecast with justification acceptable to the Company, the steps and associated timing are adjusted accordingly.

Table 3: DP Processing Timelines – Union South Rate Zone

Step Completion (days prior to effective date)	Pools only with cycle read Points of Consumption	Pools with daily read Points of Consumption	Pools with an alternate forecast
Historical information used by Company	44	75	75
Initial parameters determined by Company		60	60
Alternate forecast from Customer			50
Finalize parameters	35	35	35
Acceptance (Customer) / Execution (Company)	25	25	25

For Pools with only cycle read Points of Consumption, a revised DP Schedule reflecting updated DCQ and balancing requirements will be issued prior to the effective date of the change for acceptance by Customer. If Customer does not acknowledge and agree to the revised DP Schedule at least 25 days prior to the effective date of the change then the Pool will be terminated.

For Pools with at least one daily read Point of Consumption, if the parties cannot reach a negotiated agreement, in good faith, for a revised DP Schedule, prior to 25 days before the beginning of the next Contract Year, then the existing parameters shall apply.

12.3. Points of Receipt

When setting the DCQ on a new DP Pool or increasing the DCQ on an existing DP Pool, Points of Consumption transferring from Gas Sales Service to DP (enrol) will receive the Point of Receipt allocation in effect at the time of the transfer.

When setting the DCQ on a new DP Pool or increasing the DCQ on an existing DP Pool, Points of Consumption transferring from an existing DP Pool to another DP Pool (switch, transfer, move) will bring a pro-rata allocation of the Points of Receipt used to serve them on the originating Contract, unless otherwise agreed to by the two contracting parties.

A Parkway Delivery Commitment Incentive (PDCI) payment is provided to Customer on DCQ quantities required by the Company to be delivered at Parkway. Customers that voluntarily deliver gas at Parkway rather than delivered pursuant to a Parkway delivery obligation required by the Company will not receive the PDCI payment on those deliveries.

(a) Increasing DCQ

For Pools with only cycle read Points of Consumption, DCQ increases because of increases in consumption for those Points of Consumption will be at the Parkway Point of Receipt.

For Pools with daily read Points of Consumption, DCQ increases due to increases in consumption for those Points of Consumption, or as a result of new Points of Consumption not previously served by the Company in the last 3 years, are determined based on where the daily read Points of Consumption are located. For Points of Consumption located East of Dawn, the increase occurs at the Parkway Point of Receipt. For Points of Consumption located West of Dawn, the increase occurs at the Dawn Point of Receipt.

(b) Decreasing DCQ

For Pools with only cycle read Points of Consumption, all DCQ decreases are managed by prorating the decrease over the contracted Points of Receipt.

For Pools with daily read Points of Consumption, DCQ decreases are determined based on where the daily read Points of Consumption are located. For Points of Consumption located East of Dawn, the decrease first occurs at the Parkway Point of Receipt. For Points of Consumption located West of Dawn, the decrease first occurs at the Dawn Point of Receipt.

12.4. Transition of Parkway Obligation to Dawn

Where the Company has determined that it can facilitate a transition of Parkway DCQ obligations of customers to Dawn, Customer may elect to transfer up to its proportionate share of Parkway DCQ to a Dawn DCQ. Where Customer has contracted for Rate M12 Dawn to Parkway transportation to satisfy their Parkway DCQ from Dawn, Customer can elect to turn back the same proportionate share of their Rate M12 Dawn to Parkway transportation as their Parkway DCQ.

13. Upstream Transportation

As per section 8.4 of the General Terms & Conditions.

14. Balancing

The BGA will be used to accumulate the differences between the total quantities of gas received by the Company from Customer, and the total quantity of gas distributed by the Company to the associated Points of Consumption, plus any BGA transactions authorized and scheduled by the Company.

In the Union South Rate Zones, where the cumulative quantities received by the Company exceed the cumulative quantities distributed by the Company, the resulting BGA balance shall be positive (excess supply position). Where the cumulative quantities distributed by the Company exceed the cumulative quantities received by the Company, the resulting BGA balance shall be negative (supply shortfall position). The BGA is tracked in energy.

14.1. Balancing Obligations

Customer shall plan and operate in a manner that will achieve a BGA balance of zero at the end of each Contract Year. In addition, Customer is expected to take balancing actions early in the summer to ensure that the BGA balance does not exceed the Fall Checkpoint Quantity as of the Fall Checkpoint Date. Customer is also expected to take balancing actions early in the winter to ensure that the BGA balance is not less than the Winter Checkpoint Quantity as of the Winter Checkpoint Date. The checkpoint quantities and dates are identified in Customer's DP Schedule.

Customer's ability to manage the BGA balance through changes in its supply arrangements shall require authorization from the Company. Customer's request for a change does not require or obligate the Company to accept a request which the Company, acting reasonably, determines it cannot accommodate. If the Company cannot accommodate such request, Customer shall not be relieved from its obligations for the Fall Checkpoint Date or the Winter Checkpoint Date, or any BGA Balancing Period Date.

Customer will be required to balance under the Utility Determined option or the Customer Determined option based on the selection identified in Customer's DP Schedule.

(a) Checkpoint Balancing – Utility Determined Option

Under the Utility Determined Balancing Option, the Company will determine and advise Customer of the incremental quantity of gas that must be supplied by Customer for the estimated BGA balance to be equal to the Winter Checkpoint Quantity as of the Winter Checkpoint Date, and the quantity of gas that must be disposed of for the estimated BGA balance to be equal to the Fall Checkpoint Quantity as of the Fall Checkpoint Date. Customer is obligated to supply and to dispose of the quantities of gas as determined by the Company.

(i) Winter Checkpoint

The Company will estimate what the BGA balance will be as of the Winter Checkpoint Date ("Winter BGA Balance") using recent third-party weather forecasts, if applicable, and Customer's monthly consumption forecast. The BGA estimate will include estimated consumption, whether billed or unbilled, to and including the Winter Checkpoint Date. As the Winter BGA Balance is comprised of third-party weather forecasts and Customer's consumption forecast, the Company cannot make any representation or warranty as to the accuracy of the Winter BGA Balance.

During February, if the Company determines that the estimated BGA will be less than the Winter Checkpoint Quantity then the Company will advise Customer on or about the 10th Business Day of February of the additional quantity of gas that must be delivered. Customer must, by the 15th Business Day of February, request approval for a balancing transaction to deliver the additional gas by the end of February. If Customer does not make a request by the 15th Business Day, or if the Company has approved a balancing transaction and the gas is not delivered in accordance with the approved balancing transaction, then the Company will sell to Customer, and Customer will accept, that quantity of gas at the Banked Gas Account Overdraft rate in Rider A.

(ii) Fall Checkpoint

During September, the Company will determine and advise Customer on or about the 10th Business Day of September of the quantity of gas that must be disposed of in advance of the Fall Checkpoint Date ("Checkpoint Variance").

If, by the Fall Checkpoint Date, a quantity of gas greater than or equal to the Checkpoint Variance has not been disposed of, then Customer shall incur a charge equivalent to the difference between the Checkpoint Variance and the actual quantity disposed of by Customer after being notified of the Checkpoint Variance ("Utility Determined Excess Quantity") multiplied by the Banked Gas Account Overrun rate in Rider A. The Banked Gas Account Overrun rate in Rider A will be applied to the remaining Utility Determined Excess Quantity each month until the Utility Determined Excess Quantity is reduced to zero.

In addition, Customer shall take immediate steps to dispose of the Utility Determined Excess Quantity. On the first Business Day of October, or at any time afterwards, upon three Business Days notification, the Company may refuse receipt of gas until the BGA has been reduced by an amount equal to the Utility Determined Excess Quantity. The Company shall not be liable for any damages, losses, costs, or expenses incurred by Customer as a consequence of refusing receipt of gas.

(b) Checkpoint Balancing – Customer Determined Option

Under the Customer Determined Balancing Option, Customer is responsible for determining the quantity of gas that must be supplied and executing the actions required to ensure that the actual BGA balance is greater than or equal to the Winter Checkpoint Quantity as of the Winter Checkpoint Date, and determining the quantity of gas that must be disposed of and executing the actions required to ensure that the actual BGA balance is less than or equal to the Fall Checkpoint Quantity as of the Fall Checkpoint Date.

(i) Winter Checkpoint

The Company will estimate what the BGA balance will be as of the Winter Checkpoint Date (“Winter BGA Balance”) using recent third-party weather forecasts, if applicable, and Customer’s monthly consumption forecast. The BGA estimate will include estimated consumption, whether billed or unbilled, to and including the Winter Checkpoint Date. As the Winter BGA Balance is comprised of third-party weather forecasts and Customer’s consumption forecast, the Company cannot make any representation or warranty as to the accuracy of the Winter BGA Balance.

If Customer determines that it requires a change in its supply arrangements to meet its Winter Checkpoint Quantity as of the Winter Checkpoint Date, Customer must, by the 15th Business Day of February, request approval for a balancing transaction to deliver the additional gas by the end of February. If Customer does not make a request by the 15th Business Day of February, then the Company is not obligated to accept the request if it cannot be reasonably accommodated or exposes the Company to incremental costs.

If the actual BGA balance is less than the Winter Checkpoint Quantity on the Winter Checkpoint Date then the Company will sell to Customer, and Customer will accept, a quantity of gas equal to the difference between the actual BGA balance and the Winter Checkpoint Quantity, at the Banked Gas Account Overdraft rate in Rider A.

(ii) Fall Checkpoint

During September, the Company will determine and advise Customer on or about the 10th Business Day of September of the quantity of gas projected to be in excess of the Fall Checkpoint in advance of the Fall Checkpoint Date (“Checkpoint Variance”).

If the actual BGA balance is greater than the Fall Checkpoint Quantity on the Fall Checkpoint Date, Customer shall incur a charge equivalent to the difference between the actual BGA balance and the Fall Checkpoint Quantity (“Customer Determined Excess Quantity”) multiplied by the Banked Gas Account Overrun rate in Rider A. The Banked Gas Account Overrun rate in Rider A will be applied to the remaining Customer Determined Excess Quantity each month until the Customer Determined Excess Quantity is reduced to zero.

In addition, Customer shall take immediate steps to dispose of the Customer Determined Excess Quantity. On the first Business Day of October, or at any time afterwards, upon three Business Days notification, the Company may refuse receipt of gas until the BGA has been reduced by an amount equal to the Customer

Determined Excess Quantity. The Company shall not be liable for any damages, losses, costs or expenses incurred by Customer as a consequence of refusing receipt of gas.

(c) Additional BGA Monitoring and Maintenance Obligations

In addition to meeting the Fall Checkpoint Quantity on the Fall Checkpoint Date and the Winter Checkpoint Quantity on the Winter Checkpoint Date above, Customer agrees to monitor its BGA balance on an ongoing basis and shall maintain a BGA balance such that it does not exceed the Maximum Positive Variance or Maximum Negative Variance on the BGA Balancing Period Date(s) specified in Customer's DP Schedule.

During the last month of the Contract Year for Pools with only cycle read Points of Consumption, the Company will estimate what the BGA balance will be as of the end of the month using recent third-party weather forecasts where applicable and Customer's monthly consumption forecast. The BGA estimate will include estimated consumption, whether billed or unbilled, to and including the last month of the Contract Year. As the BGA estimate may be comprised of third-party weather forecasts and Customer's consumption forecast, the Company cannot make any representation or warranty as to the accuracy of the BGA estimate. The Company will determine and advise Customer on or about the 10th Business Day of the last month of the Contract Year, of the quantity of gas projected to be greater or less than zero.

For Pools with only cycle read Points of Consumption, if Customer delivers gas to or removes gas from the BGA through balancing transactions consistent with the quantity identified by the Company in the last month of the Contract Year, the Company will allow the actual balance to carry over to the following month without additional charges even if the actual BGA balance at the end of the Contract Year is greater than the Maximum Positive Variance or is less than the Maximum Negative Variance. If Customer delivers or removes a quantity of gas that differs from the quantity identified by the Company, then the actual BGA balance at the end of the balancing month must be within the Maximum Positive Variance and Maximum Negative Variance.

14.2. Company's Right to Refuse Receipt of Gas

If the Company forms the opinion that the BGA balance will exceed the Maximum Positive Variance at the end of a BGA Balancing Period Date as referenced in Customer's DP Schedule then the Company, in its discretion, shall have the right to refuse receipt of gas.

The Company's refusal to receive gas under any circumstances described in this Section does not relieve Customer of its obligation on any subsequent Day to deliver its Obligated DCQ to the Company should the Company require it. The Company agrees to act in a reasonable and responsible manner when interpreting the relevant data for determining the forecasted BGA balances. The Company shall not be liable for any damages, losses, costs, or expenses incurred by Customer as a consequence of refusing receipt of gas.

14.3. Positive BGA Implications

In addition to planning and operating to balance to zero at the end of the Contract Year, Customer must take all actions required to ensure that the Maximum Positive Variance is not exceeded. On any BGA Balancing Period Date identified in Customer's DP Schedule, if the actual BGA balance is in excess of the Maximum Positive Variance ("Positive Variance Excess") then such excess shall incur a charge equivalent to the Banked Gas Account Overrun rate in Rider A. The Banked Gas Account Overrun rate in Rider A will be applied to the remaining Positive Variance Excess each month until the Positive Variance Excess is reduced to zero.

In addition, Customer shall take immediate steps to dispose of the Positive Variance Excess. On the first Business Day of the month following the BGA Balancing Period Date identified in Customer's DP Schedule, or at any time afterwards, upon three Business Days notification, the Company may refuse receipt of gas until the BGA has been reduced by an amount equal to the Positive Variance Excess. The Company shall not be liable for any damages, losses, costs, or expenses incurred by Customer as a consequence of refusing receipt of gas.

14.4. Negative BGA Implications

In addition to planning and operating to balance to zero at the end of the Contract Year, Customer must take all actions required to ensure that the Maximum Negative Variance is not exceeded. On any BGA Balancing Period Date identified in Customer's DP Schedule, if the actual BGA balance is in excess of the Maximum Negative Variance then the excess shall be sold by the Company and purchased by Customer at the Banked Gas Account Overdraft rate in Rider A.

14.5. Carry-forward of BGA Balance

Provided the Pool is in place for a subsequent Contract Year, that portion, if any, of the BGA balance not outside of the Maximum Positive Variance or the Maximum Negative Variance identified in Customer's DP Schedule shall be carried forward into the BGA of the subsequent Contract Year.

14.6. Disposition of Gas at Contract Termination

If this Contract terminates or expires and Customer does not have a Contract for Storage Services with the Company then, except as authorized by the Company, no positive BGA balance shall be allowed. Unless otherwise agreed to by the Company, any positive BGA balance remaining in Customer's BGA as of such date of termination or expiry shall incur a charge equivalent to the Banked Gas Account Overrun rate in Rider A. Customer shall incur such charge until the balance has been reduced to zero.

Unless otherwise agreed to by the Company, any negative BGA balance as of the date of termination shall be sold by the Company, and purchased by Customer, at the Banked Gas Account Overdraft rate in Rider A.

15. Balancing Transaction Services

The Company provides Balancing Transaction Services to assist Customers in balancing their BGA and storage accounts.

Table 4 provides the location for each type of Balancing Transaction Service available for bundled DP in the Union South Rate Zone. Further details and the associated rates for each Balancing Transaction Service are posted on the Company's website and in Rider A, respectively.

Table 4: Balancing Transaction Services – Union South Rate Zone

Service	Location
Incremental Supply	Dawn/Parkway
Suspension	Dawn/Parkway
Ex-Franchise Transfer (EFT)	Dawn
In-Franchise Transfer (IFT)	Dawn
DCQ Assignment	Dawn/Parkway
Short Term Storage	Dawn
Loan	Dawn
Discretionary Gas Supply Service (DGSS)	Dawn

15.1. Transaction Authorization

Customer is required to have prior authorization of all Balancing Transaction Services from the Company via Authorization Notice.

Customer must request authorization of a Balancing Transaction Service from the Company at least 1 day in advance of the effective date of the transaction via Enerline. Requests submitted with shorter notice will be evaluated by the Company on a reasonable effort basis.

The Company evaluates each request based on the current BGA variance, the projected BGA variance at the next balancing date, and required balancing obligations. To be authorized, the requested transaction must be consistent with any required balancing obligations and should reduce the current and projected BGA variances.

Customer must Nominate authorized Balancing Transaction Services, pursuant to the Nomination process in section 7 of the General Terms and Conditions, where applicable. Each Balancing Transaction Service must be Nominated separately and is independent of any other Balancing Transaction Service.

Balancing Transaction Services may be subject to scheduling reductions or interruptions. The Company shall advise only the party who Nominated on behalf of Customer of such scheduling reduction or interruption through the Nomination process.

Notwithstanding the scheduling of any Balancing Transaction Services, Customer bears the risk that the Balancing Transaction Service may result in overrun. Scheduling a particular Balancing Transaction Service does not constitute the authorization of any overrun of any Contract parameter.

15.2. Energy Balancing at Points of Consumption

The distribution to Customer taking service under the Rate M7 Rate Schedule is converted from volume to energy at Customer site-specific heat measurement value. Site-specific heat measuring Equipment will be supplied, installed, and maintained by the Company at each Point of Consumption, or as determined necessary by the Company, at Customer's expense. The resulting heat value adjustment quantity shall be applied to Customer's Banked Gas Account.

G. UNION SOUTH RATE ZONE – SEMI-UNBUNDLED DP T-SERVICE

16. Daily Gas Deliveries

16.1. Setting New, and Increasing or Decreasing Existing, Daily Contract Quantity

Daily Contract Quantity (DCQ) for semi-unbundled Service is set equal to 12 months historical and/or forecasted Firm and Interruptible consumption at the Points of Consumption underlying the DP Contract / 365 days * Average Heat Value. If the Contract has a Term greater than 12 months and/or includes February 29th, the DCQ is calculated by dividing the consumption for the Term of the Contract by the number of days in the Contract Term.

16.2. DP Processing Timelines

Customers providing a forecast to support a change in their parameters must do so no later than 50 days before the end of their then current contract term. A revised DP and Distribution Schedule reflecting finalized parameters will be issued, and Customer acceptance/Company execution of that DP and Distribution Schedule, will be no later than 35 days and 25 days before the end of the contract term, respectively.

If the parties cannot reach a negotiated agreement, in good faith for a revised DP and Distribution Schedule, prior to 25 days before the beginning of the next Contract Year, then the existing parameters shall apply.

16.3. Points of Receipt

When setting the DCQ on a new DP Contract or increasing the DCQ on an existing Contract, Points of Consumption transferring from Gas Sales Service to DP (enrol) will receive the Points of Receipt allocation in effect at the time of the transfer.

When setting the DCQ on a new DP Contract or increasing the DCQ on an existing DP Contract, Points of Consumption transferring from an existing DP Pool or Contract to another DP Contract (switch, transfer, move) will bring a pro-rata allocation of the Points of Receipt used to serve them on the originating Pool or Contract, unless otherwise agreed to by the two contracting parties.

For T2 Customers contracting for the Customer Managed Service, the maximum amount of Non-Obligated deliveries at the Dawn Point of Receipt on any given day is calculated as Firm Contract Demand plus the Interruptible Contract Demand less Customers' Parkway Obligation.

A Parkway Delivery Commitment Incentive (PDCI) payment is provided to Customer on DCQ quantities required by the Company to be delivered at the Parkway Point of Receipt. Customers that voluntarily deliver gas at the Parkway Point of Receipt rather than delivered pursuant to a Parkway delivery obligation required by the Company will not receive the PDCI payment on those deliveries.

(a) Increasing DCQ

DCQ increases due to increases in consumption for associated Points of Consumption, or as a result of new Points of Consumption not previously served by the Company in the last 3 years, are determined based on where the Points of Consumption are located. For Points of Consumption located East of Dawn,

the increase occurs at the Parkway Point of Receipt. For Points of Consumption located West of Dawn, the increase occurs at the Dawn Point of Receipt.

(b) Decreasing DCQ

DCQ decreases are determined based on where the daily read Points of Consumption are located. For Points of Consumption located East of Dawn, the decrease first occurs at the Parkway Point of Receipt. For Points of Consumption located West of Dawn, the decrease first occurs at the Dawn Point of Receipt.

16.4. Large T2 Customers

The following applies to new or existing Customers with new or incremental Contract Demand in excess of 1,200,000 m3/day that are either directly connected to the Company's Dawn-Parkway transmission system in close proximity to Parkway or directly connected to the pipeline of a Gas Transporter. These Customers may be entitled to a Firm Billing Contract Demand (FBCD) set lower than their Firm Contract Demand.

(a) New or Increasing Deliveries

If Customer has new or incremental Contract Demand in excess of 1,200,000 m3/day and is located West of Dawn, Customer may choose to have Non-Obligated supply at Dawn instead of an Obligated DCQ at Dawn to meet that Contract Demand, contingent on the Company's facilities.

If Customer has new or incremental Contract Demand in excess of 1,200,000 m3/day and is located East of Dawn, then Customer will have an Obligated DCQ at Parkway for at least 80% of this Contract Demand. If Customer has also contracted for an equivalent quantity of Rate M12 Dawn to Parkway transportation capacity to support that DCQ and assigned the operation of that transportation capacity to the Company, then that Obligated DCQ can be replaced with Non-Obligated supply at Dawn. Note that if Customer has chosen a Firm Billing Contract Demand (FBCD) then the DCQ obligation at Parkway increases and the option for Non-Obligated supply at Dawn increases from 80% to 100% of the new or incremental Contract Demand.

(b) Decreasing Deliveries

Subsequent decreases in supply are managed through a proportionate reduction in Obligated DCQ and/or Non-Obligated supply.

16.5. Transition of Parkway Obligation to Dawn

Where the Company has determined that it can facilitate a transition of Parkway DCQ obligations of customers to Dawn, Customer may elect to transfer up to its proportionate share of Parkway DCQ to a Dawn DCQ. Where Customer has contracted for Rate M12 Dawn to Parkway transportation to satisfy their Parkway DCQ from Dawn, Customer can elect to turn back the same proportionate share of their Rate M12 Dawn to Parkway transportation as their Parkway DCQ. If Customer has a FBCD then the FBCD will be increased to offset the reduction in charges resulting from turning back Rate M12 Dawn to Parkway capacity. The FBCD increase will be limited such that the FBCD does not exceed the Contract Demand.

17. Upstream Transportation

As per section 8.4 of the General Terms & Conditions.

18. Balancing

18.1. Storage Space

Customer shall have the option of electing the storage space allocation method which best serves their needs. Refer to the applicable Rate Schedule for Annual Firm Storage Space allocation methodologies.

Where storage space has been determined under the Aggregate Excess or Fifteen (15) times Obligated DCQ methodology and unless otherwise advised by Customer no later than 60 days prior to renewal, the calculations to determine storage space will be performed by the Company and the greater entitlement will be incorporated into the Contract at renewal.

18.2. Storage Injection/Withdrawal

Customer may contract up to the maximum injection/withdrawal entitlement using a combination of Firm Injections and Withdrawals, Interruptible withdrawals or incremental Firm Injections as specified on the applicable Rate Schedule.

The Company is not obligated to inject a quantity of gas which will result in Customer exceeding their Annual Firm Storage Space.

The Company is not obligated to withdraw a quantity of gas that exceeds the quantity of gas remaining in Customer's Annual Firm Storage Space.

- (a) Aggregate Excess and Obligated Daily Contract Quantity Multiple of 15 (applicable to all customers except T2 Customers with "Contract Demand Multiple of 10" storage allocation methodology)

Customer shall have the option of electing the Injection/Withdrawal Right methodology which best serves their needs. Refer to the applicable Rate Schedule for Annual Injection/Withdrawal Right methodologies.

If on any Day the quantity of gas the Company receives from Customer exceeds the quantity distributed to Customer, the amount of such excess shall be deemed to have been injected into Customer's storage account.

If on any Day the quantity of gas the Company distributed to Customer exceeds the quantity received from Customer, the amount of such excess shall be deemed to have been withdrawn from Customer's storage account.

On any Day injection/withdrawal activity shall be deemed as follows:

First gas injected or withdrawn	Up to 103% of the injection/withdrawal.
Next gas injected or withdrawn	Market Priced injection/withdrawal (if applicable)
Next gas injected or withdrawn	Overrun* injection/withdrawal for all other quantities

*Injection/withdrawal overrun will be Authorized or Unauthorized as indicated on the Company's website.

Unless otherwise advised by Customer no later than 60 days prior to renewal, the calculations to determine storage injection/withdrawal rights will be performed by the Company and the greater entitlement will be incorporated into the Contract at renewal.

(b) Contract Demand Multiple of 10 (T2 Customers only)

On any Day injection/withdrawal activity shall be deemed as follows:

Storage

Nominated gas injected or withdrawn	Up to the contracted storage injections/withdrawals rights
Next Nominated gas injected or withdrawn	Market Priced storage injection/withdrawal
Next Nominated gas injected or withdrawn Overrun	If accepted by the Company then Authorized

Daily Variance Account (DVA)

If on any Day, the quantity of gas the Company receives from Customer with a DVA exceeds the quantity distributed to Customer, the amount of such excess shall be deemed to have been injected into Customer's DVA.

If on any Day, the quantity of gas the Company distributed to Customer with a DVA exceeds the quantity received from Customer, the shortfall shall be deemed to have been withdrawn from Customer's DVA.

First gas injected or withdrawn	Up to the DVA injection/withdrawals
Next gas injected or withdrawn	DVA Unauthorized Overrun injection/withdrawal for all other quantities

The maximum amount of DVA injections on any Day is equal to the difference between the Firm CD and the quantity in the DVA at the beginning of the Gas Day. The maximum amount of DVA withdrawal on any Day is equal to the quantity of gas in the DVA at the beginning of the Gas Day. DVA injections and withdrawals are interruptible.

18.3. Deliverability Inventory Provided by Customer (not applicable to any T2 Customer with "Contract Demand Multiple of 10" storage allocation methodology)

If Customer has agreed to supply their own deliverability inventory, Customer's right to withdraw gas under the Firm Withdrawal Right shall be adjusted between January 1 and April 30. During this period, if Customer's inventory level in storage at the start of each Day is less than 20% of the Storage Space entitlement then Customer's Firm Withdrawal Right will be adjusted in accordance with the following formula:

If: $I \geq CDI$
Then: $AFW = FW$
Else: $AFW = FW \times (I / CDI)$

Where:

AFW = Adjusted Firm Withdrawal

FW = Firm Withdrawal Right (including, if applicable, Supplemental Deliverability)

I = Actual Inventory at the beginning of each Day

CDI = Customer Deliverability Inventory (Lesser of $0.2 \times SP$ or $FW/0.075$)

SP = Firm cost-based Storage Space

18.4. Customer Supplied Distribution and Storage Compressor Fuel

Customer shall have the option of supplying Compressor Fuel to the Company for movement of Customer's gas on the Company's system for both Distribution and Storage Services. Customer's right to supply Compressor Fuel herein shall only be effective where Customer has accepted this option.

If Customer has elected to supply its own Distribution Compressor Fuel, the Company shall, on a daily basis, deduct the distribution fuel quantity from the gas received from Customer. The distribution fuel quantity shall be equal to the quantity of gas for which a distribution commodity charge applies multiplied by the distribution fuel ratio specified in the Rate Schedule.

If Customer has elected to supply its own Storage Compressor Fuel, the Company shall reduce Customer's storage inventory by a quantity equal to the "Storage Fuel Quantity". The "Storage Fuel Quantity" shall be the sum of the injection and withdrawal quantities for which a commodity charge applies, multiplied by the storage fuel ratio specified in the Rate Schedule.

18.5. Disposition of Gas at Contract Termination

If this Contract terminates or expires and Customer does not have a Contract for Storage Service with the Company then, except as authorized by the Company, any gas balance remaining in Customer's Storage Space shall incur a charge equivalent to the Unauthorized Storage Space Overrun rate in the applicable Rate Schedule. Customer shall incur such charge monthly until the gas balance remaining has been reduced to zero.

19. Balancing Transaction Services

The Company provides Balancing Transaction Services to assist Customers in balancing their storage accounts.

Table 5 provides the location for each type of Balancing Transaction Service available for bundled DP in the Union South Rate Zone. Further details and the associated rates for each Balancing Transaction Service are posted on the Company's website and in Rider A, respectively.

Table 5: Balancing Transaction Services – Union South Rate Zone

Service	Location
Incremental Supply	Dawn/Parkway
Suspension	Dawn/Parkway
Ex-Franchise Transfer (EFT)	Dawn
In-Franchise Transfer (IFT)	Dawn
DCQ Assignment	Dawn/Parkway
Underground IFT (1)	Dawn

DVA Transfer (2)	Dawn
Short Term Storage	Dawn
Loan	Dawn
Discretionary Gas Supply Service (DGSS)	Dawn

Notes:

- (1) T1 and T2 only
- (2) T2 with Customer Managed Service during an interruption of storage injections/withdrawals only

19.1. Transaction Authorization

Customer can request Incremental Supply, Suspension, Ex-Franchise Transfer, Underground IFT and DVA Transfer transactions through the Nomination process. All other Balancing Transaction Services require prior authorization from the Company via Authorization Notice or, where applicable, Contract amendment.

Customer must Nominate each Balancing Transaction Service pursuant to the Nomination process in section 7 of the General Terms and Conditions. Each Balancing Transaction Service is Nominated separately and is independent of any other Balancing Transaction Service.

These Services may be subject to scheduling reductions or interruptions. The Company shall advise the party who Nominated on behalf of Customer only of such scheduling reduction or interruption through the Nomination process.

Notwithstanding the scheduling of any Balancing Transaction Services, Customer bears the risk that the Balancing Transaction Service may result in overrun. Scheduling a particular Balancing Transaction Service does not constitute the authorization of any overrun of any Contract parameter.

19.2. Energy Balancing at Points of Consumption

The distribution to Customer taking Service under the Rate T1 or Rate T2 Rate Schedule is converted from volume to energy at Customer site-specific heat measurement value. Site-specific heat measuring Equipment will be supplied, installed, and maintained by the Company at each Point of Consumption, or as determined necessary by the Company, at Customer's expense. The resulting heat value adjustment quantity shall be applied to Customer's storage account.

H. UNION SOUTH RATE ZONE – DISTRIBUTION SERVICE

The following is applicable to all distribution Services provided under a contract in the Union South Rate Zone, including distribution Service provided with semi-unbundled T-Service DP under the T1, T2 and T3 Rate Schedules.

20. Authorized and Unauthorized Overrun

20.1. M9 Distribution and T3 Transportation Services

If the gas consumed by Customer exceeds the specified Contract Demand on any two (2) days within a Contract Year (each, an “**Overrun Occurrence**”), the Contract Demand shall be immediately increased at the Company’s sole discretion, as of the first day of the month in which the second of the two (2) Overrun Occurrences occurs (an “**Automatic Increase**”). The increased Contract Demand resulting from an Automatic Increase shall be equal to the higher of the amounts of gas consumed on each of the relevant Overrun Occurrences. The charges payable by Customer thereafter shall reflect the increased Contract Demand resulting from the Automatic Increase. For certainty, there shall be no limit to the number of Automatic Increases in any Contract Year and the process described in this Section shall repeat as necessary for any Overrun Occurrence(s) following any Automatic Increase in any Contract Year. In addition, increases to Contract Demand under this Section may result in corresponding increases to Minimum Annual Volume.

21. Compliance With Minimum Annual Volume

21.1. Setting Minimum Annual Volume

Customer’s Firm and/or Interruptible Minimum Annual Volume(s) shall not be set less than the requirements set out in the Rate Schedule applicable to their contracted Service. Where load factor is a requirement to qualify for a distribution Service under a contracted rate, Minimum Annual Volume will be set no less than the applicable Contract Demand for the contracted Service multiplied by load factor multiplied by the number of days in the Contract Year. If Customer has contracted for Interruptible Service under the M5 Rate Schedule, Interruptible Minimum Annual Volume shall be set equal to the applicable Contract Demand multiplied by the forecasted days use of the Contract Demand, where applicable.

21.2. Firm Minimum Annual Volume

In each Contract Year, Customer shall consume or, in any event, pay for the Adjusted Firm Minimum Annual Volume (“AFMAV”) as determined in the formula below. The firm quantity not consumed in any Contract Year (the “Firm Deficiency Volume” or “FDV”) shall be as determined in the formula below.

Where:

$$\text{AFMAV} = \text{FMAV} \times [(\text{U} - \text{DF}) / \text{U}]$$
$$\text{FDV} = \text{AFMAV} - (\text{FV} - \text{F})$$

And:

$$\text{FMAV} = \text{Firm Minimum Annual Volume}$$

U = number of days in the Contract Year
DF = number of days of Force Majeure in the Contract Year
FV = total Firm volume consumed in the Contract Year
F = volumes delivered to the Points of Consumption during Force Majeure

The payment required for the FDV shall be calculated by multiplying FDV by the Monthly Firm Delivery Commodity rate as of the last day of the Contract Year. This payment would only apply if the FDV was greater than zero.

21.3. Interruptible Minimum Annual Volume

In each Contract Year, Customer shall consume or, in any event, pay for the Adjusted Interruptible Minimum Annual Volume (“AIMAV”) as determined in the formula below. The Interruptible quantity not consumed in any Contract Year (the “Interruptible Deficiency Volume”) (“IDV”) shall be determined in the formula below.

Where:

$$\text{AIMAV} = \text{IMAV} \times [(U - DI) / U]$$
$$\text{IDV} = \text{AIMAV} - (\text{IV} - I)$$

And:

IMAV = Interruptible Minimum Annual Volume
U = number of days in the Contract Year
DI = number of days of Interruption in the Contract Year
IV = total Interruptible volume consumed in the Contract Year
I = volume delivered to Point of Consumption during an Interruption

The payment required for the IDV shall be calculated by multiplying IDV by the Monthly Interruptible Delivery Commodity rate as of the last day of the Contract Year. This payment would only apply if the IDV was greater than zero.

I. EGD RATE ZONE – BUNDLED DP & DISTRIBUTION SERVICES

Customers that contract for bundled DP and distribution Services in the EGD Rate Zone are subject to the terms, conditions, and rules in the [EnTRAC Transaction Rules document](#).

DEFINITIONS

The defined terms from the General Terms and Conditions have the same meanings in these Transaction Rules. Unless the context otherwise specifies or requires, for the purposes of the Contract, capitalized terms used in these Transaction Rules that are in addition to those used in the General Terms and Conditions shall have the respective meanings attributed to them as follows:

“Balancing Transaction Service” means a Service that a Direct Purchase Customer uses to proactively balance their storage or Banked Gas Account.

“Bundled Direct Purchase” means a Service where Customer, or an Agent or Energy Marketer or Gas Vendor on Customer’s behalf, contracts to deliver a fixed quantity of gas to the Company to meet planned annual consumption at Customer’s Point(s) of Consumption. Differences between Customer’s daily deliveries and consumption are tracked and managed in a Banked Gas Account and, depending on the Rate Zone, Customer may be obligated to balance for differences between actual and planned consumption at specific times during the year.

“Customer Balancing Service” or **“CBS”** means the Service used to track differences arising between the quantities of gas received from Customer at a Point(s) of Receipt by the Company and the quantity of such gas distributed by the Company to Customer’s Point of Consumption under a T-Service agreement in the Union North Rate Zones.

“CBS Account” means the balancing account used by the CBS Service.

“CBS Hourly Injection” shall mean the quantities received by the Company in excess of the quantities distributed by the Company for any Hour in any Gas Day.

“CBS Hourly Withdrawal” shall mean the quantities distributed by the Company in excess of the quantities received by the Company for any Hour in any Gas Day.

“Customer Determined” means a form of Bundled DP in the Union South Rate Zone where Customer determines the balancing actions it needs to take to ensure its BGA balance meets Fall and Winter Checkpoint obligations.

“Customer Managed Service” means a form of T-Service available to Customers in the Union South Rate Zone under the T2 Rate Schedule where Customer has Non-Obligated deliveries of supply at the Dawn Point of Receipt and a storage space allocation under the “Contract Demand Multiple of 10” methodology.

“Daily CBS” means a CBS Service where differences are tracked daily.

“Daily Variance Account” means an account used to track differences arising between the quantities of gas received from Customer at a Point(s) of Receipt by the Company and the quantity of such gas distributed by the Company to Customer’s Point of Consumption under a Rate T2 T-Service agreement in the Union South Rate Zone where Customer has Non-Obligated deliveries of supply at the Dawn Point of Receipt.

“Daily Variance Account Transfer” means a Firm transaction available to a customer that has contracted for a Daily Variance Account to transfer gas between Customer’s storage account and Daily Variance Account when storage injections or storage withdrawals are interrupted.

“DCQ Assignment” means a Firm transaction that allows a DP Customer(s) to temporarily transfer a DCQ at a Point of Receipt of one Pool to another Pool or Customer in the Union South Rate Zone.

“Discretionary Gas Supply Service” or **“DGSS”** means a Firm supplementary gas supply service that allows a DP Customer in the Union South Rate Zone to purchase a specific quantity of gas from the Company in the Union South Rate Zone at a negotiated price subject to availability and credit approval.

“DP Schedule” means the Contract Schedule that sets out Customer’s Bundled DP parameters.

“Distribution Schedule” means the Contract Schedule that sets out distribution Service parameters.

“East of Dawn” refers to contract rate customer Points of Consumption in the Union South Rate Zone that are served via the Company’s Dawn to Parkway transportation system.

“EGD Rate Zone” means the geographic areas within which the Company provides Service formerly provided by Enbridge Gas Distribution Inc. prior to its amalgamation with Union Gas Limited on January 1, 2019, as such areas may be amended from time to time.

“Ex-Franchise Transfer” or **“EFT”** means an interruptible transaction that allows a DP Customer in the Union North or Union South Rate Zone to transfer gas from their BGA or storage account to a party who will not consume the gas within the Union North or Union South Rate Zones.

“Fall Checkpoint” means the balancing obligation at the end of September set out for Bundled DP in the Union South Rate Zone.

“Fall Checkpoint Date” means the last day of September.

“Fall Checkpoint Quantity” means the planned BGA balance as of the end of September as forecast at the time the Pool’s DCQ and balancing parameters were last set/updated.

“Firm Billing Contract Demand” means a billing parameter determined by the Company to recover the Company’s facility and ongoing costs to serve the Point of Consumption over the Contract Term. Customers are eligible for FBCD if new or incremental loads are greater than 1,200,000 m³ /day and are directly connected to: i) the Dawn to Parkway transmission system in close proximity to Parkway; or ii) a third-party pipeline. Customers who do not meet the criteria are not eligible for the FBCD option.

“Firm Hourly Quantity” means the maximum quantity of gas that may flow during any hourly period when a Notice of Interruption is in effect within a Gas Day.

“Gas Distribution Access Rule” or **“GDAR”** means the Rule issued by the OEB: establishing conditions of access to gas distribution Services provided by a gas distributor; establishing rules governing the conduct of a gas distributor as such conduct relates to a gas vendor; establishing Service Quality Requirements for gas distributors; establishing customer service rules for rate-regulated gas distributors; and establishing a consumer complaint response process for rate-regulated gas distributors.

“Gas Vendor” means a Person who: sells or offers to sell gas to a consumer; acts as the agent or broker for a seller of gas to a consumer; or acts or offers to act as the agent or broker of a consumer in the purchase of gas.

“Hourly Balancing Amount” shall mean the quantity of gas, as quantified in Schedule 1, which Customer may inject into, or withdraw from, on any hour, the Hourly CBS, without incurring overrun.

“Hourly CBS” means a CBS Service where differences are tracked hourly.

“Incremental Supply” means an Interruptible Non-Obligated transaction that allows a DP Customer to deliver additional gas to their BGA or storage account in the Union North or Union South Rate Zones.

“In-Franchise Transfer” or **“IFT”** means a Firm transaction that allows a DP Customer(s) to transfer gas between BGA and/or storage accounts in the Union North or Union South Rate Zones.

“Loan” means a Firm transaction that that allows a DP Customer in the Union North or Union South Rate Zones to obtain gas from the Company into their BGA or storage account for a short period of time at a negotiated price, subject to availability and credit approval.

“Northern Bundled T” means the Bundled DP Service available in the Union North Rate Zones.

“Rate Zones” or **“rate zones”** means the Company’s rates and services areas as defined in the applicable Rate Orders issued by the Ontario Energy Board.

“Short Term Storage” means a Firm transaction that allows a DP Customer in the Union North or Union South Rate Zones to obtain storage from the Company for a short period of time at a negotiated price, subject to availability, to carry a surplus balance in their BGA or storage account.

“Southern Bundled T” means the Bundled DP Service available in the Union South Rate Zone.

“Suspension” means an Interruptible transaction that allows a DP Customer to temporarily reduce their DCQ in the Union South Rate Zone.

“TCPL” or **“TransCanada”** means TC Energy Corporation.

“TCPL Delivery Area(s)” means the delivery areas on TCPL’s system as defined for TCPL rates and Services including: the Western Delivery Area (**“WDA”**), Sault St. Marie Delivery Area (**“SSMDA”**), and Manitoba Delivery Area (**“MDA”**) serving the Company’s Union North West Rate Zone; Northern Delivery Area (**“NDA”**), North Central Delivery Area (**“NCDA”**), and Eastern Delivery Area (**“EDA”**) serving the Company’s Union North East Rate Zone; and, the Enbridge Central Delivery Area (**“EEDA”**) and Enbridge Eastern Delivery Area (**“EEDA”**) serving the EGD Rate Zone.

“Underground In-Franchise Transfer” or **“UIFT”** means a Firm transaction that transfers gas underground at Dawn storage between eligible Rate T1, T2, T3 contracts. The quantity is limited to storage accounts with equal deliverability percentages or from a storage account with higher deliverability to an account with lower deliverability.

“Union North East Rate Zone” means the geographic areas with which the Company provides Service formerly provided by Union Gas Limited in the NDA, NCDA, and EDA on TCPL’s system prior to its

amalgamation with Enbridge Gas Distribution Inc. on January 1, 2019, as such areas may be amended from time to time.

“Union North West Rate Zone” means the geographic areas with which the Company provides Service formerly provided by Union Gas Limited in the WDA, SSMDA and MDA on TCPL’s system prior to its amalgamation with Enbridge Gas Distribution Inc. on January 1, 2019, as such areas may be amended from time to time.

“Union South Rate Zone” means the geographic areas with which the Company provides Service formerly provided by Union Gas Limited in southern Ontario prior to its amalgamation with Enbridge Gas Distribution Inc. on January 1, 2019, as such areas may be amended from time to time.

“Utility Determined” means a form of Bundled DP in the Union South Rate Zone where the Company determines the balancing actions Customer needs to take to ensure its BGA balance meets Fall and Winter Checkpoint obligations.

“West of Dawn” refers to contract rate customer Points of Consumption in the Union South Rate Zone that are not served via the Company’s Dawn to Parkway transportation system.

“Winter Checkpoint” means the balancing obligation at the end of February set out for Bundled DP in the Union South Rate Zone.

“Winter Checkpoint Date” means the last day of February.

“Winter Checkpoint Quantity” means the planned BGA balance as of the end of February as forecast at the time the Pool’s DCQ and balancing parameters were last set/updated.