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For Immediate Release

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OEB issues Quarterly Rate Adjustment for Union Gas Limited

Toronto – The Ontario Energy Board has approved changes to the rates Union Gas Limited (Union) charges its customers effective October 1, 2006 as part of its Quarterly Rate Adjustment Mechanism (QRAM). Consumers' bills will change depending on the amount of natural gas used, type of consumer and the location of the consumer.

Rate changes were made to reflect a decrease in the forecast average price of natural gas over the next 12 months, and to capture associated adjustments to the transportation, storage and delivery costs of natural gas in Ontario.

The OEB has also approved a natural gas price adjustment for system gas customers for the 12-month period starting October 1, 2006. The adjustment is a credit that represents the difference between the actual and forecasted cost of natural gas.

The combined effect of the approved natural gas rate and the gas price adjustment results in the effective rate consumers will pay for the period October to December.

There are also temporary credits for delivery and transportation rates from October 1, 2006 to December 31, 2006 reflected in the rate changes. The credits relate to 2005 deferral accounts and 2005 earnings sharing.

Effective October 1st, the natural gas commodity rates for Union Gas consumers are as follows:

Rate Zone	Natural Gas Rate ¢/m ³	Gas Price Adjustment ¢/m ³	Effective Rate ¢/m ³
Eastern	35.6946	-4.1428	31.5518
Northwestern	34.5887	-4.1428	30.4459
Northern	35.1992	-4.1428	31.0564
Fort Frances	34.1331	-4.1428	29.9903
Southern	35.6504	-4.1310	31.5194

As a result of the changes, residential system gas consumers using 2,600 cubic meters (m³) a year will see a decrease between \$19 and \$27 annually on their bill.

Consumers who purchase their gas commodity from a natural gas marketer will see a decrease of approximately \$5 to their overall annual bill resulting from changes to

transportation and delivery charges. This does not include the terms of any direct purchase contracts that the consumer has entered into with a natural gas marketer.

Full rate schedules are available on the Board's web site.

Natural gas utilities forecast the price of natural gas on a quarterly basis to determine what they expect to pay for the natural gas they supply to their customers over a twelve-month period. While extreme weather is difficult to predict, it can have an impact on the price of natural gas. Supply disruptions like those caused by the hurricanes in the southern United States and Gulf of Mexico last year, and the increasing price of oil on the world market, puts upward pressure on natural gas prices. Similarly, the relatively mild winter this year has put downward pressure on natural gas prices.

The Ontario Energy Board regulates the province's electricity and natural gas sectors in the public interest. It envisions a healthy and efficient energy sector with informed consumers, and works towards this vision through regulatory processes that are effective, fair and transparent.

For more information on the Board, please visit our web site at www.oeb.gov.on.ca or contact the Consumer Relations Centre at 416-314-2455 or toll-free at 1-877- 632-2727.

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