

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an Application by EPCOR Natural Gas Limited Partnership (EPCOR) for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas as of April 1, 2018;

AND IN THE MATTER OF the Quarterly Rate Adjustment Mechanism.

APPLICATION

1. As part of the EB-2017-0355 Decision and Interim Rate Order dated December 20, 2017 the Ontario Energy Board (“Board”) approved a PGCVA reference price of \$0.165860 per m³ and a gas supply charge of \$0.168155 per m³, both effective January 1, 2018.
2. Based on actual and forecast natural gas prices for the April, 2017 through March, 2018 period the PGCVA balance is projected to be a charge of approximately \$1.79 per residential customer.
3. EPCOR hereby applies to the Board for further orders effective April 1, 2018 as follows:
 - a) an order changing the reference price authorized by the Board’s EB-2018-0355 Decision and Interim Rate Order for use in determining the amounts to be recorded in the Purchased Gas Commodity Variance Account (Account No. 179-27) by \$0.019740 per m³ from the Board approved level of \$0.165860 per m³ to \$0.146120 per m³;

- b) an order changing the rates and other charges from those authorized by the Board's EB-2018-0355 Decision and Interim Rate Order to reflect a projected \$0.015317 per m³ change in the gas supply charge from the Board approved level of \$0.168155 per m³ to a projected cost of \$0.152838 per m³. This change is the sum of the change in the PGCVA reference price, the change required to prospectively clear the balance of the Gas Purchase Rebalancing Account and the continuation of the system gas supply cost approved in EB-2010-0018.
4. This application will be supported by written evidence that will be pre-filed with the Board and intervenors of record in EB-2015-0115.
5. Pursuant to the criteria established in the Board's EB-2008-0106 Decision, below is the Board's direction with respect to the timeline for processing the application:
- * Parties to this proceeding wishing to make comments on the application may do so by filing such submissions with the Board Secretary (two hard copies plus an electronic copy by e-mail) and EPCOR no later than 4:45 p.m. five calendar days following the filing of the QRAM application;
 - * EPCOR shall reply to any comments received by filing such replies with the Board Secretary (two hard copies plus an electronic copy by e-mail) and serving a copy on all parties who make submissions no later than 4:45 p.m. three calendar days following receipt of comments;
 - * The Board issues its Decision and Order by the 25th of the month for implementation effective April 1, 2018.
6. The address of service for EPCOR Natural Gas Limited Partnership is:

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Dated at Aylmer, Ontario, this 12th day of March, 2017.

EPCOR Natural Gas Limited Partnership

Brian Lippold
General Manager, Natural Gas Canada

EPCOR NATURAL GAS LIMITED PARTNERSHIP

INTRODUCTION

As part of the EB-2017-0355 Decision and Interim Rate Order dated December 20, 2017 the Ontario Energy Board (“Board”) approved a Purchased Gas Commodity Variance Account (“PGCVA”) reference price of \$0.165860 per m³ and a gas commodity charge of \$0.168155 per m³, both effective January 1, 2018 for EPCOR Natural Gas Limited Partnership (“EPCOR”).

In RP-2002-0147/EB-2003-0286 (Accounting Order dated January 30, 2004), the Board approved a Gas Purchase Rebalancing Account (“GPRA”) to record the increase (decrease) in the value of the gas inventory available for sale to sales service customers due to changes in EPCOR’s PGCVA reference price. This account was maintained in the EB-2010-0018 Rate Order date February 17, 2011. In EB-2017-0355, the Board approved a GPRA rate of \$0.001932 per m³.

EPCOR is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective April 1, 2018 to reflect an updated forecast of gas costs, the projected balance in the PGCVA and the projected balance in the GPRA.

PGCVA

Updated Forecasts

Based on actual and forecast costs, the PGCVA account balance totals a charge of \$1.79 per average residential customer for the twelve-month period ending March, 2018 (Schedule 2).

The current forecast reflects the forecast for natural gas prices over the relevant period. These gas prices reflect current market conditions, including alternative energy prices, demand for natural gas, the weather outlook and the impact of current storage levels.

March, 2018

1 The PGCVA balance has been calculated using the most recent information available,
2 including actual volumes and costs through January, 2018. The remaining months in the
3 twelve-month period ending March, 2018 are calculated using estimated prices based on
4 the best information available at the time of filing.

5
6 Forecast prices have been used for the period April, 2018, through March, 2019 period,
7 except where actual contracted prices are available.

8 9 Gas Supply Portfolio

10 The gas supply portfolio reflects the current and forecasted mix of delivery points utilized
11 by EPCOR for system gas purchases.

12
13 Effective November 1, 2016, EPCOR's gas supply portfolio includes local production
14 and the purchase of system gas from Union Gas ("Union").

15 16 System Gas Purchases

17 As noted above, EPCOR is a system gas customer on the Union system on behalf of its
18 own system gas customers. EPCOR continues to have direct purchase customers on its
19 system and will continue to ensure that they continue to balance their supply and demand.

20
21 In addition to the system gas from Union Gas described above, EPCOR purchases gas
22 from a local producer in its franchise area.

23
24 The composition of the gas supply portfolio volumes for the April, 2017 through March,
25 2018 period is shown on the top of Schedule 3. This schedule shows the monthly volume
26 of gas purchased or forecast to be purchased from local producers and from Union Gas.
27 Similarly, the composition of the gas supply portfolio volumes for the April, 2018
28 through March 2019 period is shown on the top of Schedule 6.

29

30

1 Gas Costs

2 EPCOR's actual and forecast gas costs for the April, 2017 through March, 2018 period,
3 by source of supply, are shown in Schedule 4 in \$/GJ. These prices are also shown in the
4 middle section of Schedule 3 in $\$/m^3$. The bottom section of Schedule 3 shows the
5 composition of the total system gas costs. The conversion factor used is based on the
6 heat values used by Union in their calculation of EPCOR's Banked Gas Account
7 balances. The conversion factors used are also shown in Schedule 4. All prices and costs
8 shown are actual prices paid in April, 2017 through January, 2018. Prices for the
9 remaining months in this period are based on estimated prices to be paid in those months
10 and the costs shown for these remaining months are based on both the estimated prices to
11 be paid and the estimated volumes to be purchased.

12
13 Forecast gas prices for each of the sources of supply for the April, 2018 through March,
14 2019 period are described below.

15
16 NRG Corp. Pricing

17 The first source of supply noted in Schedules 4 and 7 is "Local Production (A)" and
18 "Local Production (B)". This refers to gas that is produced in EPCOR's franchise area
19 and purchased from NRG Corp..

20
21 The Board issued a Decision and Order - Phase 2 for EB-2010-0018 dated May 17, 2012
22 in which the Board indicated that EPCOR would be permitted to recover from ratepayers
23 a maximum annual quantity of 1.0 million cubic metres of natural gas at a rate of \$8.486
24 per mcf (or $\$/m^3$). This price, as set by the Board, can be seen in the line labeled
25 "Local Production (A)" of the price section of Schedule 3.

26
27 The remaining gas purchased from NRG Corp. is shown in the line labeled "Local
28 Production (B)". This gas was priced at the approved Union Gas Ontario landed
29 reference price for each quarter, as per the Board EB-2010-0018 Decision and Order
30 dated December 6, 2010. As of the beginning of 2017, Union no longer calculated an

1 Ontario landed reference price. In the absence of this reference price, EPCOR began
2 using Union's Dawn Reference Price for these volumes. The April, 2017 through June,
3 2017 price was \$0.159500, reflecting the Board's Decision and Order in EB-2017-0089
4 dated March 23, 2017. The July, 2017 through September, 2017 price was \$0.163824,
5 reflecting the Board's Decision and Order in EB-2017-0185 dated June 27, 2017. The
6 October, 2017 through December, 2017 price was \$0.138234, reflecting the Board's
7 Decision and Order in EB-2017-0278 dated September 21, 2017. The January, 2018
8 through March, 2018 price was \$0.137182, reflecting the Board's Decision and Interim
9 Rate Order in EB-2017-0351 dated December 20, 2017. These prices are shown in
10 Schedule 3.

11

12 The NRG Corp. prices over the April, 2018 through March, 2019 period shown in
13 Schedule 6 reflect the Board approved price of \$0.301200 per m³ for 1,000,000 m³ as
14 shown on the Local Production (A) line. The remaining gas forecast to be purchased
15 from NRG Corp. is shown on the Local Production (B) line. As noted above, the Board
16 approved the price for this gas at the approved Union Gas Ontario landed reference price
17 for each quarter.

18

19 As explained in Union's EB-2016-0334 QRAM application, Union no longer calculates
20 an Ontario landed reference price. This reference price has been replaced by the Dawn
21 reference price. This is described on pages 5-6 and 10-11 of Tab 1 of the Union evidence
22 in EB-2016-0334, as well as in the table and notes that follow the table on page 2 of the
23 application.

24

25 The Board approved the use of the Dawn reference price for EPCOR, on an interim basis
26 in EB-2016-0341 and indicated that this matter should be brought forward in EPCOR's
27 2017-2021 rates application.

28

29 EPCOR has used the Dawn reference price of \$0.124098 per m³ for the gas in excess of
30 1,000,000 m³ per year forecast to be purchased from NRG Corp. This figure can be

1 found in Union's current QRAM (EB-2018-0104) application, dated March 9, 2018, at
2 line 15 of page 1 in Tab 2.

3
4 At the time this application was prepared the Union Gas QRAM price for April 1, 2018
5 rates was not yet approved by the Board. Any differences between the applied for and
6 Board Approved Dawn reference price for Union will be reflected in EPCOR's next
7 QRAM application and evidence.

8 9 Union Gas System Gas Pricing

10 As noted earlier, EPCOR returned to system gas purchases on the Union Gas system on
11 November 1, 2016.

12
13 The price forecast for this gas has been taken from the Union's QRAM application in EB-
14 2018-0104 dated March 9, 2018, where the gas supply commodity charge has been
15 forecast as \$0.139327 per m³ and is shown in the Union Gas line on EPCOR's Schedule 6
16 and in \$/GJ on Schedule 7. The \$0.139327 per m³ figure is taken from Union's
17 application on line 4 on page 6 in Appendix A to EB-2018-0104. This is Union's Total
18 Gas Supply Commodity Charge for Utility Sales.

19
20 At the time this application was prepared the Union gas supply commodity charge for
21 April 1, 2018 rates was not yet approved by the Board. Any differences between the
22 applied for and Board approved gas supply commodity charge for Union will be reflected
23 in EPCOR's next QRAM application and evidence.

24 25 Other Forecast Assumptions

26 The heat value used to convert GJ to m³ is 38.89 GJ/10³ m³. This is consistent with the
27 figure used by Union Gas in their QRAM application. It is found on page 1 of Tab 2 in
28 EB-2018-0104, at line 19. EPCOR uses this conversion factor to calculate the cost in
29 \$/GJ.

30

1 PGCVA Balance

2 The projected March, 2018 balance in the PGCVA is a debit of \$24,266.07 including a
3 debit of \$68,959.02 in accumulated interest, based on the Board's prescribed interest rate.
4 This estimate is based on actual and forecasted purchases and the balance brought
5 forward from March, 2017. The PGCVA debit amounts to a charge of approximately
6 \$1.79 for a typical residential customer consuming approximately 1,948.3 m³ per year.
7 These figures are shown on Schedule 2.

8

9 Proposed PGCVA Rate Changes

10 EPCOR proposes to adjust the reference price effective April 1, 2018 based on the
11 projected accumulated balance in the PGCVA as of the end of March, 2018 and the
12 forecasted cost of gas over the twelve-month period beginning April 1, 2018 and ending
13 March, 2019. The reference price is set such that the projected PGCVA balance at the
14 end of March, 2019 is close to zero.

15

16 EPCOR's proposal will clear the PGCVA balance on a prospective basis, eliminating the
17 need for retroactive adjustments. This is consistent with EPCOR's past proposals in
18 QRAM applications, which have been accepted by the Board.

19

20 EPCOR proposes to change the reference price by \$0.019740 per m³ effective April 1,
21 2018, from \$0.165860 per m³ to \$0.146120 per m³. The derivation of this rate is shown
22 in Schedule 5. This is the reference price required to bring the PGCVA balance close to
23 zero on a twelve-month forecast basis. This change will also be reflected in the gas
24 commodity charge.

25

26 **GAS PURCHASE REBALANCING ACCOUNT**

27 The impact on the GPRA of the proposed April 1, 2018 PGCVA reference price change
28 from \$0.165860 per m³ to \$0.146120 per m³ is a debit of \$129,037.36, as shown on
29 Schedule 8. This figure is shown in column (J) of Schedule 8 on the March, 2018 line. It
30 is calculated as the change in the PGCVA reference price between March, 2018 and

1 April, 2018, multiplied by the cumulative inventory balance at the end of March. This
2 cumulative inventory balance is the sum of the actual monthly inventory balances for
3 January, 2018 and forecasts for the subsequent months. These forecasts will be replaced
4 with actual balances for these months in subsequent QRAM applications as this
5 information becomes available. As well, the monthly inventory balances are based on a
6 deemed level of unaccounted for gas (“UFG”) of the total throughput volume, as shown
7 in column (E) of Schedule 8. The 0.0% is the Board approved level of UFG from EB-
8 2010-0018.

9
10 EPCOR proposes to adjust the gas commodity charge effective April 1, 2018 based on
11 the projected accumulated balance in the GPRA. The adjustment to the gas commodity
12 charge will be set such that the projected GPRA balance at the end of March, 2019 will
13 be close to zero. The rate required to achieve this is shown in column (K) on Schedule 8.
14 Column (P) shows the reduction of the inventory revaluation balance based on this rate of
15 \$0.006355 per m³ over the April, 2018 through March, 2019 period.

16
17 EPCOR’s proposal will clear the GPRA balance on a prospective basis, eliminating the
18 need for retroactive adjustments. This is consistent with EPCOR’s proposal for the
19 continued prospective clearance of the PGCVA. This change will also be reflected in the
20 gas commodity charge.

21 22 **GAS COMMODITY CHARGE**

23 The system gas supply cost of \$0.000363 per m³ will be maintained at the level approved
24 in EB-2010-0018. This figure represents the incremental costs over and above the
25 commodity and transportation costs that form the PGCVA reference price to the gas
26 supply function. These incremental costs are portions of administrative and general
27 expenses, regulatory and consulting fees associated with the QRAM applications, return
28 on rate base (working cash allowance related to gas commodity) and income taxes. This
29 functionalization is unchanged from that approved in EB-2010-0018.

30

1 The change in the gas commodity charge proposed for April 1, 2018 is summarized
 2 below. The change in the gas commodity charge reflects both the change in the PGCVA
 3 reference price and the change in the recovery of the inventory revaluation amount in the
 4 GPRA. The change in the gas commodity charge is as follows:

	EB-2017-0355 Jan. 1, 2018	Proposed April 1, 2018	Difference
PGCVA Reference Price	\$0.165860	\$0.146120	\$(0.019740)
GPRA Recovery	\$0.001932	\$0.006355	\$0.004423
System Gas Supply Cost	<u>\$0.000363</u>	<u>\$0.000363</u>	<u>\$0.000000</u>
Gas Commodity Charge	\$0.168155	\$0.152838	\$(0.015317)

14 SUMMARY

15 In summary, EPCOR proposes to change the reference price for amounts to be recorded
 16 in the Purchased Gas Commodity Variance Account from \$0.165860 by \$0.09740 to
 17 \$0.146120 per m³ effective April 1, 2018. Appendix B contains the accounting entries
 18 related to the PGCVA.

20 EPCOR also proposes to change the gas supply charge from \$0.168155 to \$0.152838 per
 21 m³ effective April 1, 2018. This change reflects the change in the PGCVA reference
 22 price, as described above, the change related to the recovery of the GPRA balance, also
 23 as described above, and the continuation of the system gas supply cost. These changes
 24 apply to all system gas customers served under Rates 1, 2, 3, 4, 5 and 6.

26 The proposed rate schedules are attached as Appendix A. The proposed customer notices
 27 are attached as Appendix C.

29 Schedule 9 provides a bill comparison showing the impact of the proposed changes on a
 30 year over year basis for the appropriate quarter as well as the annual bill impact of the
 31 most recent quarterly change for an average residential customer. The annual bill impact

- 1 related to the change in the commodity charges on a customer consuming approximately
- 2 2,009 m³ is a decrease of \$30.78.
- 3

EPCOR NATURAL GAS LIMITED PARTNERSHIP

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2017 TO MARCH, 2018

<u>Act/Fcst</u>	<u>Month</u>	<u>Purchase Cost (\$'s)</u>	<u>M*3</u>	<u>Actual/Forecast Price (\$/M*3)</u>	<u>Reference Price (\$/M*3)</u>	<u>Unit Rate Difference (\$/M*3)</u>	<u>Monthly PGCVA (\$'s)</u>	<u>Y-T-D PGCVA (\$'s)</u> (1)	<u>Monthly Interest (\$'s)</u>	<u>Y-T-D Interest (\$'s)</u> (2)	<u>Total PGCVA (\$'s)</u>	<u>Total Y-T-D PGCVA (\$'s)</u>	<u>Average Residential Consumption (M*3)</u>	<u>Monthly Interest Rate</u>
Actual	April	317,102	1,762,653	0.179900	0.181486	0.001586	2,795.17	9,795.70	6.42	-68,952.13	2,801.59	-59,156.43	154.8	1.10%
Actual	May	280,719	1,552,748	0.180788	0.181486	0.000698	1,083.38	10,879.08	8.98	-68,943.15	1,092.36	-58,064.07	91.1	1.10%
Actual	June	181,360	984,306	0.184252	0.181486	(0.002766)	-2,722.28	8,156.80	9.97	-68,933.18	-2,712.31	-60,776.38	44.2	1.10%
Actual	July	12,536	-17,575	(0.713274)	0.197724	0.910998	-16,010.97	-7,854.17	7.48	-68,925.70	-16,003.49	-76,779.87	36.9	1.10%
Actual	August	42,232	111,909	0.377381	0.197724	(0.179657)	-20,105.30	-27,959.47	-7.20	-68,932.90	-20,112.50	-96,892.37	37.6	1.10%
Actual	September	239,945	1,203,761	0.199329	0.197724	(0.001605)	-1,932.48	-29,891.95	-25.63	-68,958.53	-1,958.11	-98,850.48	41.6	1.10%
Actual	October	349,649	1,979,563	0.176630	0.178266	0.001636	3,239.42	-26,652.53	-37.36	-68,995.89	3,202.06	-95,648.42	94.3	1.50%
Actual	November	656,425	3,765,316	0.174335	0.178266	0.003931	14,803.13	-11,849.40	-33.32	-69,029.21	14,769.81	-80,878.61	208.9	1.50%
Actual	December	720,143	4,132,268	0.174273	0.178266	0.003993	16,499.99	4,650.59	-14.81	-69,044.02	16,485.18	-64,393.43	344.3	1.50%
Actual	January	726,169	4,490,439	0.161715	0.165860	0.004145	18,614.74	23,265.33	5.81	-69,038.21	18,620.55	-45,772.88	355.2	1.50%
Forecast	February	654,994	4,050,527	0.161706	0.165860	0.004154	16,825.95	40,091.28	29.08	-69,009.13	16,855.03	-28,917.85	293.2	1.50%
Forecast	March	<u>393,296</u>	<u>2,398,995</u>	<u>0.163942</u>	0.165860	0.001918	<u>4,601.67</u>	<u>44,692.95</u>	<u>50.11</u>	<u>-68,959.02</u>	<u>4,651.78</u>	<u>-24,266.07</u>	<u>246.2</u>	1.50%
	Total	4,574,570	26,414,911	0.173181			37,692.42	44,692.95	-0.47	-68,959.02	37,691.95	-24,266.07	1,948.3	

PGCVA Balance per M*3 Purchased (\$/M*3) (\$0.000919)
 Forecast Average Residential Consumption per Customer 1,948.3 M*3
 Estimated Impact on Average Residential Customer \$1.79 Customer Charge

- (1) Includes balance of 7,000.53 as of March, 2017
- (2) Includes balance of -68,958.55 as of March, 2017

EPCOR NATURAL GAS LIMITED PARTNERSHIP

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2017 TO MARCH, 2018

	<u>Apr-17</u>	<u>May-17</u>	<u>Jun-17</u>	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	82,192	84,932	82,192	82,192	82,192	87,671	84,932	82,192	84,932	84,932	76,708	84,932	999,996
Local Production (B)	52,503	60,254	50,591	55,416	49,078	39,413	45,844	38,945	30,028	23,369	23,292	25,068	493,799
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Western Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Union Gas	<u>1,627,958</u>	<u>1,407,562</u>	<u>851,524</u>	<u>-155,183</u>	<u>-19,360</u>	<u>1,076,677</u>	<u>1,848,788</u>	<u>3,644,180</u>	<u>4,017,309</u>	<u>4,382,139</u>	<u>3,950,527</u>	<u>2,288,995</u>	<u>24,921,116</u>
Total	1,762,653	1,552,748	984,306	-17,575	111,909	1,203,761	1,979,563	3,765,316	4,132,268	4,490,439	4,050,527	2,398,995	26,414,911
<u>Price (\$/m3)</u>													
Local Production (A)	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	
Local Production (B)	0.159500	0.159500	0.159500	0.163824	0.163824	0.163824	0.138234	0.138234	0.138234	0.137182	0.137182	0.137182	
Dawn Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Parkway Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Western Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Union Gas	0.174434	0.174434	0.174434	0.137249	0.000000	0.192334	0.171859	0.171859	0.171859	0.159142	0.159142	0.159142	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	24,756	25,581	24,756	24,756	24,756	26,407	25,581	24,756	25,581	25,581	23,104	25,582	301,199
Local Production (B)	8,374	9,611	8,069	9,078	8,040	6,457	6,337	5,383	4,151	3,206	3,195	3,439	75,341
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Western Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Union Gas	283,971	245,527	148,535	-21,299	9,436	207,082	317,731	626,285	690,411	697,382	628,695	364,275	4,198,031
TCPL Transportation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	317,102	280,719	181,360	12,536	42,232	239,945	349,649	656,425	720,143	726,169	654,994	393,296	4,574,570

EPCOR NATURAL GAS LIMITED PARTNERSHIP

ACTUAL AND FORECAST GAS PRICES

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2017 TO MARCH, 2018

	<u>Apr-17</u>	<u>May-17</u>	<u>Jun-17</u>	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	7.738	7.764	7.795	7.763	7.779	7.767	7.775	7.750	7.744	7.749	7.745	7.745
Local Production (B) (\$/GJ)	4.097	4.112	4.128	4.223	4.231	4.225	3.568	3.557	3.554	3.529	3.527	3.527
<u>Dawn</u> (\$/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<u>Parkway</u> (\$/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<u>Western Deliveries</u> (\$/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Fuel Ratio (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>TCPL Transportation</u> (\$/GJ)												
TCPL Toll	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
GJ/day (TCPL)	0	0	0	0	0	0	0	0	0	0	0	0
Delivery Commitment Credit (\$/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GJ/day (Obligated)	0	0	0	0	0	0	0	0	0	0	0	0
<u>Union Gas (1)</u> (\$/GJ)	4.481	4.497	4.514	3.538	0.000	4.960	4.436	4.422	4.418	4.094	4.092	4.092
Heat Value (GJ/103m3)	38.93	38.79	38.64	38.80	38.72	38.78	38.74	38.87	38.90	38.87	38.89	38.89

EPCOR NATURAL GAS LIMITED PARTNERSHIP

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - APRIL, 2018 TO MARCH, 2019

(WITH CHANGE IN REFERENCE PRICE)

<u>Month</u>	<u>Purchase Cost (\$'s)</u>	<u>M*3</u>	<u>Forecast Price (\$/M*3)</u>	<u>Reference Price (\$/M*3)</u>	<u>Unit Rate Difference (\$/M*3)</u>	<u>Monthly PGCVA (\$'s)</u>	<u>Y-T-D PGCVA (\$'s)</u>	<u>Monthly Interest (\$'s)</u>	<u>Y-T-D Interest (\$'s)</u>	<u>Total PGCVA (\$'s)</u>	<u>Total Y-T-D PGCVA (\$'s)</u>	<u>Average Residential Consumption (M*3)</u>	<u>Monthly Interest Rate</u>
							(1)		(2)				
April	260,313	1,774,815	0.146671	0.146120	(0.000551)	-977.15	43,715.80	69.65	-68,889.37	-907.50	-25,173.57	186.6	1.87%
May	121,115	772,255	0.156833	0.146120	(0.010713)	-8,272.80	35,443.00	68.12	-68,821.25	-8,204.68	-33,378.25	89.7	1.87%
June	73,536	434,247	0.169341	0.146120	(0.023221)	-10,083.63	25,359.37	55.23	-68,766.02	-10,028.40	-43,406.65	53.1	1.87%
July	63,088	355,777	0.177325	0.146120	(0.031205)	-11,101.93	14,257.44	39.52	-68,726.50	-11,062.41	-54,469.06	40.9	1.87%
August	146,389	958,033	0.152802	0.146120	(0.006682)	-6,401.65	7,855.79	22.22	-68,704.28	-6,379.43	-60,848.49	42.8	1.87%
September	216,311	1,464,460	0.147707	0.146120	(0.001587)	-2,324.03	5,531.76	12.24	-68,692.04	-2,311.79	-63,160.28	58.5	1.87%
October	340,578	2,353,984	0.144682	0.146120	0.001438	3,385.71	8,917.47	8.62	-68,683.42	3,394.33	-59,765.95	118.7	1.87%
November	600,080	4,213,441	0.142420	0.146120	0.003700	15,588.44	24,505.91	13.90	-68,669.52	15,602.34	-44,163.61	202.7	1.87%
December	507,137	3,545,062	0.143054	0.146120	0.003066	10,867.46	35,373.37	38.19	-68,631.33	10,905.65	-33,257.96	321.8	1.87%
January	581,562	4,079,235	0.142566	0.146120	0.003554	14,496.10	49,869.47	55.12	-68,576.21	14,551.22	-18,706.74	355.2	1.87%
February	576,410	4,050,527	0.142305	0.146120	0.003815	15,452.99	65,322.46	77.71	-68,498.50	15,530.70	-3,176.04	293.2	1.87%
March	<u>347,459</u>	<u>2,398,995</u>	<u>0.144835</u>	0.146120	0.001285	<u>3,082.23</u>	<u>68,404.69</u>	<u>101.79</u>	<u>-68,396.71</u>	<u>3,184.02</u>	<u>7.98</u>	<u>246.2</u>	1.87%
Total	3,833,978	26,400,831	0.145222			23,711.74	68,404.69	562.31	-68,396.71	24,274.05	7.98	2,009.4	

PGCVA Balance per M*3 Purchased (\$/M*3)

\$0.000000

Forecast Average Residential Consumption per Customer

2,009.4 M*3

Estimated Impact on Average Residential Customer

\$0.00 Customer Rebate

(1) Includes March, 2018 year-to-date balance of

\$44,692.95

(See Schedule 2)

(2) Includes March, 2018 year-to-date balance of

(\$68,959.02)

(See Schedule 2)

EPCOR NATURAL GAS LIMITED PARTNERSHIP

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - APRIL, 2018 TO MARCH, 2019

	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Dec-18</u>	<u>Jan-19</u>	<u>Feb-19</u>	<u>Mar-19</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	82,192	84,932	82,192	84,932	84,932	82,193	84,932	82,192	84,932	84,932	76,708	84,932	1,000,000
Local Production (B)	17,808	15,068	17,808	15,068	55,068	67,808	75,069	17,808	35,068	35,068	23,292	35,068	410,000
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Western Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Union Gas	<u>1,674,815</u>	<u>672,255</u>	<u>334,247</u>	<u>255,777</u>	<u>818,033</u>	<u>1,314,460</u>	<u>2,193,984</u>	<u>4,113,441</u>	<u>3,425,062</u>	<u>3,959,235</u>	<u>3,950,527</u>	<u>2,278,995</u>	<u>24,990,831</u>
Total	1,774,815	772,255	434,247	355,777	958,033	1,464,460	2,353,984	4,213,441	3,545,062	4,079,235	4,050,527	2,398,995	26,400,831
<u>Price (\$/m3)</u>													
Local Production (A)	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	
Local Production (B)	0.124098	0.124098	0.124098	0.124098	0.124098	0.124098	0.124098	0.124098	0.124098	0.124098	0.124098	0.124098	
Dawn Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Parkway Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Western Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Union Gas	0.139327	0.139327	0.139327	0.139327	0.139327	0.139327	0.139327	0.139327	0.139327	0.139327	0.139327	0.139327	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	24,756	25,582	24,756	25,582	25,582	24,756	25,581	24,756	25,582	25,582	23,104	25,582	301,200
Local Production (B)	2,210	1,870	2,210	1,870	6,834	8,415	9,316	2,210	4,352	4,352	2,890	4,352	50,880
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Western Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Union Gas	233,347	93,663	46,570	35,637	113,974	183,140	305,681	573,113	477,204	551,628	550,415	317,526	3,481,898
TCPL Transportation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	260,313	121,115	73,536	63,088	146,389	216,311	340,578	600,080	507,137	581,562	576,410	347,459	3,833,978

NATURAL RESOURCE GAS LIMITED

EPCOR NATURAL GAS LIMITED PARTNERSHIP

APRIL, 2017 THROUGH MARCH, 2019

Month	Purchase Volume (M ³) A	Throughput Volume (M ³) B	Direct Purchase Volume (M ³) C	System Sales Volume (M ³) D=B-C	Deemed U.F.G. (M ³) E	System Sales + U.F.G. (M ³) F=D+E	Monthly Inventory Balance (M ³) G=A-F	Cumulative Inventory (M ³) H (1)	Reference Price (\$/M ³) I	Inventory Revaluation (\$'s) J	Inventory Rate (\$/M ³) K	Inventory Recovery (\$'s) L=KxD	Y-T-D GPRA Balance (\$'s) M (2)	Monthly Interest (\$'s) N	Y-T-D Interest (\$'s) O (3)	Total Y-T-D GPRA (\$'s) P=M+O	Monthly Interest Rate
April	1,762,653	5,094,956	3,270,318	1,824,638	0	1,824,638	-61,985	6,690,968	0.181486	0.00	(0.002377)	-4,337.16	63,076.57	61.80	-2,968.33	60,108.24	1.10%
May	1,552,748	4,544,507	3,451,877	1,092,630	0	1,092,630	460,118	7,151,086	0.181486	0.00	(0.002377)	-2,597.18	60,479.39	57.82	-2,910.51	57,568.88	1.10%
June	984,306	3,615,387	3,062,775	552,612	0	552,612	431,694	7,582,780	0.181486	123,129.18	(0.002377)	-1,313.56	182,295.01	55.44	-2,855.07	179,439.94	1.10%
July	-17,575	3,478,424	3,002,263	476,161	0	476,161	-493,736	7,089,044	0.197724	0.00	(0.006228)	-2,965.53	179,329.48	167.10	-2,687.97	176,641.51	1.10%
August	111,909	3,892,833	3,081,666	811,167	0	811,167	-699,258	6,389,786	0.197724	0.00	(0.006228)	-5,051.95	174,277.53	164.39	-2,523.58	171,753.95	1.10%
September	1,203,761	4,145,762	3,009,405	1,136,357	0	1,136,357	67,404	6,457,190	0.197724	-125,644.01	(0.006228)	-7,077.23	41,556.29	159.75	-2,363.83	39,192.46	1.10%
October	1,979,563	4,621,825	2,514,715	2,107,110	0	2,107,110	-127,547	6,329,644	0.178266	0.00	(0.000935)	-1,970.15	39,586.14	51.95	-2,311.88	37,274.26	1.50%
November	3,765,316	6,336,727	3,472,819	2,863,908	0	2,863,908	901,408	7,231,052	0.178266	0.00	(0.000935)	-2,677.75	36,908.39	49.48	-2,262.40	34,645.99	1.50%
December	4,132,268	7,228,071	3,106,304	4,121,767	0	4,121,767	10,501	7,241,553	0.178266	-89,838.71	(0.000935)	-3,853.85	-56,784.16	46.14	-2,216.26	-59,000.42	1.50%
January	4,490,439	8,563,765	3,368,620	5,195,145	0	5,195,145	-704,706	6,536,847	0.165860	0.00	0.001932	10,037.02	-46,747.14	-70.98	-2,287.24	-49,034.38	1.50%
February	4,050,527	7,698,962	3,648,435	4,050,527	0	4,050,527	0	6,536,847	0.165860	0.00	0.001932	7,825.62	-38,921.52	-58.43	-2,345.67	-41,267.19	1.50%
March	2,398,995	6,317,069	3,918,074	2,398,995	0	2,398,995	0	6,536,847	0.165860	-129,037.36	0.001932	4,634.86	-163,324.02	-48.65	-2,394.32	-165,718.34	1.50%
April	1,774,815	4,949,806	3,174,991	1,774,815	0	1,774,815	0	6,536,847	0.146120	0.00	0.006355	11,278.95	-152,045.07	-254.51	-2,648.83	-154,693.90	1.87%
May	772,255	4,337,042	3,564,787	772,255	0	772,255	0	6,536,847	0.146120	0.00	0.006355	4,907.68	-147,137.39	-236.94	-2,885.77	-150,023.16	1.87%
June	434,247	3,789,961	3,355,714	434,247	0	434,247	0	6,536,847	0.146120	0.00	0.006355	2,759.64	-144,377.75	-229.29	-3,115.06	-147,492.81	1.87%
July	355,777	3,270,949	2,915,172	355,777	0	355,777	0	6,536,847	0.146120	0.00	0.006355	2,260.96	-142,116.79	-224.99	-3,340.05	-145,456.84	1.87%
August	958,033	3,921,486	2,963,453	958,033	0	958,033	0	6,536,847	0.146120	0.00	0.006355	6,088.30	-136,028.49	-221.47	-3,561.52	-139,590.01	1.87%
September	1,464,460	4,581,850	3,117,390	1,464,460	0	1,464,460	0	6,536,847	0.146120	0.00	0.006355	9,306.64	-126,721.85	-211.98	-3,773.50	-130,495.35	1.87%
October	2,353,984	5,307,058	2,953,074	2,353,984	0	2,353,984	0	6,536,847	0.146120	0.00	0.006355	14,959.57	-111,762.28	-197.47	-3,970.97	-115,733.25	1.87%
November	4,213,441	8,031,699	3,818,258	4,213,441	0	4,213,441	0	6,536,847	0.146120	0.00	0.006355	26,776.42	-84,985.86	-174.16	-4,145.13	-89,130.99	1.87%
December	3,545,062	7,547,799	4,002,737	3,545,062	0	3,545,062	0	6,536,847	0.146120	0.00	0.006355	22,528.87	-62,456.99	-132.44	-4,277.57	-66,734.56	1.87%
January	4,079,235	8,145,577	4,066,342	4,079,235	0	4,079,235	0	6,536,847	0.146120	0.00	0.006355	25,923.54	-36,533.45	-97.33	-4,374.90	-40,908.35	1.87%
February	4,050,527	7,698,962	3,648,435	4,050,527	0	4,050,527	0	6,536,847	0.146120	0.00	0.006355	25,741.10	-10,792.35	-56.93	-4,431.83	-15,224.18	1.87%
March	2,398,995	6,317,069	3,918,074	2,398,995	0	2,398,995	0	6,536,847	0.146120	0.00	0.006355	15,245.61	4,453.26	-16.82	-4,448.65	4.61	1.87%

(1) Includes balance of 6,752,953 as of March, 2017
(2) Includes balance of 67,413.73 as of March, 2017
(3) Includes balance of -3,030.13 as of March, 2017

EPCOR NATURAL GAS LIMITED PARTNERSHIP

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Apr-17 <u>EB-2017-0110</u>	Quarter Starting 01-Apr-18 <u>EB-2018-0120</u>	\$ Change	Percent Change
Average Residential Consumption for Quarter	329.4	329.4		
Monthly Charges	\$40.50	\$40.50	\$0.00	0.0%
Delivery Charges	\$64.65	\$64.56	(\$0.09)	-0.1%
Total Commodity Charges	<u>\$59.12</u>	<u>\$50.34</u>	<u>(\$8.77)</u>	<u>-14.8%</u>
Total Customer Charges	\$164.27	\$155.41	(\$8.86)	-5.4%

ANNUAL BILL IMPACT

	01-Jan-18 <u>EB-2017-0355</u>	01-Apr-18 <u>EB-2018-0120</u>	\$ Change	Percent Change
Average Residential Consumption	2,009.4	2,009.4		
Monthly Charges	\$162.00	\$162.00	\$0.00	0.0%
Delivery Charges	\$393.83	\$393.83	\$0.00	0.0%
Total Commodity Charges	<u>\$337.89</u>	<u>\$307.11</u>	<u>(\$30.78)</u>	<u>-9.1%</u>
Total Customer Charges	\$893.72	\$862.94	(\$30.78)	-3.4%

RATES USED

	01-Apr-17 <u>EB-2017-0110</u>	01-Jan-18 <u>EB-2017-0355</u>	01-Apr-18 <u>EB-2018-0120</u>
Monthly charge	13.50	13.50	13.50
Delivery Charge	0.196257	0.195994	0.195994
Total Commodity Charge	0.179472	0.168155	0.152838

**APPENDIX "A" TO
DECISION AND INTERIM RATE ORDER
BOARD FILE No. EB-2018-0120
DATED MARCH XX, 2018**

EPCOR NATURAL GAS LIMITED PARTNERSHIP

RATE 1 - General Service Rate

Rate Availability

The entire service area of the Company.

Eligibility

All customers.

Rate

a)	Monthly Fixed Charge	\$13.50
b)	Delivery Charge	
	First 1,000 m ³ per month	16.2312 cents per m ³
	All over 1,000 m ³ per month	10.9099 cents per m ³
c)	Cap and Trade Customer Related Charge	3.33402 cents per m ³
	Cap and Trade Facility Related Charge	0.03414 cents per m ³
d)	Gas Supply Charge and System Gas Refund Rate Rider (if applicable)	Schedule A

Meter Readings

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading, provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Bundled 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 Bundled T-Service Receipt Contract with EPCOR for delivery of gas to EPCOR. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by EPCOR, customers who are delivering gas to EPCOR under direct purchase arrangements must obligate to deliver said gas at a point acceptable to EPCOR, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Effective: April 01, 2018

Implementation: All bills rendered on or after April 01, 2018

EB-2018-0120 (Interim)

EPCOR NATURAL GAS LIMITED PARTNERSHIP

RATE 2 - Seasonal Service

Rate Availability

The entire service area of the company.

Eligibility

All customers.

Rate

For all gas consumed from:	April 1 through October 31:	November 1 through March 31:
a) Monthly Fixed Charge	\$15.00	\$15.00
b) Delivery Charge		
First 1,000 m ³ per month	15.8212 cents per m ³	19.9424 cents per m ³
Next 24,000 m ³ per month	9.4826 cents per m ³	15.6960 cents per m ³
All over 25,000 m ³ per month	6.1698 cents per m ³	15.2899 cents per m ³
c) Cap and Trade Customer Related Charge	3.33402 cents per m ³	3.33402 cents per m ³
Cap and Trade Facility Related Charge	0.03414 cents per m ³	0.03414 cents per m ³
d) Gas Supply Charge and System Gas Refund Rate Rider (if applicable)		Schedule A

Meter Readings

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading, provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Bundled 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 Bundled T-Service Receipt Contract with EPCOR for delivery of gas to EPCOR. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by EPCOR, customers who are delivering gas to EPCOR under direct purchase arrangements must obligate to deliver said gas at a point acceptable to EPCOR, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Effective: April 01, 2018

Implementation: All bills rendered on or after April 01, 2018

EB-2018-0120 (Interim)

EPCOR NATURAL GAS LIMITED PARTNERSHIP

RATE 3 - Special Large Volume Contract Rate

Rate Availability

Entire service area of the company.

Eligibility

A customer who enters into a contract with the company for the purchase or transportation of gas:

- a) for a minimum term of one year;
- b) that specifies a combined daily contracted demand for firm and interruptible service of at least 700 m³; and
- c) a qualifying annual volume of at least 113,000 m³.

Rate

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

- a) A Monthly Customer Charge:

A Monthly Customer Charge of \$150.00 for firm or interruptible customers; or
A Monthly Customer Charge of \$175.00 for combined (firm and interruptible) customers.
- b) A Monthly Demand Charge:

A Monthly Demand Charge of 29.0974 cents per m³ for each m³ of daily contracted firm demand.
- c) A Monthly Delivery Charge:
 - (i) A Monthly Firm Delivery Charge for all firm volumes of 4.0357 cents per m³,
 - (ii) A Monthly Interruptible Delivery Charge for all interruptible volumes to be negotiated between the company and the customer not to exceed 10.9612 cents per m³ and not to be less than 7.9412 per m³.
- d) Cap and Trade Customer Related Charge 3.33402 cents per m³
Cap and Trade Facility Related Charge 0.03414 cents per m³
- e) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A
- f) Overrun Gas Charges:

Overrun gas is available without penalty provided that it is authorized by the company in advance. The company will not unreasonably withhold authorization.

If, on any day, the customer should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to the customer on such day, or if, on any day, the customer fails to comply with any curtailment notice reducing the customer's take of gas, then,

- (i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or
- (ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized firm overrun gas taken in any month shall be paid for at the Rate 3 Firm Delivery Charge, the Cap and Trade Customer Related Charge and the Cap and Trade Facility Related Charge in effect at the

time the overrun occurs. In addition, the Contract Demand level shall be adjusted to the actual maximum daily volume taken and the Demand Charges stated above shall apply for the whole contract year, including retroactively, if necessary, thereby requiring recomputation of bills rendered previously in the contract year.

Any unauthorized interruptible overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge, the Cap and Trade Customer Related Charge and the Cap and Trade Facility Related Charge in effect at the time the overrun occurs plus any Gas Supply Charge applicable.

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

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(c)(ii) above, the matters to be considered include:

- a) The volume of gas for which the customer is willing to contract;
- b) The load factor of the customer's anticipated gas consumption, the pattern of annual use, and the minimum annual quantity of gas which the customer is willing to contract to take or in any event pay for;
- c) Interruptible or curtailment provisions;
- d) Competition.

3. In each contract year, the customer shall take delivery from the company, or in any event pay for it if available and not accepted by the customer, a minimum volume of gas as specified in the contract between the parties. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this minimum shall be 3.1530 cents per m³ for firm gas and 5.4412 cents per m³ for interruptible gas.

4. The contract may provide that the Monthly Demand Charge specified in Rate Section 1 above shall not apply on all or part of the daily contracted firm demand used by the customer during the testing, commissioning, phasing in, decommissioning and phasing out of gas-using equipment for a period not to exceed one year (the transition period). In such event, the contract will provide for a Monthly Firm Delivery Commodity Charge to be applied on such volume during the transition of 5.7163 cents per m³ and a gas supply commodity charge as set out in Schedule A, if applicable. The Cap and Trade Customer Related Charge and the Cap and Trade Facility Related Charge will continue to apply. Gas purchased under this clause will not contribute to the minimum volume.

Bundled 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 Bundled T-Service Receipt Contract with EPCOR for delivery of gas to EPCOR. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by EPCOR, customers who are delivering gas to EPCOR under direct purchase arrangements must obligate to deliver said gas at a point acceptable to EPCOR, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Effective: April 01, 2018

Implementation: All bills rendered on or after April 01, 2018

EB-2018-0120 (Interim)

EPCOR NATURAL GAS LIMITED PARTNERSHIP

RATE 4 - General Service Peaking

Rate Availability

The entire service area of the company.

Eligibility

All customers whose operations, in the judgment of EPCOR NATURAL GAS LIMITED PARTNERSHIP, can readily accept interruption and restoration of gas service with 24 hours notice.

Rate

For all gas consumed from:	April 1 through December 31:	January 1 through March 31:
a) Monthly Fixed Charge	\$15.00	\$15.00
b) Delivery Charge		
First 1,000 m ³ per month	15.8149 cents per m ³	20.1755 cents per m ³
All over 1,000 m ³ per month	10.5218 cents per m ³	16.9052 cents per m ³
c) Cap and Trade Customer Related Charge	3.33402 cents per m ³	3.33402 cents per m ³
Cap and Trade Facility Related Charge	0.03414 cents per m ³	0.03414 cents per m ³
d) Gas Supply Charge and System Gas Refund Rate Rider (if applicable)		Schedule A

Meter Readings

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Bundled 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 Bundled T-Service Receipt Contract with EPCOR for delivery of gas to EPCOR. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by EPCOR, customers who are delivering gas to EPCOR under direct purchase arrangements must obligate to deliver said gas at a point acceptable to EPCOR, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Effective: April 01, 2018

Implementation: All bills rendered on or after April 01, 2018

EB-2018-0120 (Interim)

EPCOR NATURAL GAS LIMITED PARTNERSHIP

RATE 5 - Interruptible Peaking Contract Rate

Rate Availability

Entire service area of the company.

Eligibility

A customer who enters into a contract with the company for the purchase or transportation of gas:

- a) for a minimum term of one year;
- b) that specifies a daily contracted demand for interruptible service of at least 700 m³; and
- c) a qualifying annual volume of at least 50,000 m³.

Rate

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

a) Monthly Fixed Charge \$150.00.

b) A Monthly Delivery Charge:

A Monthly Delivery Charge for all interruptible volumes to be negotiated between the company and the customer not to exceed 8.4612 cents per m³ and not to be less than 5.4612 per m³.

c) Cap and Trade Customer Related Charge 3.33402 cents per m³
Cap and Trade Facility Related Charge 0.03414 cents per m³

d) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A

e) Overrun Gas Charge:

Overrun gas is available without penalty provided that it is authorized by the company in advance. The company will not unreasonably withhold authorization.

If, on any day, the customer should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to the customer on such day, or if, on any day, the customer fails to comply with any curtailment notice reducing the customer's take of gas, then

- (i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or
- (ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge, the Cap and Trade Customer Related Charge and the Cap and Trade Facility Related Charge in effect at the time the overrun occurs plus any applicable Gas Supply Charge.

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

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(c) above, the matters to be considered include:

a) The volume of gas for which the customer is willing to contract;

- b) The load factor of the customer's anticipated gas consumption and the pattern of annual use and the minimum annual quantity of gas which the customer is willing to contract to take or in any event pay for;
- c) Interruptible or curtailment provisions;
- d) Competition.

3. In each contract year, the customer shall take delivery from the company, or in any event pay for it if available and not accepted by the customer, a minimum volume of gas of 50,000 m³. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this annual minimum shall be 7.1995 cents per m³ for interruptible gas.

Bundled 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 Bundled T-Service Receipt Contract with EPCOR for delivery of gas to EPCOR. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by EPCOR, customers who are delivering gas to EPCOR under direct purchase arrangements must obligate to deliver said gas at a point acceptable to EPCOR, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Effective: April 01, 2018

Implementation: All bills rendered on or after April 01, 2018

EB-2018-0120 (Interim)

EPCOR NATURAL GAS LIMITED PARTNERSHIP

RATE 6 – Integrated Grain Processors Co-Operative Aylmer Ethanol Production Facility

Rate Availability

Rate 6 is available to the Integrated Grain Processors Co-Operative, Aylmer Ethanol Production Facility only.

Eligibility

Integrated Grain Processors Co-Operative's ("IGPC") ethanol production facility located in the Town of Aylmer

Rate

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

- a) Monthly Customer Charge of \$150.00 for firm services
- b) A Monthly Demand Charge:
A Monthly Demand Charge of 18.8392 cents per m³ for each m³ of daily contracted firm demand.
- c) A Monthly Delivery Charge:
 - (i) A Monthly Firm Delivery Charge for all firm volumes of 3.8894 cents per m³,
 - (ii) A Monthly Interruptible Delivery Charge for all interruptible volumes to be negotiated between the company and IGPC not to exceed 10.9612 cents per m³ and not to be less than 7.9412 cents per m³.
- d) Cap and Trade Facility Related Charge 0.03414 cents per m³
- e) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A
- f) Overrun Gas Charges:

Overrun gas is available without penalty provided that it is authorized by the company in advance. The company will not unreasonably withhold authorization.

If, on any day, IGPC should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to IGPC on such day, or if, on any day, IGPC fails to comply with any curtailment notice reducing IGPC's take of gas, then,

- (i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or
- (ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized firm overrun gas taken in any month shall be paid for at the Rate 6 Firm Delivery Charge and Cap and Trade Facility Related Charge in effect at the time the overrun occurs. In addition, the Contract Demand level shall be adjusted to the actual maximum daily volume taken and the Demand Charges stated above shall apply for the whole contract year, including retroactively, if necessary, thereby requiring recomputation of bills rendered previously in the contract year.

Any unauthorized interruptible overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge and Cap and Trade Facility Related Charge in effect at the time the overrun occurs plus any Gas Supply Charge applicable.

For any unauthorized overrun gas taken, IGPC shall, in addition, indemnify the company in respect of any penalties or additional costs imposed on the company by the company's suppliers, any additional gas cost incurred or any sales margins lost as a consequence of the customer taking the unauthorized overrun volume.

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(c)(ii) above, the matters to be considered include:

- a) The volume of gas for which IGPC is willing to contract;
- b) The load factor of IGPC's anticipated gas consumption, the pattern of annual use, and the minimum annual quantity of gas which IGPC is willing to contract to take or in any event pay for;
- c) Interruptible or curtailment provisions;
- d) Competition.

3. In each contract year, IGPC shall take delivery from the company, or in any event pay for it if available and not accepted by the IGPC, a minimum volume of gas as specified in the contract between the parties. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this minimum shall be 3.1530 cents per m³ for firm gas and 5.4412 cents per m³ for interruptible gas.

4. The contract may provide that the Monthly Demand Charge specified in Rate Section 1 above shall not apply on all or part of the daily contracted firm demand used by the IGPC during the testing, commissioning, phasing in, decommissioning and phasing out of gas-using equipment for a period not to exceed one year (the transition period). In such event, the contract will provide for a Monthly Firm Delivery Commodity Charge to be applied on such volume during the transition of 5.7163 cents per m³ and a gas supply commodity charge as set out in Schedule A, if applicable. The Cap and Trade Facility Related Charge will continue to apply. Gas purchased under this clause will not contribute to the minimum volume.

Bundled Direct Purchase Delivery

Where IGPC elects under this rate schedule to directly purchase its gas from a supplier other than EPCOR, IGPC or its agent, must enter into a Bundled T-Service Receipt Contract with EPCOR for delivery of gas to EPCOR. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to IGPC if it elects said Bundled T transportation service.

Unless otherwise authorized by EPCOR, IGPC, when delivering gas to EPCOR under direct purchase arrangements, must obligate to deliver said gas at a point acceptable to EPCOR, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Effective: April 01, 2018

Implementation: All bills rendered on or after April 01, 2018

EB-2018-0120 (Interim)

EPCOR NATURAL GAS LIMITED PARTNERSHIP

SCHEDULE A – Gas Supply Charges

Rate Availability

Entire service area of the company.

Eligibility

All customers served under Rates 1, 2, 3, 4, 5 and 6.

Rate

The Gas Supply Charge applicable to all sales customers shall be made up of the following charges:

PGCVA Reference Price	(EB-2018-0120 (Interim))	14.6120 cents per m ³
GPRA Recovery Rate	(EB-2018-0120 (Interim))	0.6355 cents per m ³
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m ³
Total Gas Supply Charge		<u>15.2838</u> cents per m ³

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: April 01, 2018

Implementation: All bills rendered on or after April 01, 2018

EB-2018-0120 (Interim)

EPCOR NATURAL GAS LIMITED PARTNERSHIP

RATE BT1 – Bundled Direct Purchase Contract Rate

Availability

Rate BT1 is available to all customers or their agent, who enter into a Receipt Contract for delivery of gas to EPCOR. The availability of this option is subject to EPCOR obtaining a satisfactory agreement or arrangement with Union Gas and EPCOR's gas supplier for direct purchase volume and DCQ offsets.

Eligibility

All customers electing to purchase gas directly from a supplier other than EPCOR must enter into a Bundled T-Service Receipt Contract with EPCOR either directly or through their agent, for delivery of gas to EPCOR at a mutually acceptable delivery point.

Rate

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

Note:

Ontario Point of Delivery means Dawn or Parkway on the Union Gas System as agreed to by EPCOR and EPCOR's customer or their agent.

Effective: April 01, 2018

Implementation: All bills rendered on or after April 01, 2018

EB-2018-0120 (Interim)

EPCOR NATURAL GAS LIMITED PARTNERSHIP

Transmission Service

Availability

Transmission Service charges shall be applied to Natural Resource Gas Corp.

Eligibility

Only Natural Resource Gas Corp. shall be charged the Transmission Service Rate. Fees and Charges will be applied only in those months that NRG Corp. delivers gas to a delivery point on EPCOR's system.

Rate

Administrative Charge	\$250/month
Transportation Rate	\$0.95/mcf
Cap and Trade Facility Related Charge	0.03414 cents per m ³

Effective: April 01, 2018

Implementation: All bills rendered on or after April 01, 2018

EB-2018-0120 (Interim)

**APPENDIX "B" TO
DECISION AND INTERIM ORDER
BOARD FILE No. EB-2018-0120
DATED MARCH XX, 2018**

EPCOR NATURAL GAS LIMITED PARTNERSHIP

Accounting Entries for the Purchased Gas Commodity Variance Account

Note: Account numbers are in accordance with the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

To record monthly as a debit (credit) in Deferral Account No. 179-27 (PGCVA) the decrease (increase) to reflect the projected changes in gas costs and prospective recovery of the balances of the gas supply deferral accounts approved by the Board for rate making purposes.

Debit/Credit Account No. 179-27 Purchased Gas Commodity Variance Account (PGCVA)

Credit/Debit Account No. 623 Cost of Gas

To record as a debit (credit) in Deferral Account No. 179-28, interest on the balance in Deferral Account

Debit/Credit Account No. 179-28 Purchased Gas Commodity Variance Account (PGCVA)

Credit/Debit Account No. 323 Other Interest Expense

Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**APPENDIX "C" TO
DECISION AND INTERIM ORDER
BOARD FILE No. EB-2018-0120
DATED MARCH XX, 2018**

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

Gas Commodity:

On all bills rendered by EPCOR NATURAL GAS LIMITED PARTNERSHIP on or after April 1, 2018, the price we charge for the gas commodity and transportation portion of your bill will be decreasing by \$0.015317 per cubic meter to \$0.152838 per cubic meter. The Ontario Energy Board has approved this change to reflect the prices that EPCOR expects that it will be paying to its gas suppliers through to the end of March 2019. On your gas bill this cost is on the line entitled "Gas Commodity".

As a regulated utility, EPCOR is permitted to recover what it pays for the purchase of gas plus any costs reasonably associated with this purchase but with no mark up or 'profit'. The price the utility charges you is based on the forecasted gas and transportation costs to EPCOR, which are periodically reviewed by the OEB and reconciled with actual costs. The gas commodity portion gets adjusted regularly throughout the year as the price of the gas commodity changes.

How will the price change impact you? That will depend on the amount of gas that you use. For a typical residential customer who consumes approximately 2,009 cubic meters of gas annually, this price change will cause your annual heating costs to decrease by approximately \$31 per year. For customers who have arranged to have their gas supplied by a gas marketer/broker, the price may or may not change depending on the terms of the contract the customer has with the gas marketer/broker.

If you have any questions about the changes in rates or any other item that appears on your bill, please feel free to call our office at 519-773-5321.

We would like to thank you for choosing to make natural gas your energy of choice.