

D₅ Interruptible Service

Components of the distribution service price

These are components of the cost of the Énergir service. These costs include, among others, infrastructure (such as pipes, connections and meters) as well as their maintenance costs, services rendered to customers, income taxes and taxes.

The magnitude of those fixed costs makes economies of scale possible, Service to a customer who consumes a small volume of natural gas costs more than that to a customer who consumes a large volume of natural gas.

That reality is reflected in the distribution service's tariff structures.

Regulated rates

The Régie de l'énergie annually approves distribution revenues and their allocation through tariffs. It also approves the various tariff structures and any changes, if applicable.

Various tariff structures have been established to correspond to different consumption profiles. This fact sheet describes the tariff structure for interruptible service, or D₅. Other fact sheets describing the general tariff, the modular tariff and the stable service tariff are also available.

Énergir interruptible service tariff

As is the case for all distribution tariffs, the price of interruptible service reduces as the volume consumed increases.

Eligibility for the tariff

This tariff, with its advantageous rates, is offered to high-volume customers who are able to interrupt their natural gas service, particularly during the winter period. The service access threshold is an average volume of 3,200 cubic metres per day, which includes the stable service subscribed volume, if applicable.

Price of the interruptible service

The unit price is the result of the factors described below.

1 Unit rate by volume withdrawn

The unit rate by volume withdrawn is the variable portion of the bill. This rate is established on the basis of the projected average daily volume and is billed based on the monthly volume consumed.

2 Reductions to bill

Two reductions to the unit rate applicable to the volume withdrawn are granted, based on the following criteria:

- A reduction is granted for any contract with a term longer than twelve months. This reduction may reach 40% for a five-year contract.
- A reduction is also granted for any consumption commitment (known as the minimum annual obligation, or MAO) greater than 60% of the projected volume and may represent an additional 30% reduction for a commitment of 85% or more.

3 Unauthorized withdrawals

From November to March, Énergir has to meet increased demand for natural gas due to heating needs. During these months, interruptible service subscribers who are asked to cease withdrawals by Énergir and who consume despite this notice create unplanned pressure on the demand for natural gas.

A substantial penalty is thus applied when the volume is consumed despite a notice of interruption. This volume is subject to a fixed rate for unauthorized withdrawals, to which is added the price for the natural gas supply service, based on the price traded at Iroquois¹ at the time of the withdrawal.

¹ Interconnection point between the transportation networks of TransCanada Pipelines Ltd. and Iroquois, where the daily price index is published.

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Interruption

The maximum number of days of interruption is determined annually and communicated to customers by the Tariffs text. Énergir also informs customers in advance of the projected annual number of days of interruption. The interruption policy and procedures are also sent to customers annually.

When Énergir issues a notice of interruption, customers must stop using natural gas until otherwise advised. The official notice is issued by fax and must be sent at least two hours before the start of the interruption. The notice is usually issued before 3 p.m. the day before the interruption in service.

After receiving a notice of interruption in service, customers who are temporarily unable to stop natural gas withdrawals due to technical problems may use the “make-up gas to avoid an interruption” service. Customers can obtain information on the availability of this service from their Énergir advisor.

Customers who wish to continue withdrawals under interruptible service after receiving a notice of interruption, may also use the “auxiliary gas to avoid an interruption” service, after obtaining information their Énergir advisor.

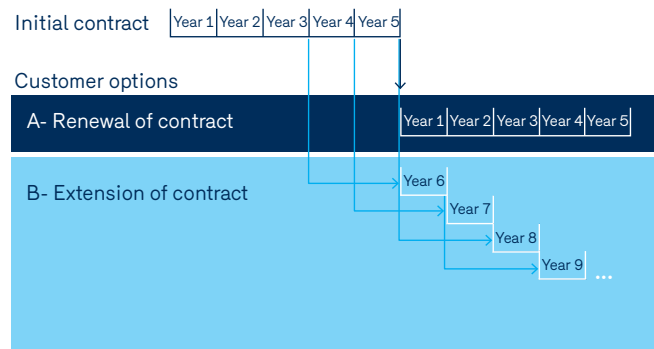
Revisions to minimum annual obligations

Subject to some restrictions, revisions to the minimum annual obligations are permitted during the contract at the customer’s request. Similarly, revisions are also possible following the implementation of certain energy efficiency programs.



Contract extension

Customers may extend their initial contract by one year while maintaining the reduction granted for the duration of the contract. However, a minimum term, calculated according to the initial term of the contract, must be observed. Customers thus have the choice of renewing or extending their contract, as illustrated below.



Combined tariff

An interruptible service tariff may be combined with a stable service tariff (see fact sheet on Stable Service). In the case of a combination tariff, the volume is first considered as continuous service up to the subscribed volume, then as interruptible service. This option may minimize the price paid for the natural gas service as a whole, by taking advantage of both the advantageous rates for interruptible service and the price optimization for stable service.

