



EPCOR Natural Gas Limited Partnership
39 Beech St. East
Aylmer, ON N5H 3J6

VIA COURIER & EMAIL

December 11, 2017

Ontario Energy Board
2300 Yonge Street
Suite 2601
Toronto, ON M4P 1E4

Attn: Ms. Walli, Board Secretary

Dear Sirs/Madam:

RE: EB-2017-0355

Please find attached two copies of the Application and Pre-filed Evidence for an order to change the gas rates approved for the period October 1, 2017 through December 31, 2017. The application has also been sent via email.

If you require any further information regarding this application, please do not hesitate to contact me.

Yours truly,

[original signed]

Brian Lippold,
General Manager, Natural Gas Canada
519.773.5321 ext 205 phone
519.494.7865 cell
blippold@epcor.com

c.c. Mr. Randy Aiken
C. Piercey, EPCOR
All interveners in RP-2005-0544 and EB-2010-0018

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
January 1, 2018;

AND IN THE MATTER OF the Quarterly Rate
Adjustment Mechanism.

APPLICATION

1. As part of the EB-2017-0293 Decision and Interim Order dated September 21, 2017 the Ontario Energy Board ("Board") approved a PGCVA reference price of \$0.178266 per m³ and a gas supply charge of \$0.177694 per m³, both effective October 1, 2017.
2. Based on actual and forecast natural gas prices for the January, 2017 through December, 2017 period the PGCVA balance is projected to be a charge of approximately \$4.59 per residential customer.
3. EPCOR hereby applies to the Board for further orders effective January 1, 2018 as follows:
 - a) an order changing the reference price authorized by the Board's EB-2017-0293 Decision and Interim Order for use in determining the amounts to be recorded in the Purchased Gas Commodity Variance Account (Account No. 179-27) by \$0.012406 per m³ from the Board approved level of \$0.178266 per m³ to \$0.165860 per m³;

- b) an order changing the rates and other charges from those authorized by the Board's EB-2017-0293 Decision and Order to reflect a projected \$0.009539 per m³ change in the gas supply charge from the Board approved level of \$0.177694 per m³ to a projected cost of \$0.168155 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 January 1, 2018.
6. The address of service for EPCOR Natural Gas Limited Partnership is:
- Mr. Brian Lippold
EPCOR Natural Gas Limited Partnership
39 Beech Street East
Aylmer, Ontario, N5H 3J6
- Telephone: (519) 773-5321
Fax: (519) 773-5335

And

Mr. Randy Aiken
Aiken & Associates
578 McNaughton Ave. West
Chatham, Ontario, N7L 4J6

Telephone: (519) 351-8624
E-mail: randy.aiken@sympatico.ca

Dated at Aylmer, Ontario, this 11th day of December, 2017.

EPCOR Natural Gas Limited Partnership

Brian Lippold
General Manager, Natural Gas Canada

EPCOR NATURAL GAS LIMITED PARTNERSHIP

INTRODUCTION

As part of the EB-2017-0293 Decision and Interim Order dated September 21, 2017 the Ontario Energy Board ("Board") approved a Purchased Gas Commodity Variance Account ("PGCVA") reference price of \$0.178266 per m³ and a gas commodity charge of \$0.177694 per m³, both effective October 1, 2017 for Natural Resource Gas Limited, now 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-2017-0293, the Board approved a GPRA rate of \$(0.000935) per m³.

EPCOR is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective January 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 \$4.59 per average residential customer for the twelve-month period ending December, 2017 (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.

December, 2017

1 The PGCVA balance has been calculated using the most recent information available,
2 including actual volumes and costs through October, 2017. The remaining months in the
3 twelve-month period ending December, 2017 are calculated using estimated prices based
4 on the best information available at the time of filing.

5
6 Forecast prices have been used for the period January, 2018, through December, 2018
7 period, 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.

15
16 EPCOR was a direct purchase customer on the Union Gas system until the end of
17 October, 2016. EPCOR returned to system gas purchases from Union Gas effective
18 November 1, 2016. EPCOR was required to balance to 0 on the Union system when it
19 became a system gas customer on the Union system at the beginning of November, 2016,
20 and it did so.

21
22 EPCOR also had to balance with its own direct purchase customers. EPCOR had
23 effectively consumed an amount of gas purchased by its direct purchase customers. This
24 meant that while EPCOR and its direct purchase customers balanced to 0 on the Union
25 Gas system as of November 1, there was a further true up required by EPCOR to balance
26 system gas with direct purchase gas on its own system.

27
28 EPCOR purchased 248,633 m³ at an average rate of \$0.151758 per m³ for a total cost of
29 \$37,732 in February, 2017. These figures are shown on the Dawn Delivery line in
30 Schedule 3 in the February column. The purchase price is equivalent to \$3.892 per GJ, as

1 shown in Schedule 4 in the Dawn Delivery line and in the February column. As can be
2 seen in both Schedules 3 and 4, this price for this gas was less than any of the other
3 sources of gas purchased by EPCOR in February.

4
5 System Gas Purchases

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

9
10 In addition to the system gas from Union Gas described above, EPCOR purchases gas
11 from a local producer in its franchise area.

12
13 The composition of the gas supply portfolio volumes for the January, 2017 through
14 December, 2017 period is shown on the top of Schedule 3. This schedule shows the
15 monthly volume of gas purchased or forecast to be purchased from local producers,
16 obligated deliveries at Parkway, at Dawn (including the February balancing gas noted
17 above) and the Alberta border (Western), and from Union Gas. Similarly, the
18 composition of the gas supply portfolio volumes for the January, 2018 through
19 December, 2018 period is shown on the top of Schedule 6.

20
21 Gas Costs

22 EPCOR's actual and forecast gas costs for the January, 2017 through December, 2017
23 period, by source of supply, are shown in Schedule 4 in \$/GJ. These prices are also
24 shown in the middle section of Schedule 3 in \$/m³. The bottom section of Schedule 3
25 shows the composition of the total system gas costs. The conversion factor used is based
26 on the heat values used by Union Gas in their calculation of EPCOR's Banked Gas
27 Account balances. The conversion factors used are also shown in Schedule 4. All prices
28 and costs shown are actual prices paid in January, 2017 through October, 2017. Prices
29 for the remaining months in this period are based on estimated prices to be paid in those

1 months and the costs shown for these remaining months are based on both the estimated
2 prices to be paid and the estimated volumes to be purchased.

3
4 Forecast gas prices for each of the sources of supply for the January, 2018 through
5 December, 2018 period are described below.

6
7 NRG Corp. Pricing

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

11
12 The Board issued a Decision and Order - Phase 2 for EB-2010-0018 dated May 17, 2012
13 in which the Board indicated that EPCOR would be permitted to recover from ratepayers
14 a maximum annual quantity of 1.0 million cubic metres of natural gas at a rate of \$8.486
15 per mcf (or \$0.3012/m³). This price, as set by the Board, can be seen in the line labeled
16 "Local Production (A)" of the price section of Schedule 3.

17
18 The remaining gas purchased from NRG Corp. is shown in the line labeled "Local
19 Production (B)". This gas was priced at the approved Union Gas Ontario landed
20 reference price for each quarter, as per the Board EB-2010-0018 Decision and Order
21 dated December 6, 2010. The January, 2017 through March, 2017 was \$0.161100,
22 reflecting the Board's Decision and Interim Order in EB-2016-0334 dated December 21,
23 2016 and reflected a change to the use of the Dawn Reference Price for these volumes, as
24 Union no longer uses an Ontario landed reference price. The April, 2017 through June,
25 2017 price was \$0.159500, reflecting the Board's Decision and Order in EB-2017-0089
26 dated March 23, 2017. The July, 2017 through September, 2017 price was \$0.163824,
27 reflecting the Board's Decision and Order in EB-2017-0185 dated June 27, 2017. The
28 October, 2017 through December, 2017 price was \$0.138234, reflecting the Board's
29 Decision and Order in EB-2017-0278 dated September 21, 2017. These prices are shown
30 in Schedule 3.

1 The NRG Corp. prices over the January, 2018 through December, 2018 period shown in
2 Schedule 6 reflect the Board approved price of \$0.301200 per m³ for 1,000,000 m³ as
3 shown on the Local Production (A) line. The remaining gas forecast to be purchased
4 from NRG Corp. is shown on the Local Production (B) line. As noted above, the Board
5 approved the price for this gas at the approved Union Gas Ontario landed reference price
6 for each quarter.

7

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

13

14 The Board approved the use of the Dawn reference price for EPCOR, on an interim basis
15 in EB-2016-0341 and indicated that this matter should be brought forward in EPCOR's
16 2017-2021 rates application.

17

18 EPCOR has used the Dawn reference price of \$0.137182 per m³ for the gas in excess of
19 1,000,000 m³ per year forecast to be purchased from NRG Corp. This figure can be
20 found in Union's current QRAM (EB-2017-0351) application, dated December 8, 2017,
21 at line 15 of page 1 in Tab 2.

22

23 At the time this application was prepared the Union Gas QRAM price for January 1, 2018
24 rates was not yet approved by the Board. Any differences between the applied for and
25 Board Approved Dawn reference price for Union will be reflected in EPCOR's next
26 QRAM application and evidence.

27

28 Union Gas System Gas Pricing

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

1 The price forecast for this gas has been taken from the Union's QRAM application in EB-
2 2017-0351 dated December 8, 2017, where the gas supply commodity charge has been
3 forecast as \$0.159153 per m³ and is shown in the Union Gas line on EPCOR's Schedule 6
4 and in \$/GJ on Schedule 7. The \$0.159153 per m³ figure is taken from Union's
5 application on line 4 on page 6 in Appendix A to EB-2017-0351. This is Union's Total
6 Gas Supply Commodity Charge for Utility Sales.

7
8 At the time this application was prepared the Union gas supply commodity charge for
9 January 1, 2018 rates was not yet approved by the Board. Any differences between the
10 applied for and Board approved gas supply commodity charge for Union will be reflected
11 in EPCOR's next QRAM application and evidence.

12
13 Other Forecast Assumptions

14 The heat value used to convert GJ to m³ is 38.95 GJ/10³ m³. This is consistent with the
15 figure used by Union Gas in their QRAM application. It is found on page 1 of Tab 2 in
16 EB-2017-0351, at line 19. EPCOR uses this conversion factor to calculate the cost in
17 \$/GJ.

18
19 PGCVA Balance

20 The projected December, 2017 balance in the PGCVA is a debit of \$59,766.45 including
21 a debit of \$69,037.12 in accumulated interest, based on the Board's prescribed interest
22 rate. This estimate is based on actual and forecasted purchases and the balance brought
23 forward from December, 2016. The PGCVA debit amounts to a charge of approximately
24 \$4.59 for a typical residential customer consuming approximately 1,953.5 m³ per year.
25 These figures are shown on Schedule 2.

26
27 Proposed PGCVA Rate Changes

28 EPCOR proposes to adjust the reference price effective January 1, 2018 based on the
29 projected accumulated balance in the PGCVA as of the end of December, 2017 and the
30 forecasted cost of gas over the twelve-month period beginning January 1, 2018 and

1 ending December, 2018. The reference price is set such that the projected PGCVA
2 balance at the end of December, 2018 is close to zero.

3
4 EPCOR's proposal will clear the PGCVA balance on a prospective basis, eliminating the
5 need for retroactive adjustments. This is consistent with EPCOR's past proposals in
6 QRAM applications, which have been accepted by the Board.

7
8 EPCOR proposes to change the reference price by \$0.012406 per m³ effective January 1,
9 2018, from \$0.178266 per m³ to \$0.165860 per m³. The derivation of this rate is shown
10 in Schedule 5. This is the reference price required to bring the PGCVA balance close to
11 zero on a twelve-month forecast basis. This change will also be reflected in the gas
12 commodity charge.

13 14 **GAS PURCHASE REBALANCING ACCOUNT**

15 The impact on the GPRA of the proposed January 1, 2018 PGCVA reference price
16 change from \$0.178266 per m³ to \$0.165860 per m³ is a credit of \$80,931.90, as shown
17 on Schedule 8. This figure is shown in column (J) of Schedule 8 on the December, 2017
18 line. It is calculated as the change in the PGCVA reference price between December,
19 2017 and January, 2018, multiplied by the cumulative inventory balance at the end of
20 December. This cumulative inventory balance is the sum of the actual monthly inventory
21 balances for October, 2017 and forecasts for the subsequent months. These forecasts will
22 be replaced with actual balances for these months in subsequent QRAM applications as
23 this information becomes available. As well, the monthly inventory balances are based
24 on a deemed level of unaccounted for gas ("UFG") of the total throughput volume, as
25 shown in column (E) of Schedule 8. The 0.0% is the Board approved level of UFG from
26 EB-2010-0018.

27
28 EPCOR proposes to adjust the gas commodity charge effective January 1, 2018 based on
29 the projected accumulated balance in the GPRA. The adjustment to the gas commodity
30 charge will be set such that the projected GPRA balance at the end of December, 2018

will be close to zero. The rate required to achieve this is shown in column (K) on Schedule 8. Column (P) shows the reduction of the inventory revaluation balance based on this rate of \$0.001932 per m³ over the January, 2018 through December, 2018 period.

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

GAS COMMODITY CHARGE

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

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

	EB-2017-0293 Oct. 1, 2017	Proposed Jan. 1, 2018	Difference
PGCVA Reference Price	\$0.178266	\$0.165860	\$(0.012406)
GPRA Recovery	\$(0.000935)	\$0.001932	\$0.002867
System Gas Supply Cost	<u>\$0.000363</u>	<u>\$0.000363</u>	<u>\$0.000000</u>
Gas Commodity Charge	\$0.177694	\$0.168155	\$(0.009539)

1 **SUMMARY**

2 In summary, EPCOR proposes to change the reference price for amounts to be recorded
3 in the Purchased Gas Commodity Variance Account from \$0.178266 by \$0.012406 to
4 \$0.165860 per m³ effective January 1, 2018. Appendix B contains the accounting entries
5 related to the PGCVA.

6

7 EPCOR also proposes to change the gas supply charge from \$0.177694 to \$0.168155 per
8 m³ effective January 1, 2018. This change reflects the change in the PGCVA reference
9 price, as described above, the change related to the recovery of the GPRA balance, also
10 as described above, and the continuation of the system gas supply cost. These changes
11 apply to all system gas customers served under Rates 1, 2, 3, 4, 5 and 6.

12

13 The proposed rate schedules are attached as Appendix A. The proposed customer notices
14 are attached as Appendix C.

15

16 Schedule 9 provides a bill comparison showing the impact of the proposed changes on a
17 year over year basis for the appropriate quarter as well as the annual bill impact of the
18 most recent quarterly change for an average residential customer. The annual bill impact
19 related to the change in the commodity charges on a customer consuming approximately
20 2,009 m³ is a decrease of \$19.17.

21

EPCOR NATURAL GAS LIMITED PARTNERSHIP

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

HISTORICAL TWELVE MONTH PERIOD - JANUARY, 2017 TO DECEMBER, 2017

<u>Act/Fcst</u>	<u>Month</u>	<u>Purchase Cost (\$)</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 (\$)</u>	<u>Y-T-D PGCVA (\$)</u> (1)	<u>Monthly Interest (\$)</u>	<u>Y-T-D Interest (\$)</u> (2)	<u>Total PGCVA (\$)</u>	<u>Total Y-T-D PGCVA (\$)</u>	<u>Average Residential Consumption (M*3)</u>	<u>Monthly Interest Rate</u>
Actual	January	628,331	3,692,517	0.170163	0.176004	0.005841	21,566.79	-32,590.02	-49.64	-68,918.29	21,517.15	-101,508.31	323.6	1.10%
Actual	February	527,045	3,115,274	0.169181	0.176004	0.006823	21,255.30	-11,334.72	-29.87	-68,948.16	21,225.43	-80,282.88	269.2	1.10%
Actual	March	566,091	3,320,526	0.170482	0.176004	0.005522	18,335.25	7,000.53	-10.39	-68,958.55	18,324.86	-61,958.02	261.1	1.10%
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	155.3	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	114.8	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	54.8	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	38.0	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	35.0	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	58.5	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	118.7	1.50%
Forecast	November	730,787	4,213,441	0.173442	0.178266	0.004824	20,326.02	-6,326.51	-33.32	-69,029.21	20,292.70	-75,355.72	202.7	1.50%
Forecast	December	616,367	3,545,062	0.173866	0.178266	0.004400	15,597.18	9,270.67	-7.91	-69,037.12	15,589.27	-59,766.45	321.8	1.50%
	Total	4,492,164	25,464,186	0.176411			63,427.48	9,270.67	-168.47	-69,037.12	63,259.01	-59,766.45	1,953.5	

PGCVA Balance per M*3 Purchased (\$/M*3) (\$0.002347)
Forecast Average Residential Consumption per Customer 1,953.5 M*3
Estimated Impact on Average Residential Customer \$4.59 Customer Charge

(1) Includes balance of -54,156.81 as of December, 2016
(2) Includes balance of -68,868.65 as of December, 2016

EPCOR NATURAL GAS LIMITED PARTNERSHIP

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - JANUARY, 2017 TO DECEMBER, 2017

	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<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>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	84,932	76,712	84,931	82,192	84,932	82,192	82,192	82,192	87,671	84,932	82,192	84,932	1,000,000
Local Production (B)	64,948	38,615	72,812	52,503	60,254	50,591	55,416	49,078	39,413	45,844	117,808	115,068	762,348
Dawn Delivery	0	248,633	0	0	0	0	0	0	0	0	0	0	248,633
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>3,542,638</u>	<u>2,751,314</u>	<u>3,162,783</u>	<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>4,013,441</u>	<u>3,345,062</u>	<u>23,453,205</u>
Total	3,692,517	3,115,274	3,320,526	1,762,653	1,552,748	984,306	-17,575	111,909	1,203,761	1,979,563	4,213,441	3,545,062	25,464,186
<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)	0.161100	0.161100	0.161100	0.159500	0.159500	0.159500	0.163824	0.163824	0.163824	0.138234	0.138234	0.138234	
Dawn Delivery	0.000000	0.151758	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	<u>0.167188</u>	<u>0.167188</u>	<u>0.167188</u>	<u>0.174434</u>	<u>0.174434</u>	<u>0.174434</u>	<u>0.137249</u>	<u>0.000000</u>	<u>0.192334</u>	<u>0.171859</u>	<u>0.171859</u>	<u>0.171859</u>	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	25,581	23,106	25,581	24,756	25,581	24,756	24,756	24,756	26,407	25,581	24,756	25,582	301,200
Local Production (B)	10,463	6,221	11,730	8,374	9,611	8,069	9,078	8,040	6,457	6,337	16,285	15,906	116,572
Dawn Delivery	0	37,732	0	0	0	0	0	0	0	0	0	0	37,732
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>592,287</u>	<u>459,987</u>	<u>528,779</u>	<u>283,971</u>	<u>245,527</u>	<u>148,535</u>	<u>-21,299</u>	<u>9,436</u>	<u>207,082</u>	<u>317,731</u>	<u>689,746</u>	<u>574,879</u>	<u>4,036,660</u>
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	628,331	527,045	566,091	317,102	280,719	181,360	12,536	42,232	239,945	349,649	730,787	616,367	4,492,164

EPCOR NATURAL GAS LIMITED PARTNERSHIP

ACTUAL AND FORECAST GAS PRICES

HISTORICAL TWELVE MONTH PERIOD - JANUARY, 2017 TO DECEMBER, 2017

	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<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>Local Production</u>												
Local Production (A) (\$/GJ)	7.711	7.724	7.719	7.738	7.764	7.795	7.763	7.779	7.767	7.775	7.733	7.733
Local Production (B) (\$/GJ)	4.125	4.131	4.129	4.097	4.112	4.128	4.223	4.231	4.225	3.568	3.549	3.549
<u>Dawn</u>												
Dawn (\$/GJ)	0.000	3.892	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<u>Parkway</u>												
Parkway (\$/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>												
Western Deliveries (\$/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>												
TCPL Toll (\$/GJ)	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	346	0	0	0	0	0	0	0	0	0	0
<u>Union Gas (1)</u>												
Union Gas (1) (\$/GJ)	4.280	4.287	4.285	4.481	4.497	4.514	3.538	0.000	4.960	4.436	4.412	4.412
Heat Value (GJ/103m3)	39.06	39.00	39.02	38.93	38.79	38.64	38.80	38.72	38.78	38.74	38.95	38.95

EPCOR NATURAL GAS LIMITED PARTNERSHIP
PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - JANUARY, 2018 TO DECEMBER, 2018
(WITH CHANGE IN REFERENCE PRICE)

Month	Purchase Cost (\$s)	M*3	Forecast Price (\$/M*3)	Reference Price (\$/M*3)	Unit Rate Difference (\$/M*3)	Monthly PGCVA (\$s)	Y-T-D PGCVA (\$s) (1)	Monthly Interest (\$s)	Y-T-D Interest (\$s) (2)	Total PGCVA (\$s)	Total Y-T-D PGCVA (\$s)	Average Residential Consumption (M*3)	Monthly Interest Rate
January	658,759	4,079,235	0.161491	0.165860	0.004369	17,823.25	27,093.92	11.59	-69,025.53	17,834.84	-41,931.61	355.2	1.50%
February	652,841	4,050,527	0.161174	0.165860	0.004686	18,979.59	46,073.51	33.87	-68,991.66	19,013.46	-22,918.15	293.2	1.50%
March	391,343	2,398,995	0.163128	0.165860	0.002732	6,553.88	52,627.39	57.59	-68,934.07	6,611.47	-16,306.68	246.2	1.50%
April	291,554	1,774,815	0.164273	0.165860	0.001587	2,816.92	55,444.31	65.78	-68,868.29	2,882.70	-13,423.98	186.6	1.50%
May	132,443	772,255	0.171501	0.165860	(0.005641)	-4,356.66	51,087.65	69.31	-68,798.98	-4,287.35	-17,711.33	89.7	1.50%
June	80,396	434,247	0.185138	0.165860	(0.019278)	-8,371.37	42,716.28	63.86	-68,735.12	-8,307.51	-26,018.84	53.1	1.50%
July	68,356	355,777	0.192132	0.165860	(0.026272)	-9,347.08	33,369.20	53.40	-68,681.72	-9,293.68	-35,312.52	40.9	1.50%
August	163,328	958,033	0.170483	0.165860	(0.004623)	-4,428.91	28,940.29	41.71	-68,640.01	-4,387.20	-39,699.72	42.8	1.50%
September	242,160	1,464,460	0.165358	0.165860	0.000502	735.28	29,675.57	36.18	-68,603.83	771.46	-38,928.26	58.5	1.50%
October	385,059	2,353,984	0.163577	0.165860	0.002283	5,373.24	35,048.81	37.09	-68,566.74	5,410.33	-33,517.93	118.7	1.50%
November	679,669	4,213,441	0.161310	0.165860	0.004550	19,172.78	54,221.59	43.81	-68,522.93	19,216.59	-14,301.34	202.7	1.50%
December	573,743	3,545,062	0.161843	0.165860	0.004017	14,240.55	68,462.14	67.78	-68,455.15	14,308.33	6.99	321.8	1.50%
Total	4,319,650	26,400,831	0.163618			59,191.47	68,462.14	581.97	-68,455.15	59,773.44	6.99	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 Dec., 2017 year-to-date balance of \$9,270.67 (See Schedule 2)
(2) Includes Dec., 2017 year-to-date balance of (\$69,037.12) (See Schedule 2)

EPCOR NATURAL GAS LIMITED PARTNERSHIP

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - JANUARY, 2018 TO DECEMBER, 2018

<u>Volumes (m3)</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<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>Total</u>
Local Production (A)	84,932	76,708	84,932	82,192	84,932	82,192	84,932	84,932	82,193	84,932	82,192	84,932	1,000,000
Local Production (B)	115,068	123,292	115,068	117,808	115,068	17,808	15,068	55,068	117,808	75,069	117,808	115,068	1,100,000
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>3,879,235</u>	<u>3,850,527</u>	<u>2,198,995</u>	<u>1,574,815</u>	<u>572,255</u>	<u>334,247</u>	<u>255,777</u>	<u>818,033</u>	<u>1,264,460</u>	<u>2,193,984</u>	<u>4,013,441</u>	<u>3,345,062</u>	<u>24,300,831</u>
Total	4,079,235	4,050,527	2,398,995	1,774,815	772,255	434,247	355,777	958,033	1,464,460	2,353,984	4,213,441	3,545,062	26,400,831

Price (\$/m3)

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	0.301200
Local Production (B)	0.137182	0.137182	0.137182	0.137182	0.137182	0.137182	0.137182	0.137182	0.137182	0.137182	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	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	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	0.000000
Union Gas	<u>0.159153</u>	<u>0.159153</u>	<u>0.159153</u>	<u>0.159153</u>	<u>0.159153</u>	<u>0.159153</u>	<u>0.159153</u>	<u>0.159153</u>	<u>0.159153</u>	<u>0.159153</u>	<u>0.159153</u>	<u>0.159153</u>	<u>0.159153</u>

Total Gas Cost (\$)

Local Production (A)	25,582	23,104	25,582	24,756	25,582	24,756	25,582	25,582	24,756	25,581	24,756	25,582	301,200
Local Production (B)	15,785	16,913	15,785	16,161	15,785	2,443	2,067	7,554	16,161	10,298	16,161	15,785	150,900
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>617,392</u>	<u>612,823</u>	<u>349,977</u>	<u>250,637</u>	<u>91,076</u>	<u>53,196</u>	<u>40,708</u>	<u>130,192</u>	<u>201,243</u>	<u>349,179</u>	<u>638,751</u>	<u>532,377</u>	<u>3,867,550</u>
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	658,759	652,841	391,343	291,554	132,443	80,396	68,356	163,328	242,160	385,059	679,669	573,743	4,319,650

NATURAL RESOURCE GAS LIMITED

EPCOR NATURAL GAS LIMITED PARTNERSHIP

JANUARY, 2017 THROUGH DECEMBER, 2018

Month	Purchase Volume (M ³)	Throughput Volume (M ³)	Direct Purchase Volume (M ³)	System Sales Volume (M ³)	System Sales + U.F.G. (M ³)	Monthly Inventory Balance (M ³)	Cumulative Inventory (M ³)	Reference Price (\$/M ³)	Inventory Revaluation (\$)	Inventory Rate (\$/M ³)	Inventory Recovery L=KXD (\$)	Y-T-D GPRA Balance (\$)	Monthly Interest (\$)	Y-T-D Interest (\$)	Total Y-T-D GPRA (\$)	Monthly Interest Rate
	A	B	C	D=B-C	E	F=D+E	H	I	J	K	L=KXD	M	N	O	P=M+O	
							(1)					(2)		(3)		
January	3,692,517	7,348,143	3,806,957	3,541,186	0	3,541,186	6,214,437	0.176004	0.00	(0.001768)	-6,260.82	40,820.44	43.16	-3,100.16	37,720.28	1.10%
February	3,115,274	5,937,103	2,969,818	2,967,285	0	2,967,285	6,362,426	0.176004	0.00	(0.001768)	-5,246.16	35,574.28	37.42	-3,062.74	32,511.54	1.10%
March	3,320,526	6,087,441	3,157,442	2,929,999	0	2,929,999	6,752,953	0.176004	37,019.69	(0.001768)	-5,180.24	67,413.73	32.61	-3,030.13	64,383.60	1.10%
April	1,762,653	5,094,956	3,270,318	1,824,638	0	1,824,638	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	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	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	7,089,044	0.197724	0.00	(0.006228)	-2,865.53	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	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	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	4,471,898	2,568,553	1,913,144	0	1,913,144	6,523,609	0.178266	0.00	(0.000935)	-1,788.79	39,767.50	51.95	-2,311.88	37,455.62	1.50%
November	4,213,441	8,031,699	3,818,258	4,213,441	0	4,213,441	6,523,609	0.178266	0.00	(0.000935)	-3,939.57	35,827.93	49.71	-2,262.17	33,565.76	1.50%
December	3,545,062	7,547,799	4,002,737	3,545,062	0	3,545,062	6,523,609	0.178266	-80,931.90	(0.000935)	-3,314.63	-48,418.60	44.78	-2,217.39	-50,635.99	1.50%
January	4,079,235	8,145,577	4,066,342	4,079,235	0	4,079,235	6,523,609	0.165860	0.00	0.001932	7,881.08	-40,537.52	-60.52	-2,277.91	-42,815.43	1.50%
February	4,050,527	7,698,962	3,648,435	4,050,527	0	4,050,527	6,523,609	0.165860	0.00	0.001932	7,825.62	-32,711.90	-50.67	-2,328.58	-35,040.48	1.50%
March	2,398,995	6,317,069	3,918,074	2,398,995	0	2,398,995	6,523,609	0.165860	0.00	0.001932	4,634.86	-28,077.04	-40.89	-2,369.47	-30,446.51	1.50%
April	1,774,815	4,949,806	3,174,991	1,774,815	0	1,774,815	6,523,609	0.165860	0.00	0.001932	3,428.94	-24,648.10	-35.10	-2,404.57	-27,052.67	1.50%
May	772,255	4,337,042	3,564,787	772,255	0	772,255	6,523,609	0.165860	0.00	0.001932	1,492.00	-23,156.10	-30.81	-2,435.38	-25,591.48	1.50%
June	434,247	3,789,961	3,355,714	434,247	0	434,247	6,523,609	0.165860	0.00	0.001932	838.97	-22,317.13	-28.95	-2,464.33	-24,781.46	1.50%
July	355,777	3,270,949	2,915,172	355,777	0	355,777	6,523,609	0.165860	0.00	0.001932	687.36	-21,629.77	-27.90	-2,492.23	-24,122.00	1.50%
August	958,033	3,921,486	2,963,453	958,033	0	958,033	6,523,609	0.165860	0.00	0.001932	1,850.92	-19,778.85	-27.04	-2,519.27	-22,296.12	1.50%
September	1,464,460	4,581,850	3,117,390	1,464,460	0	1,464,460	6,523,609	0.165860	0.00	0.001932	2,829.34	-16,949.51	-24.72	-2,543.99	-19,493.50	1.50%
October	2,353,984	5,307,058	2,953,074	2,353,984	0	2,353,984	6,523,609	0.165860	0.00	0.001932	4,547.90	-12,401.61	-21.19	-2,565.18	-14,966.79	1.50%
November	4,213,441	8,031,699	3,818,258	4,213,441	0	4,213,441	6,523,609	0.165860	0.00	0.001932	8,140.37	-4,261.24	-15.50	-2,580.68	-6,841.92	1.50%
December	3,545,062	7,547,799	4,002,737	3,545,062	0	3,545,062	6,523,609	0.165860	0.00	0.001932	6,849.06	2,587.82	-5.33	-2,586.01	1.81	1.50%

(1) Includes balance of 5,063,106 as of December, 2016

(2) Includes balance of 47,081.26 as of December, 2016

(3) Includes balance of -3,143.32 as of December, 2016

EPCOR NATURAL GAS LIMITED PARTNERSHIP

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Jan-17 EB-2016-0341	Quarter Starting 01-Jan-18 EB-2017-0355	\$ Change	Percent Change
Average Residential Consumption for Quarter	894.6	894.6		
Monthly Charges	\$40.50	\$40.50	\$0.00	0.0%
Delivery Charges	\$175.57	\$175.34	(\$0.24)	-0.1%
Total Commodity Charges	\$156.20	\$150.43	(\$5.76)	-3.7%
Total Customer Charges	\$372.27	\$366.27	(\$6.00)	-1.6%

ANNUAL BILL IMPACT

	01-Oct-17 EB-2017-0293	01-Jan-18 EB-2017-0355	\$ Change	Percent Change
Average Residential Consumption	2,009.4	2,009.4		
Monthly Charges	\$162.00	\$162.00	\$0.00	0.0%
Delivery Charges	\$394.36	\$393.83	(\$0.53)	-0.1%
Total Commodity Charges	\$357.06	\$337.89	(\$19.17)	-5.4%
Total Customer Charges	\$913.42	\$893.72	(\$19.70)	-2.2%

RATES USED

	01-Jan-17 EB-2016-0341	01-Oct-17 EB-2017-0293	01-Jan-18 EB-2017-0355
Monthly charge	13.50	13.50	13.50
Delivery Charge	0.196257	0.196257	0.195994
Total Commodity Charge	0.174599	0.177694	0.168155

**APPENDIX "A" TO
DECISION AND INTERIM RATE ORDER
BOARD FILE No. EB-2017-0355
DATED DECEMBER XX, 2017**

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: January 01, 2018

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

EB-2017-0355 (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: January 01, 2018

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

EB-2017-0355 (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 m ³ |
| | Cap and Trade Facility Related Charge | 0.03414 cents per m ³ |

- 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: January 01, 2018

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

EB-2017-0355 (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: January 01, 2018

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

EB-2017-0355 (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: January 01, 2018

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

EB-2017-0355 (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: January 01, 2018

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

EB-2017-0355 (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-2017-0355 (Interim))	16.5860 cents per m ³
GPRA Recovery Rate	(EB-2017-0355 (Interim))	0.1932 cents per m ³
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m ³
Total Gas Supply Charge		<u>16.8155</u> cents per m ³

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: January 01, 2018

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

EB-2017-0355 (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: January 01, 2018

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

EB-2017-0355 (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 EPCOR 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: January 01, 2018

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

EB-2017-0355 (Interim)

**APPENDIX “B” TO
DECISION AND INTERIM ORDER
BOARD FILE No. EB-2017-0355
DATED DECEMBER XX, 2017**

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-2017-0355
DATED DECEMBER XX, 2017**

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

Gas Commodity:

On all bills rendered by EPCOR NATURAL GAS LIMITED PARTNERSHIP on or after January 1, 2018, the price we charge for the gas commodity and transportation portion of your bill will be decreasing by \$0.009539 per cubic meter to \$0.168155 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 December 2018. 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 \$19 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.