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Energy
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DECISION AND RATE ORDER

EB-2021-0309

EPCOR NATURAL GAS LIMITED PARTNERSHIP- SOUTH BRUCE

Application for quarterly rate adjustment mechanism commencing
January 1, 2022

Before: **Allison Duff**
Presiding Commissioner

Lynne Anderson
Chief Commissioner

December 16, 2021

INTRODUCTION

The Ontario Energy Board (OEB) is approving an application filed by EPCOR Natural Gas Limited Partnership (EPCOR) on December 9, 2021. EPCOR applied for an order or orders approving or fixing just and reasonable rates and other charges for the sale and distribution of natural gas commencing January 1, 2022 for its South Bruce operations (the Application).

The Application was made pursuant to section 36(1) of the *Ontario Energy Board Act, 1998* and in accordance with the Quarterly Rate Adjustment Mechanism (QRAM) established by the OEB for dealing with changes in gas costs.¹

EPCOR stated that based on the forecast increase in natural gas prices, absent mitigation the increase to the commodity portion of the bill effective January 1, 2022 for a typical residential customer² who purchases its natural gas supply supply from EPCOR would exceed 25%. As a result, EPCOR proposed a rate mitigation plan for its South Bruce customers.

EPCOR provided written evidence in support of the proposed changes. EPCOR provided the Application to all parties of record in EPCOR South Bruce's last rates proceedings.³

Parties and OEB staff wishing to file comments on the Application were required to file them with the OEB by December 14, 2021. OEB staff filed a letter of comment. No other comments were filed. OEB staff submitted that EPCOR's proposed rate mitigation plan was acceptable and recommended that it be approved as filed.

The Application also included the implementation of new 2022 distribution rates and temporary rate adjustments previously approved by the OEB.

OEB Process for QRAM

The OEB established a process for reviewing QRAM applications.⁴ This process requires distributors, one month in advance of the normal QRAM filing date, to complete a preliminary estimate of the change in the commodity portion of a typical residential customer's bill who purchases their natural gas supply from the distributor. The

¹ EB-2008-0106

² A typical residential customer in South Bruce uses about 2,149 cubic metres of natural gas per year

³ EB-2018-0264

⁴ EB-2014-0199, Review of the Quarterly Rate Adjustment Mechanism (August 14, 2014)

preliminary estimate is based on a forecast of natural gas prices, including any true-ups for the difference between actual and forecast natural gas prices for prior periods. In accordance with the QRAM process established by the OEB in a previous decision,⁵ the forecasted reference price must be based on the most current 21-day strip of market prices available at the time. If a distributor anticipates an increase or decrease of 25% or more on the commodity portion of a typical residential customer's bill, the distributor must file a letter with the OEB describing the anticipated increase or decrease and the cost drivers underpinning the anticipated change.

If a 25% or greater change on the commodity portion of a typical residential customer's bill is still anticipated with the QRAM application, the distributor must file evidence that explains, in detail, the reasons for the rate increase or decrease. Where the change is an increase, the distributor must also propose a plan for rate mitigation.

⁵ EB-2014-0199, Review of the Quarterly Rate Adjustment Mechanism, Decision and Order, August 14, 2014

EPCOR'S PROPOSED RATE MITIGATION PLAN

EPCOR stated that based on the QRAM, the bill impacts effective January 1, 2022 for a typical residential customer who purchases its natural gas supply from EPCOR would exceed 25% on the commodity portion of the bill. The total bill impact, which includes commodity, for a typical residential customer was forecasted to be an increase of approximately 10%.

On December 1, 2021, Enbridge Gas Inc (Enbridge Gas), which was also anticipating an increase to its commodity rates in excess of 25% through its QRAM application, received a letter from the Minister of Energy asking it to “review and consider fully all mitigation opportunities available, considering rising inflation and broader affordability issues for energy consumers in its development of the mitigation plan for the upcoming QRAM.” In consideration of the letter, EPCOR proposed a total bill increase limit of 5% to align with the rate mitigation plan proposed by Enbridge Gas.

To mitigate the gas price increase and keep the total bill impact to 5%, EPCOR proposed to apply a credit of \$380,000 to the Purchase Gas Commodity Variance Account (PGCVA) to temporarily reduce the impact of the commodity cost increase. EPCOR proposed to include a PGCVA debit of an equal amount in the April 2022 QRAM in order to recover the amount deferred in this Application.

The bill impacts of the proposed rate mitigation plan for a typical residential customer who purchases its gas supply from EPCOR- South Bruce are depicted in Table 1.

Table 1: Rate Mitigation Plan- Bill Impacts

	Commodity Bill		Total Bill	
	\$	%	\$	%
QRAM Forecast (Before Rate Mitigation)	\$104.20	36.0%	\$147.17	9.9%
As Filed (After Rate Mitigation)	<u>\$32.16</u>	<u>11.1%</u>	<u>\$75.13</u>	<u>5.0%</u>
Impact of Rate Mitigation	(\$72.04)	(24.9%)	(\$72.04)	(4.9%)

The total annual bill impact for a typical residential customer who purchases their gas supply from EPCOR is an increase of approximately \$75 on an annual basis, or 5.0%. The total bill impact also includes the implementation of new 2022 distribution rates and temporary rate adjustments previously approved by the OEB.

Reasons for the Increase in Gas Supply Prices

EPCOR explained that the combination of low storage levels, flat production, and increased demand in natural gas exports has led to a steep increase in natural gas

prices in North America. This increase is reflected in the reference price based on the 21-day market strip ending on December 1, 2021 used for the commodity forecast.

Comments on the Application

The OEB received comments from OEB staff. OEB staff submitted that while the proposed rate mitigation plan is more substantial than the level approved in the October 2021 QRAM for Enbridge Gas, the proposed plan should be approved as filed. OEB staff also noted that increases in the federal carbon charges are expected to be implemented in the April 2022 QRAM, and will further increase bill impacts for customers. OEB staff suggested that EPCOR consider a phased recovery of the deferred amount, as a longer-term approach to the recovery of the deferred amount would benefit ratepayers.

OEB FINDINGS

The OEB approves the Application as filed.

The OEB finds that the proposed rate mitigation plan strikes a balance between ensuring that consumers are receiving appropriate market price signals and protecting the interest of consumers that purchase their gas from EPCOR by reducing, to some extent, the volatility in the market price of natural gas. Specifically, the natural gas commodity rates to be charged by EPCOR incorporate:

- A market price forecast for the commodity over the next 12 months
- A true-up between actual and forecast commodity prices for prior periods as actual costs are passed on to customers without a mark-up. By design, the QRAM includes smoothing of price volatility by spreading this amount over a 12-month period.

The OEB has approved rate mitigation plans for QRAM applications in the past. The OEB finds EPCOR's rate mitigation plan to be similar to Enbridge Gas's rate mitigation plan approved for the October 2021 QRAM and aligned with Enbridge Gas's current January 2022 QRAM application.⁶ The rate mitigation plans for the January 2022 QRAMs are similar as both distributors proposed to apply a temporary PGCVA credit in order to limit the total bill impact to 5%.

The OEB acknowledges the letter from the Minister of Energy encouraging the OEB to consider tools to mitigate natural gas prices given global supply and demand issues. The OEB concludes that the mitigation plan proposed by EPCOR is appropriate for this winter's heating season.

EPCOR proposed that a \$380,000 debit be applied to the PGCVA for the April 2022 QRAM. The OEB is not making a determination on this adjustment or OEB staff's proposal at this time because any adjustment will be dependent on the forecast of natural gas at that time, and the balance in the PGCVA.

EPCOR included its customer communication plan with the Application. The OEB has no concerns with the communication planned. Provided customers are made aware of the rate increase, the OEB concludes that it is unnecessary for it to approve the detailed wording of that communications messaging.

⁶ EB-2021-0219

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The rates approved for EPCOR South Bruce as part of the decision and rate order EB-2021-0236, dated September 23, 2021, shall be superseded by the rates as provided in Appendix A to this Decision and Rate Order.
2. The rates shall be effective January 1, 2022 and shall be implemented in EPCOR's first billing cycle commencing in January 2022.
3. The reference price for use in determining the amounts to be recorded in the Purchase Gas Commodity Variance Account (Account No.179-27) shall increase by \$0.015151 per m³ from the previous OEB approved level of \$0.140567 per m³ o **\$0.155718** per m³.
4. The balance in the Gas Purchase Rebalancing Account shall be prospectively cleared. The resulting gas supply charge will increase from the previous OEB approved level of \$0.134787 per m³ to **\$0.149747** per m³ as noted in Appendix A to this Decision and Rate Order.
5. EPCOR must ensure its customers are made aware of the rate increase.
6. EPCOR shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

ISSUED at Toronto, December 16, 2021

ONTARIO ENERGY BOARD

Original Signed by

Christine E. Long
Registrar

**APPENDIX A TO
DECISION AND RATE ORDER
OEB FILE NO. EB-2021-0309
DATED: December 16, 2021**

RATE 1 - General Firm Service

Applicability

Any customer in EPCOR’s South Bruce Natural Gas System who is an end user and whose total gas requirements are equal to or less than 10,000 m³ per year.

Rate

Rates per m³ assume an energy content of 38.89MJ/m³

Bills will be rendered monthly and shall be the total of:

Monthly Fixed Charge ⁽¹⁾	\$27.27
Delivery Charge	
First 100 m ³ per month	28.1486 ¢ per m ³
Next 400 m ³ per month	27.5941 ¢ per m ³
Over 500 m ³ per month	26.7790 ¢ per m ³
Upstream Charges	
Upstream Recovery charge	1.474 ¢ per m ³
Transportation and Storage charge	2.6982 ¢ per m ³
Rate Rider for Delay in Revenue Recovery	1.633 ¢ per m ³
- effective for 10 years ending December 31, 2028	
ECVA Rate Rider	0.1403 ¢ per m ³
- effective for 12 months ending December 31, 2022	
CIACVA Rate Rider	0.5434 ¢ per m ³
- effective for 12 months ending December 31, 2022	
EFVA Rate Rider	0.5197 ¢ per m ³
- effective for 12 months ending December 31, 2022	
Federal Carbon Charge (if applicable)	7.83 ¢ per m ³
Gas Supply Charge	14.9747 ¢ per m ³

⁽¹⁾Aggregated within Monthly Fixed Charge is the amount of one dollar per month in accordance with Bill 32 and Ontario Regulation 24/19.

Direct Purchase Delivery

Where a customer elects under this Rate Schedule to directly purchase its gas from a supplier other than EPCOR, the supplier must qualify as a “gas marketer” under the *Ontario Energy Board Act, 1998*, and must enter into a T-Service Receipt Contract with EPCOR for delivery of gas to EPCOR at a receipt point listed on the upstream transportation contract that EPCOR has with the Upstream Service Provider (“**Ontario Delivery Point**”). T-Service Receipt Contract rates are described in Rate Schedule T1. Transportation and Storage charges may vary depending on the Ontario Delivery Point. Gas Supply Charges in this Rate Schedule are not applicable for Rate T1 customers.

Terms and Conditions of Service

The provisions in the “EPCOR Natural Gas Limited Partnership South Bruce Natural Gas Operations Conditions of Service” apply, as contemplated therein, to service under this Rate Schedule.

Effective: January 1, 2022

Implementation: All bills rendered on or after January 1, 2022

EB-2021-0309

RATE 6 – Large Volume General Firm Service

Applicability

Any customer in EPCOR’s South Bruce Natural Gas System who is an end user and whose total gas requirements are greater than 10,000 m³ per year.

Rate

Rates per m³ assume an energy content of 38.89MJ/m³

Bills will be rendered monthly and shall be the total of:

Monthly Fixed Charge ⁽¹⁾	\$108.16	
Delivery Charge		
First 1000 m ³ per month	25.9678	¢ per m ³
Next 6000 m ³ per month	23.3710	¢ per m ³
Over 7000 m ³ per month	22.2023	¢ per m ³
Upstream Charges		
Upstream Recovery charge	2.9200	¢ per m ³
Transportation and Storage charge	5.6413	¢ per m ³
Rate Rider for Delay in Revenue Recovery	1.633	¢ per m ³
- effective for 10 years ending December 31, 2028		
ECVA Rate Rider	0.1403	¢ per m ³
- effective for 12 months ending December 31, 2022		
CIACVA Rate Rider	0.7135	¢ per m ³
- effective for 12 months ending December 31, 2022		
EFVA Rate Rider	0.6608	¢ per m ³
- effective for 12 months ending December 31, 2022		
Federal Carbon Charge (if applicable)	7.83	¢ per m ³
Gas Supply Charge	14.9747	¢ per m ³

⁽¹⁾Aggregated within Monthly Fixed Charge is the amount of one dollar per month in accordance with Bill 32 and Ontario Regulation 24/19.

Direct Purchase Delivery

Where a customer elects under this Rate Schedule to directly purchase its gas from a supplier other than EPCOR, the customer or their agent must enter into a T-Service Receipt Contract with EPCOR for delivery of gas to EPCOR at a receipt point listed on the upstream transportation contract that EPCOR has with the Upstream Service Provider (“**Ontario Delivery Point**”). T-Service Receipt Contract rates are described in Rate Schedule T1. Transportation and Storage charges may vary depending on the Ontario Delivery Point. Gas Supply Charges in this Rate Schedule are not applicable for Rate T1 customers.

Terms and Conditions of Service

The provisions in the “EPCOR Natural Gas Limited Partnership South Bruce Natural Gas Operations Conditions of Service” apply, as contemplated therein, to service under this Rate Schedule.

Effective: January 1, 2022

Implementation: All bills rendered on or after January 1, 2022

EB-2021-0309

RATE 11 - Large Volume Seasonal Service

Applicability

Any customer in EPCOR’s South Bruce Natural Gas System who is an end user and whose gas requirements are only during the period of May 1 through Dec 15 inclusive and are greater than 10,000 m³.

Rate

Rates per m³ assume an energy content of 38.89MJ/m³

Bills will be rendered monthly and shall be the total of:

Monthly Fixed Charge ⁽¹⁾	\$215.31
Delivery Charge	
All volumes delivered	16.1303 ¢ per m ³
Upstream Charges	
Upstream Recovery charge	0.0352 ¢ per m ³
Transportation and Storage charge	1.8166 ¢ per m ³
Rate Rider for Delay in Revenue Recovery	0.5524 ¢ per m ³
- effective for 10 years ending December 31, 2028	
ECVA Rate Rider	0.1403 ¢ per m ³
- effective for 12 months ending December 31, 2022	
CIACVA Rate Rider	0.0992 ¢ per m ³
- effective for 12 months ending December 31, 2022	
EFVA Rate Rider	0.1075 ¢ per m ³
- effective for 12 months ending December 31, 2022	
Federal Carbon Charge (if applicable)	7.83 ¢ per m ³
Gas Supply Charge	14.9747 ¢ per m ³

⁽¹⁾Aggregated within Monthly Fixed Charge is the amount of one dollar per month in accordance with Bill 32 and Ontario Regulation 24/19.

Unaccounted for Gas (UFG):

Forecasted UFG is applied to all volumes of gas delivered to the customer.

Forecasted Unaccounted for Gas Percentage 0.00 %

Overrun Charges:

Any volume of gas taken during the period of December 16 through April 30 inclusive shall constitute “Overrun

Gas” and must be authorized in advance by EPCOR. Delivery of these volumes is available at the Authorized Overrun Charge in addition to applicable Upstream Charges and Gas Supply Charges. EPCOR will not unreasonably withhold authorization.

Authorized Overrun Charge

16.8083 ¢ per m³

Any volume of gas taken during the period of December 16 through April 30 inclusive without EPCOR’s approval in advance shall constitute “Unauthorized Overrun Gas”. Delivery of these volumes will be paid for at the Unauthorized Overrun Charge in addition to applicable Upstream Charges and Gas Supply Charges.

Unauthorized Overrun Charge

402.5107 ¢ per m³

For any volume of Unauthorized Overrun Gas taken, the customer shall, in addition, indemnify EPCOR in respect of any penalties or additional costs imposed on EPCOR by its suppliers, any additional gas cost incurred or any sales margins lost as a consequence of the customer taking the unauthorized overrun volume.

Nominations:

Union Gas Limited will be the “Upstream Service Provider” to facilitate delivery and balancing of gas supplies to the EPCOR South Bruce Natural Gas System. For service under this Rate Schedule, the customer shall nominate for transportation of gas volumes for ultimate delivery to the customer. The customer agrees to nominate its daily gas volumetric requirement to EPCOR, or its designated agent, consistent with industry nomination standards including those nomination requirements of the Upstream Service Provider.

The customer shall nominate gas delivery daily based on its daily gas requirements plus the Forecasted UFG rate as set out in this Rate Schedule.

The nomination calculation shall equal:

$$[(\text{Daily volume of gas to be delivered}) * (1 + \text{Forecasted UFG})]$$

Customers may change daily nominations based on the nomination windows within a day as defined by EPCOR’s agreement with the Upstream Service Provider.

In the event nominations under this Rate Schedule do not match upstream nominations, the nomination will be confirmed at the upstream value.

Customers with multiple connections under this Rate Schedule may combine nominations at the sole discretion of EPCOR. For combined nominations the customer shall specify the quantity of gas to each meter installation (“Terminal Location”) and the order in which the gas is to be delivered to each Terminal Location.

Load Balancing:

Daily nominations provided by the customer shall be used for the purposes of day-to-day balancing as required under EPCOR’s arrangement with the Upstream Service Provider.

When a customer’s metered consumption on any day is different than the gas nominated for consumption by the customer on any day, this constitutes a “Daily Load Imbalance”. A “Cumulative Load Imbalance” occurs when the ongoing absolute value of Daily Load Imbalances are greater than zero.

To the extent that EPCOR incurs daily or cumulative load balancing charges, the customer will be responsible for its proportionate share of such charges. Charges related to these imbalances are as defined in EPCOR’s agreement with the Upstream Service Provider.

Direct Purchase Delivery

Where a customer elects under this Rate Schedule to directly purchase its gas from a supplier other than EPCOR, the customer or their agent must enter into a T-Service Receipt Contract with EPCOR for delivery of gas to EPCOR at a receipt point listed on the upstream transportation contract that EPCOR has with the Upstream Service Provider (“**Ontario Delivery Point**”). T-Service Receipt Contract rates are described in Rate Schedule T1. Transportation and Storage charges may vary depending on the Ontario Delivery Point. Gas Supply Charges in this Rate Schedule are not applicable for Rate T1 customers.

Terms and Conditions of Service

1. In any year, during the period of May 1 through December 15 inclusive, the customers shall receive continuous (“**Firm**”) service from EPCOR, except where impacted by events as specified in EPCOR Natural Gas Limited Partnership South Bruce Natural Gas Operations Conditions of Service including force majeure. During the period of December 16 through April 30 inclusive, any authorized overrun service shall be interruptible at the sole discretion of EPCOR. All service during the period December 16 through April 30 inclusive shall be subject to EPCOR’s prior authorization under the daily nomination procedures outlined in this Rate Schedule and shall constitute Overrun Gas.
2. To the extent that EPCOR’s Upstream Service Provider provides any seasonal or day-to-day balancing rights for EPCOR, the customer shall be entitled to a reasonable proportion of such balancing rights as determined by EPCOR from time to time. If the customer utilizes any of EPCOR’s seasonal or day-to-day balancing services or any other services available from the Upstream Service Provider, the customer agrees to comply with all balancing requirements imposed by the Upstream Service Provider. The customer also agrees to be liable for its share of any such usage limitations or restrictions, fees, costs or penalties associated with the usage of such services, including but not limited to any associated storage fees, daily or cumulative balancing fees or penalties, and gas commodity costs as determined by EPCOR, acting reasonably.
3. EPCOR receives upstream services under the Union Gas Limited M17 Rate Schedule. Details of this upstream arrangement and associated nomination standards and Load Balancing Arrangement are available at www.uniongas.com.
4. The provisions in the “EPCOR Natural Gas Limited Partnership South Bruce Natural Gas Operations Conditions of Service” apply, as contemplated therein, to service under this Rate Schedule.

Effective: January 1, 2022

Implementation: All bills rendered on or after January 1, 2022

EB-2021-0309

RATE 16 – Contracted Firm Service

Applicability

Any customer connected directly to EPCOR’s South Bruce Natural Gas High Pressure Steel System and who enters into a contract with EPCOR for firm contract daily demand of at least 2,739m³.

Rate

Rates per m³ assume an energy content of 38.89MJ/m³

Bills will be rendered monthly and shall be the total of:

Monthly Fixed Charge ⁽¹⁾	\$1,576.78	
Delivery Charge		
Per m ³ of Contract Demand	107.4831	¢ per m ³
Upstream Charges		
Upstream Recovery charge per m ³ of Contract Demand	14.2434	¢ per m ³
Transportation charge per m ³ of Contract Demand		
Transportation from Dawn	18.2999	¢ per m ³
Transportation from Kirkwall	11.8480	¢ per m ³
Transportation from Parkway	11.8480	¢ per m ³
Rate Rider for Delay in Revenue Recovery	0.0601	¢ per m ³
- effective for 10 years ending December 31, 2028		
ECVA Rate Rider	0.1403	Per m ³ of Contract Demand
- effective for 12 months ending December 31, 2022		
CIACVA Rate Rider	0.9603	Per m ³ of Contract Demand
- effective for 12 months ending December 31, 2022		
EFVA Rate Rider	0.7964	Per m ³ of Contract Demand
- effective for 12 months ending December 31, 2022		
Federal Carbon Charge (if applicable)	7.83	¢ per m ³

⁽¹⁾ Aggregated within Monthly Fixed Charge is the amount of one dollar per month in accordance with Bill 32 and Ontario Regulation 24/19.

Unaccounted for Gas:

Forecasted Unaccounted for Gas (UFG) is applied to all volumes of gas delivered to the customer.

Forecasted Unaccounted for Gas Percentage 0.00 %

Overrun Charges:

Any volume of gas taken in excess of the daily Contract Demand or Peak Hourly Volume EPCOR is obligated to transport as per the contract with the customer shall constitute "Overrun Gas" and must be authorized in advance by EPCOR. Delivery of these volumes is available at the Authorized Overrun Charge in addition to applicable Upstream Charges. EPCOR will not unreasonably withhold authorization.

Authorized Overrun Charge 5.2526 ¢ per m³

Any volume of gas taken in excess of the daily Contract Demand or Peak Hourly Volume EPCOR is obligated to transport as per the contract with the customer without EPCOR's approval in advance shall constitute "Unauthorized Overrun Gas". Delivery of these volumes will be paid for at the Unauthorized Overrun Charge in addition to applicable Upstream Charges.

Unauthorized Overrun Charge 402.6142 ¢ per m³

For any volume of Unauthorized Overrun Gas taken, the customer shall, in addition, indemnify EPCOR in respect of any penalties or additional costs imposed on EPCOR by its suppliers, any additional gas cost incurred or any sales margins lost as a consequence of the customer taking the unauthorized overrun volume.

Nominations:

Union Gas Limited will be the "Upstream Service Provider" to facilitate delivery and balancing of gas supplies to the EPCOR South Bruce Natural Gas System. For service under this Rate Schedule, the customer shall nominate for transportation of gas volumes for ultimate delivery to the customer. The customer agrees to nominate its daily gas volumetric requirement to EPCOR, or its designated agent, consistent with industry nomination standards including those nomination requirements of the Upstream Service Provider.

The customer shall nominate gas delivery daily based on its daily gas requirements plus the Forecasted UFG rate and Fuel Ratio. The Forecasted UFG rate is as set out in this Rate Schedule. The Fuel Ratio is the Shipper Supplied Fuel rates applicable to the receipt point of gas defined in the "Gas Supply" section of this Rate Schedule.

The nomination calculation shall equal:

$$[(\text{Daily volume of gas to be delivered}) * (1 + \text{Forecasted UFG}) * (1 + \text{Fuel Ratio})]$$

Customers may change daily nominations based on the nomination windows within a day as defined by EPCOR's agreement with the Upstream Service Provider.

In the event nominations under this Rate Schedule do not match upstream nominations, the nomination will be confirmed at the upstream value.

Customers with multiple connections under this Rate Schedule may combine nominations at the sole discretion of EPCOR. For combined nominations the customer shall specify the quantity of gas to each meter installation ("Terminal Location") and the order in which the gas is to be delivered to each Terminal Location.

Load Balancing:

Daily nominations provided by the customer shall be used for the purposes of day-to-day balancing as required under EPCOR's arrangement with the Upstream Service Provider.

When a customer's metered consumption on any day is different than the gas nominated for consumption by the customer on any day, this constitutes a "Daily Load Imbalance". A "Cumulative Load Imbalance" occurs when the ongoing absolute value of Daily Load Imbalances are greater than zero.

To the extent that EPCOR incurs daily or cumulative load balancing charges, the customer will be responsible for its proportionate share of such charges. Charges related to these imbalances are as defined in EPCOR's agreement with the Upstream Service Provider.

Gas Supply:

Unless otherwise authorized by EPCOR, customers under this Rate Schedule must deliver firm gas at a receipt point listed on the upstream transportation contract that EPCOR has with the Upstream Service Provider ("**Ontario Delivery Point**"). The customer or their agent must enter into a T-Service Receipt Contract with EPCOR for delivery of gas to EPCOR. T-Service Receipt Contract rates are described in Rate Schedule T1.

The customer must deliver to EPCOR on a daily basis the volume of gas to be delivered to the customer's Terminal Location plus the Forecasted UFG rate and Fuel Ratio. Transportation charges vary depending on the Ontario Delivery Point at the rates provided in this Rate Schedule. The Forecasted UFG rate is as set out in this Rate Schedule, and the Fuel Ratio is the Shipper Supplied Fuel rates of the Ontario Delivery Point related to necessary compressor or other fuel requirements of the Upstream Service Provider.

The Gas Supply calculation shall equal:

$$[(\text{Daily volume of gas to be delivered}) * (1 + \text{Forecasted UFG}) * (1 + \text{Fuel Ratio})]$$

Terms and Conditions of Service

1. EPCOR receives upstream services under the Union Gas Limited M17 Rate Schedule. Details of this upstream arrangement and associated nomination standards, applicable Fuel Ratio, and Load Balancing Arrangement are available at www.uniongas.com.
2. The provisions in the "EPCOR Natural Gas Limited Partnership General Terms and Conditions for Rate 16 Customers" apply, as contemplated therein, to service under this Rate Schedule.

Effective: January 1, 2022

Implementation: All bills rendered on or after January 1, 2022

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RATE T1 – Direct Purchase Contract Rate

Availability

Rate T1 is available to all customers or their agent who enter into a T-Service Receipt Contract for delivery of gas to EPCOR. The availability of this option is subject to EPCOR obtaining a satisfactory agreement or arrangement with EPCOR's Upstream Service Provider for direct purchase volume.

Eligibility

All customers who must, or elect to, purchase gas directly from a supplier other than EPCOR. These customers must enter into a T-Service Receipt Contract with EPCOR either directly or through their agent, for delivery of gas to EPCOR at a receipt point listed on the upstream transportation contract that EPCOR has with the Upstream Service Provider ("**Ontario Delivery Point**").

Rate

All charges in the customer's appropriate Rate Schedule excluding Gas Supply Charge shall apply. Applicable Transportation and Storage charges are determined based on the Ontario Delivery Point.

In addition, administration fees apply to customers who elect to enter into a T-Service Receipt Contract with EPCOR and are detailed in the Direct Purchase Contract with the customer or its agent.

For gas delivered to EPCOR at any point other than the Ontario Delivery Point, EPCOR will charge the customer or their agent all approved tolls and charges incurred by EPCOR to transport the gas to the Ontario Delivery Point.

Unaccounted for Gas:

Forecasted Unaccounted for Gas (UFG) is applied to all volumes of gas supplied:

Forecasted Unaccounted for Gas Percentage	0.00 %
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Gas Supply:

Unless otherwise authorized by EPCOR, customers who are delivering gas to EPCOR under direct purchase arrangements must deliver firm gas at a daily volume acceptable to EPCOR, to an Ontario Delivery Point, and, where applicable, must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

The customer or its agent must deliver to EPCOR on a daily basis, at the Ontario Delivery Point, the volume of gas to be delivered to the customer's Terminal Location plus the Forecasted UFG rate and Fuel Ratio. Where the Forecasted UFG rate is as set out in this Rate Schedule, and the Fuel Ratio is the Shipper Supplied Fuel rates of the Ontario Delivery Point related to necessary compressor or other fuel requirements of the Upstream Service Provider.

The Gas Supply calculation shall equal:

$$[(\text{Daily volume of gas to be delivered}) * (1 + \text{Forecasted UFG}) * (1 + \text{Fuel Ratio})]$$

Terms and Conditions of Service

The provisions in the "T-Service Receipt Contract General Terms and Conditions" apply, as contemplated therein, to service under this Rate Schedule.

Effective: January 1, 2022

Implementation: All bills rendered on or after January 1, 2022

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EPCOR NATURAL GAS LIMITED PARTNERSHIP

Schedule of Miscellaneous and Service Charges

A		B
Service		Fee
1	Service Work	
2	During normal working hours	
3	Minimum charge (up to 60 minutes)	\$100.00
4	Each additional hour (or part thereof)	\$100.00
5	Outside normal working hours	
6	Minimum charge (up to 60 minutes)	\$130.00
7	Each additional hour (or part thereof)	\$105.00
8		
9	Miscellaneous Charges	
10	Returned Cheque / Payment	\$20.00
11	Replies to a request for account information	\$25.00
12	Bill Reprint / Statement Print Requests	\$20.00
13	Consumption Summary Requests	\$20.00
14	Customer Transfer / Connection Charge	\$35.00
15		
16	Reconnection Charge	\$85.00
17		
18	Inactive Account Charge	ENGLP's cost to install service
19		
20	Late Payment Charge	1.5% / month, 19.56% / year (effective rate of 0.04896% compounded daily)
21		
22		
23	Meter Tested at Customer Request Found to be Accurate	Charge based on actual costs
24		

Note: Applicable taxes will be added to the above charges

³ No Charge for initial connection