



Ontario Energy Board Commission de l'énergie de l'Ontario

DECISION AND RATE ORDER

EB-2018-0235

EPCOR NATURAL GAS LIMITED PARTNERSHIP

Application for a rate adjustment for the period October 1, 2016 to December 31, 2019, approval of a fixed monthly charge for Rate 6 effective October 1, 2018, approval for disposition of certain deferral and variance accounts, and change in the start of the rate year, from October 1 to January 1, effective January 1, 2020.

BEFORE: **Allison Duff**
Presiding Member

Michael Janigan
Member

Susan Frank
Member

December 6, 2018

1 INTRODUCTION AND SUMMARY

EPCOR Natural Gas Limited Partnership (EPCOR) is a privately owned utility regulated by the Ontario Energy Board (OEB) that sells and distributes natural gas in southwestern Ontario. EPCOR supplies natural gas to Aylmer and surrounding areas to approximately 8,800 customers. In November 2017, EPCOR purchased all the distribution assets from the predecessor distributor, Natural Resource Gas Limited (NRG).

EPCOR Natural Gas filed an application on July 30, 2018 requesting an incentive ratemaking (IR) adjustment based on the OEB's 4th Generation IR guidelines¹ for the period October 1, 2016 to December 31, 2019. EPCOR also requested other adjustments as part of the application.

A settlement conference was held between EPCOR and the intervenors and a full settlement was reached on all issues in the proceeding. A settlement proposal was filed with the OEB on November 21, 2018.

The OEB has reviewed the settlement proposal. The OEB finds that it is in the public interest and results in just and reasonable rates for EPCOR's customers.

Procedural Order No. 2 scheduled a presentation day on December 11, 2018, for EPCOR to present any settlement proposal filed. As the OEB accepts the settlement proposal, the presentation day scheduled for December 11, 2018 is cancelled. The approved settlement proposal is attached as Schedule A to this Decision and Rate Order (Decision).

As a result of this Decision, the annual rate impact for a typical residential customer of EPCOR consuming approximately 2,000 cubic meters a year is \$34.06 (7.6%).

¹ *Renewed Regulatory Framework for Electricity Distributors: A Performance Based Approach*, Report of the Board, October 18, 2012.

2 THE PROCESS

In August 2016, NRG filed a cost of service and IRM application for the period October 1, 2016 to September 30, 2021.² In Procedural Order No. 1 of that application, the OEB declared existing rates to be interim effective October 1, 2016.

In a letter dated January 30, 2017, the OEB approved NRG's request to place the rates' application³ in abeyance pending the OEB's decision on the asset transfer application. The OEB approved the transfer of assets application from NRG to EPCOR on August 3, 2017. NRG's August 2016 rates application is still in abeyance, and the interim rate order effective October 1, 2016 is still in effect.

EPCOR filed an application on July 30, 2018 requesting approval to adjust rates based on the OEB's 4th Generation IR framework for the period October 1, 2016 to December 31, 2019. In addition, EPCOR requested:

- Disposition of the Purchased Gas Transportation Variance Account (PGTVA), the Regulatory Expense Deferral Account (REDA) and the IFRS Conversion Cost Deferral Account (IFRSDA).
- Approval of a Fixed Monthly Charge for Rate 6, which includes only one customer, Integrated Grain Processors Co-operative Inc. (IGPC).
- Change to the start of the rate year, from October 1 to January 1 starting in January 1, 2020.

A Notice of Hearing was issued on August 23, 2018. IGPC Ethanol Inc. and Integrated Grain Processors Co-operative (collectively, IGPC), Union Gas Limited (Union Gas) and Vulnerable Energy Consumers Coalition (VECC) applied for and were granted intervenor status.

The OEB in Procedural Order No. 1 issued on September 19, 2018, made provision for filing of interrogatories, responses to interrogatories, submission of a proposed issues list and scheduled a settlement conference with the objective of reaching a settlement among the applicant and the intervenors (the parties) on the issues. The OEB scheduled December 11, 2018 for EPCOR to present any settlement proposal and a summary of the unsettled issues in the proceeding.

A settlement conference was held on November 5 and 6, 2018 at the OEB. The settlement conference was attended by representatives from EPCOR, OEB staff, IGPC and VECC. Union Gas did not attend the settlement conference and was not a party to

² EB-2016-0236

³ EB-2016-0236

the settlement proposal. OEB staff attended the settlement conference yet was not a party to the settlement proposal.

A settlement was reached on all issues in the proceeding. EPCOR filed the settlement proposal on November 21, 2018. On November 29, 2018, EPCOR provided the revised bill impacts resulting from the changes agreed to in the settlement proposal.

OEB staff filed its submission essentially supporting the settlement proposal on December 3, 2018.

3 DECISION ON THE SETTLEMENT PROPOSAL

The settlement proposal addressed all issues on the OEB approved issues list.

In particular, EPCOR agreed to forego revenues related to rate adjustments for the 2016 (October 1, 2016 to September 30, 2017) and 2017 (October 1, 2017 to September 30, 2018) rate years. For 2018, the proposed IR adjustment was accepted.

The settlement proposal included a draft accounting order and a draft rate order reflecting the terms of the settlement proposal. The draft accounting order included base rates and rate riders by rate class to be effective October 1, 2018 and implemented on January 1, 2019, for the OEB's approval on a final basis.

OEB staff's submission essentially supported the settlement proposal but expressed concern with the bill impact for a typical residential customer as compared to the application. OEB staff urged EPCOR to provide a more detailed explanation for the doubling of the rate impact for residential customers from the application to the settlement proposal.

Findings

The OEB approves the settlement proposal as filed. The OEB finds that the settlement proposal is in the public interest and results in just and reasonable rates.

The OEB has reviewed the submission of OEB staff on the settlement proposal and the Bill Impact Summary filed by EPCOR on November 29, 2018. The OEB finds that the Bill Impact Summary is sufficient to support the bill impact calculations by rate class. Further, the OEB finds that the Bill Impact Summary provides sufficient detail by the individual approval and recovery components within the settlement proposal.

In its application, EPCOR requested rate adjustments for the prior period, from October 1, 2016 to September 30, 2018 as its existing rates were declared interim effective October 1, 2016. As per the settlement proposal, EPCOR has agreed to forego recovery related to rate adjustments for 2016 (October 1, 2016 to September 30, 2017) and 2017 (October 1, 2017 to September 30, 2018). In approving the settlement proposal, the OEB deems the current rates, in place between October 1, 2016 to September 30, 2018, as final.

The OEB expects EPCOR to file a cost of service application and a system integrity study for the 2020 rate year in accordance with the approved settlement proposal. The OEB notes that previous filing commitments for 2019 were not met, and reiterates the importance of meeting approved regulatory commitments.

The OEB staff submission indicated that approval of the settlement proposal would dispose of all the issues raised in NRG's cost of service proceeding⁴. If EPCOR agrees with the views of OEB staff, EPCOR should file a letter with the OEB withdrawing the original NRG application so that the proceeding can be closed.

The OEB understands that EPCOR has agreed to pay the reasonable incurred costs of VECC for its participation in NRG's original application.⁵ Accordingly, the cost claim process established in this Decision relates only to this proceeding.

⁴ EB-2016-0236

⁵ *ibid*

4 RATE ORDER

The settlement proposal included a draft rate order and a draft accounting order for establishing the new 2019 Rebalancing Deferral Account. The draft accounting order included individual rate schedules with rate riders to be effective October 1, 2018 on a final basis.

Findings

The OEB approves the draft rate order and the draft accounting order. The OEB finds that both documents accurately reflect the agreement reached in the approved settlement proposal. The rates resulting from approved rate order are to be final, effective October 1, 2018 and are to be implemented on the first billing cycle on or after January 1, 2019.

The approved rate schedules are attached as Schedule B and the accounting order is attached as Schedule C. The appropriate customer notices are attached as Schedule D to this Decision and Rate Order.

5 COST AWARDS

The OEB may grant cost awards to eligible parties pursuant to its power under section 30 of the *Ontario Energy Board Act, 1998*. When determining the amount of the cost awards, the OEB will consider the provisions of the Notice of Application in this proceeding and apply the principles set out in section 5 of the OEB's *Practice Direction on Cost Awards*. The filings related to cost awards shall be made in accordance with the schedule noted in the Order section.

6 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The settlement proposal attached as Schedule A is approved.
2. The rate changes set out in Schedule B shall be effective October 1, 2018. EPCOR shall implement these rates in the first billing cycle on or after January 1, 2019.
3. EPCOR shall establish the 2019 Rebalancing Deferral Account in accordance with Schedule C to facilitate the rate rebalancing of \$210,000 from Rate classes 1 through 5, to Rate 6.
4. The appropriate form of customer notice as set out in Schedule D shall accompany each customer's first bill or invoice following the implementation of this Decision and Rate Order.
5. Intervenors shall file with the OEB, and forward to EPCOR, their respective cost claims on or before **December 20, 2018**.
6. EPCOR shall file with the OEB, and forward to intervenors, any objections to the claimed costs by **January 4, 2019**.
7. Intervenors shall file with the OEB, and forward to EPCOR, any responses to any objections for cost claims by **January 11, 2019**.
8. EPCOR shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

All filings to the OEB must quote the file number, **EB-2018-0235** and be made electronically in searchable/unrestricted PDF format through the OEB's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>. Two paper copies must also be filed. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.oeb.ca/Industry>. If the web portal is not available, parties may email their documents to the address below.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Khalil Viraney at Khalil.Viraney@oeb.ca and Board Counsel, Michael Millar at Michael.Millar@oeb.ca.

ADDRESS

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
Attention: Board Secretary

E-mail: boardsec@oeb.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

DATED at Toronto, **December 6, 2018**

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

SCHEDULE A
DECISION AND RATE ORDER
EPCOR NATURAL GAS LP
EB-2018-0235
DECEMBER 6, 2018
SETTLEMENT PROPOSAL DATED NOVEMBER 21, 2018

EB-2018-0235

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

AND IN THE MATTER OF an application by EPCOR Natural Gas Limited Partnership for 2016 to 2018 natural gas distribution rates, disposition of certain deferral and variance accounts, approval of a fixed monthly charge for Rate 6 and change in rate year effective January 1, 2020.

EPCOR NATURAL GAS LIMITED PARTNERSHIP.

SETTLEMENT PROPOSAL

Filed: November 21, 2018

**EPCOR Natural Gas Limited Partnership
EB-2018-0235
Settlement Proposal**

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EPCOR Natural Gas Limited Partnership
EB-2018-0235
Settlement Proposal

Filed with OEB: November 21, 2018

EPCOR Natural Gas Limited Partnership (the “**Applicant**” or “**ENGLP**”) filed an application (“**Application**”) with the Ontario Energy Board (the “**Board**” or “**OEB**”) on July 30, 2018 under section 36 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B) (the “**Act**”) seeking approval to implement, *inter alia*, the following changes:

1. Adjust gas distribution rates for the period October 1, 2016 to December 31, 2019 through a continuation of the Incentive Rate Mechanism utilized by ENGLP’s predecessor, as approved by the Board;
2. Establish a fixed monthly charge for Rate 6 which includes a single large industrial customer;
3. Change the start of the rate year from October 1 to January 1 starting January 1, 2020; and
4. Dispose the balances in the Purchased Gas Transportation Variance Account, the Regulatory Expense Deferral Account and the IFRS Conversion Cost Deferral Account as of September 30, 2017.

This Application was filed in replacement of the application EB-2016-0236 which was filed by the former owners of the utility, Natural Resource Gas Limited (“**NRG**”), on August 9, 2016. That application sought to have rates set for October 1, 2016 on a cost of service basis with incentive ratemaking (IRM) adjustments made through to the end of September 2021.

On January 30, 2017, at the request of NRG, the Board placed that application in abeyance and declared the then-existing rates (as of September 28, 2016) to be interim.

The Parties agree that this Settlement Proposal addresses all the issues with respect to EB-2018-0235. This Settlement Proposal is made on the understanding that ENGLP will move expeditiously to file a timely and complete cost of service rate application with the Board for the setting of rates for January 1, 2020. The Board issued a Notice of Hearing on August 23, 2018, which was served and posted as per the direction of the Board. IGPC Ethanol Inc. and Integrated Grain Processors Co-operative (collectively, “**IGPC**”), Union Gas Limited (“**Union**”) and the Vulnerable Energy Consumers Coalition (“**VECC**”) applied for and were granted intervenor status. Procedural Order No. 1 was issued on September 19, 2018 which provided for filing of interrogatories, interrogatory responses, a settlement conference and presentation of a settlement proposal.

In Procedural Order No. 2, the OEB rescheduled some of the procedural dates to accommodate an earlier settlement conference. Procedural Order No. 2 also required OEB staff to file a proposed issues list that was mutually agreed to between the parties, by October 29, 2018 or inform the OEB that parties were unable to reach an agreement. On October 29, 2018, a proposed issued list was filed.

Further to the Board's Procedural Order Nos. 1 and 2, and its Issues List Decision on November 2, 2018, a settlement conference was convened on November 5, 2018 and continued to November 6, 2018 in accordance with the Board's *Rules of Practice and Procedure* (the "**Rules**") and the Board's *Practice Direction on Settlement Conferences* (the "**Practice Direction**"). Chris Haussmann acted as facilitator for the settlement conference.

ENGLP participated in the settlement conference, along with IGPC and VECC (collectively, the "**Intervenors**"). ENGLP and the Intervenors are collectively referred to below as the "**Parties**". Union Gas did not pose interrogatories nor did it participate in the settlement conference and is therefore not a party to this Settlement Proposal.

Ontario Energy Board staff ("**OEB staff**") also participated in the settlement conference. The role adopted by OEB staff is set out in page 5 of the Practice Direction. Although OEB staff is not a party to this Settlement Proposal, as noted in the Practice Direction, OEB staff who did participate in the settlement conference are bound by the same confidentiality requirements that apply to the Parties to the proceeding.

This Settlement Proposal is filed with the Board in connection with the Application.

This document is called a "**Settlement Proposal**" because it is a proposal by the Parties to the Board to settle the issues in this proceeding. It is termed a proposal as between the Parties and the Board. However, as between the Parties, and subject only to the Board's approval of this Settlement Proposal, this document is intended to be a legal agreement, creating mutual obligations, and binding and enforceable in accordance with its terms. As set forth later in this Preamble, this agreement is subject to a condition subsequent, that if it is not accepted by the Board in its entirety, then unless amended by the Parties it is null and void and of no further effect. In entering into this agreement, the Parties understand and agree that, pursuant to the Act, the Board has exclusive jurisdiction with respect to the interpretation and enforcement of the terms hereof.

The Parties acknowledge that this settlement proceeding is confidential and privileged in accordance with the Practice Direction. The Parties understand that confidentiality in that context does not have the same meaning as confidentiality in the Board's *Practice Direction on Confidential Filings*, and the rules of that latter document do not apply. Instead, in this settlement conference, and in this agreement, the Parties have interpreted "confidential" to mean that the documents and other information provided during the course of the settlement proceeding, the discussion of each issue, the offers and counter-offers, and the negotiations leading to the settlement – or not – of each issue during the settlement conference are strictly privileged and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception, the need to resolve a subsequent dispute over the interpretation of any provision of this Settlement Proposal. Further, the Parties shall not disclose those documents or other information to persons who were not attendees at the settlement

conference. However, the Parties agree that “attendees” is deemed to include, in this context, persons who were not physically in attendance at the settlement conference but were (a) any persons or entities that the Parties engage to assist them with the settlement conference, and (b) any persons or entities from whom they seek instructions with respect to the negotiations; in each case provided that any such persons or entities have agreed to be bound by the same confidentiality provisions.

This Settlement Proposal provides a brief description of each of the settled issues, together with references to the evidence. The Parties agree that references to the “evidence” (which includes interrogatory and clarification question responses) in this Settlement Proposal shall, unless the context otherwise requires, include (a) additional information included by the Parties in this Settlement Proposal, and (b) the Appendices to this document. The supporting Parties for each settled issue agree that the evidence in respect of that settled issue is sufficient in the context of the overall settlement to support the proposed settlement, and the sum of the evidence in this proceeding provides an appropriate evidentiary record to support acceptance by the Board of this Settlement Proposal.

The Parties acknowledge that the draft Accounting Order and draft Rate Order included as appendices to this Settlement Proposal (the “**Appendices**”) were prepared by ENGLP. While the Intervenors have reviewed the Appendices, the Intervenors are relying on the accuracy of the underlying evidence in entering into this Settlement Proposal.

Outlined below are the final positions of the Parties following the settlement conference. For ease of reference, this Settlement Proposal follows the format of the final approved issues list of November 2, 2018.

The Parties are pleased to advise the Board that they have reached a complete agreement with respect to the settlement of all of the issues in this proceeding. Specifically:

<p>“Complete Settlement” means an issue for which complete settlement was reached by all Parties, and if this Settlement Proposal is accepted by the Board, the Parties will not adduce any evidence or argument during the oral hearing in respect of these issues.</p>	<p># issues settled: All</p>
<p>“Partial Settlement” means an issue for which there is partial settlement, as ENGLP and the Intervenors who take any position on the issue were able to agree on some, but not all, aspects of the particular issue. If this Settlement Proposal is accepted by the Board, the Parties who take any position on the issue will only adduce evidence and argument during the hearing on those portions of the issues not addressed in this Settlement Proposal.</p>	<p># issues partially settled: None</p>
<p>“No Settlement” means an issue for which no settlement was reached. ENGLP and the Intervenors who take a position on the issue will adduce evidence and/or argument at the hearing on the issue.</p>	<p># issues not settled: None</p>

According to the Practice Direction (p. 3), the Parties must consider whether a Settlement Proposal should include an appropriate adjustment mechanism for any settled issue that may be affected by external factors. Any adjustments are specifically set out in the text of the Settlement Proposal.

The Parties have settled the issues as a package, and none of the parts of this Settlement Proposal are severable. If the Board does not accept this Settlement Proposal in its entirety, then there is no settlement (unless the Parties agree in writing that any part(s) of this Settlement Proposal that the Board does accept may continue as a valid settlement without inclusion of any part(s) that the Board does not accept).

In the event that the Board directs the Parties to make reasonable efforts to revise the Settlement Proposal, the Parties agree to use reasonable efforts to discuss any potential revisions, but no Party will be obligated to accept any proposed revision. The Parties agree that all of the Parties who took a position on a particular issue must agree with any revised Settlement Proposal as it relates to that issue prior to its resubmission to the Board.

Unless stated otherwise, the settlement of any particular issue in this proceeding and the positions of the Parties in this Settlement Proposal are without prejudice to the rights of Parties to raise the same issue and/or to take any position thereon in any other proceeding, whether or not ENGLP is a party to such proceeding.

Where in this Settlement Proposal, the Parties or any of them “accept” the evidence of, or “agree” to a revised term or condition, including a revised budget or forecast, then unless the

agreement expressly states to the contrary, the words “for the purpose of settlement of the issues herein” shall be deemed to quantify that acceptance or agreement.

SUMMARY

In reaching this complete settlement, the Parties have been guided by the current *Filing Requirements for Natural Gas Distributor Rate Applications (February 16, 2017)* and the Approved Issues List attached as Schedule A to the Board’s Issues List Decision of November 2, 2018.

This Settlement Proposal reflects a complete settlement of the issues in this proceeding.

In addition to the foregoing and below, ENGLP acknowledges that, prior to acquiring the natural gas distribution system of NRG on November 1, 2017, NRG had filed a rate application (EB-2016-0236) for the period October 1, 2016 to September 30, 2021 with the OEB. VECC applied for and was granted intervenor status in that application. On November 30, 2016 the OEB approved NRG’s request to place the rate application in abeyance pending the OEB’s decision to transfer NRG’s natural gas distribution system to ENGLP. As part of this Settlement Proposal and unless otherwise provided for by the Board in its cost awards decision, ENGLP agrees to pay the reasonably incurred costs that VECC incurred in EB-2016-0236.

Furthermore, in the event that the Board’s decision on ENGLP’s cost-of-service application for rates effective January 1, 2020 is delayed for any reason, ENGLP acknowledges that it will not oppose rates being made interim effective January 1, 2020 or later.

Based on the foregoing, and the evidence and rationale provided below, the Parties agree that this Settlement Proposal is appropriate and recommends its acceptance by the Board.

1. *Is deferment of a cost of service and cost allocation review of rates until 2020 in the public interest and if so, when should the utility be required to file a cost of service application?*

Complete Settlement: The Parties agree that a cost of service and cost allocation review of rates will be included as part of ENGLP's cost of service application for rates commencing January 1, 2020. The Parties also agree that the Board should permit ENGLP to withdraw the cost of service application filed by ENGLP's predecessor (NRG) (OEB Docket No. EB-2016-0236).

Evidence:

Application:

- Exhibit C – Executive Summary, Manager's Summary

IRRs:

- OEB Staff Interrogatories – A-Staff-2
- IGPC Interrogatories – IGPC-1, IGPC-5

Supporting Parties: All

2. *The OEB in its Phase 2 Decision in EB-2010-0018 dated May 17, 2012, noted that it expects the system integrity study to examine the technical and engineering aspects of NRG's system and arrive at firm conclusions with respect to the amount of system integrity gas that NRG may require under different scenarios, including, but not limited to a single design day. Is ENGLP's proposal to defer this requirement appropriate and if so, when should the Utility be required to address this issue?*

Complete Settlement: The Parties agree that it is appropriate to include this requirement as part of ENGLP's cost of service application for rates commencing January 1, 2020.

Evidence:

IRRs:

- IGPC Interrogatories – IGPC-5
- VECC Interrogatories – VECC-10

Supporting Parties: All

3. *Is the proposed rate adjustment for 2016 (October 1, 2016 to September 30, 2017) appropriate?*

Complete Settlement: The Parties agree to finalize the current rates for the period from October 1, 2016 to September 30, 2018. As such, there is no rate adjustment for 2016.

Evidence:

Application:

- Exhibit A – Executive Summary, Manager’s Summary, Appendix B: 2016 IRM Adjustment Model, Appendix C: Proposed Draft Rate Schedules

IRRs:

- OEB Staff Interrogatories – A-Staff-1, A-Staff-4, A-Staff-6
- IGPC Interrogatories – IGPC-2, IGPC-3, IGPC-4, IGPC-7

Supporting Parties: All

4. *Is the proposed effective date of October 1, 2016 appropriate?*

Complete Settlement: The Parties agree that the interim rates that were charged to customers from October 1, 2016 to September 30, 2018 be made final.

Evidence:

Application:

- Exhibit A - Executive Summary

IRRs:

- OEB Staff Interrogatories – A-Staff-1

Supporting Parties: All

5. *Is the proposed rate adjustment for 2017 (October 1, 2017 to September 30, 2018) appropriate?*

Complete Settlement: The Parties agree to finalize the current rates for the period from October 1, 2017 to September 30, 2018. As such, there is no rate adjustment for 2017.

Evidence:

Application:

- Exhibit B – Executive Summary, Manager’s Summary, Appendix A: 2017 IRM Adjustment Model, Appendix B: Proposed Draft Rate Schedules

IRRs:

- IGPC Interrogatories – IGPC-2, IGPC-3, IGPC-4, IGPC-7

Supporting Parties: All

6. *Is the proposed rate adjustment for 2018 (October 1, 2018 to September 30, 2019) appropriate?*

Complete Settlement: The Parties agree that the appropriate rates for October 1, 2018 to December 31, 2019 are as follows:

Rates to be in Effect from October 1, 2018 to December 31, 2018

	Unit	Current Rate	Proposed Rate as Filed	Agreed Rates Per Settlement Proposal	Difference Between Current and Settlement Proposal	Difference Between Current and Proposed %	Difference Between Filed and Settlement Proposal	Difference Between Filed and Proposed %
Rate 1 - General Service Rate								
Monthly Service Charge	\$/month	13.50	13.50	15.50	2.00	14.8%	2.00	14.8%
Delivery First 1,000 m3	cents/m3	16.2312	17.2453	15.9486	-0.2826	-1.7%	-1.2967	-7.5%
Delivery Over 1,000 m3	cents/m3	10.9099	11.3519	11.3519	0.4420	4.1%	-	0.0%
Shared Tax Changes Rate Rider	\$/month	-	0.1084	0.1084	0.1084	N/A	-	0.0%
Rate 2 - Seasonal Service								
Monthly Service Charge	\$/month	15.00	15.00	17.25	2.25	15.0%	2.25	15.0%
Shared Tax Changes Rate Rider	\$/month	-	0.6908	0.6908	0.6908	N/A	-	0.0%
Volumetric - April to October								
Delivery First 1,000 m3	cents/m3	15.8212	17.6429	17.2765	1.4553	9.2%	-0.3664	-2.1%
Delivery Next 24,000 m3	cents/m3	9.4826	9.4826	9.4826	-	0.0%	-	0.0%
Delivery Over 25,000 m3	cents/m3	6.1698	6.1698	6.1698	-	0.0%	-	0.0%
Volumetric - November to March								
Delivery First 1,000 m3	cents/m3	19.9424	22.2386	21.7767	1.8343	9.2%	-0.4618	-2.1%
Delivery Next 24,000 m3	cents/m3	15.6960	15.6960	15.6960	-	0.0%	-	0.0%
Delivery Over 25,000 m3	cents/m3	15.2899	15.2899	15.2899	-	0.0%	-	0.0%
Rate 3 -Special Large Volume Contract Rate (Note 2)								
Monthly Service Charge	\$/month	150.00	150.00	172.50	22.50	15.0%	22.50	15.0%
Delivery - Firm	cents/m3	4.0357	4.4035	4.3127	0.2770	6.9%	-0.0909	-2.1%
Demand - Firm	cents/m3	29.0974	29.0974	29.0974	-	0.0%	-	0.0%
Shared Tax Changes Rate Rider	\$/month	-	5.6243	5.6243	5.6243	N/A	-	0.0%
Rate 4 - General Service Peaking								
Monthly Service Charge	\$/month	15.00	15.00	17.25	2.25	15.0%	2.25	15.0%
Shared Tax Changes Rate Rider	\$/month	-	0.8522	0.8522	0.8522	N/A	-	0.0%
Volumetric - April to December								
Delivery First 1,000 m3	cents/m3	15.8149	17.4085	17.1487	1.3338	8.4%	-0.2598	-1.5%
Delivery Over 1,000 m3	cents/m3	10.5218	10.5218	10.5218	-	0.0%	-	0.0%
Volumetric - January to March								
Delivery First 1,000 m3	cents/m3	20.1755	22.2085	21.8770	1.7015	8.4%	-0.3315	-1.5%

Delivery Over 1,000 m3	cents/m3	16.9052	16.9052	16.9052	-	0.0%	-	0.0%
Rate 5 - Interruptible Peaking Contract Rate (Note 2)								
Monthly Service Charge	\$/month	150.00	150.00	172.50	22.50	15.0%	22.50	15.0%
Delivery - Firm (average)	cents/m3	7.1995	7.5453	7.3503	0.1508	2.1%	-0.1950	-2.6%
Shared Tax Changes Rate Rider	\$/month	-	2.4643	2.4643	2.4643	N/A	-	0.0%
Rate 6 - Special Large Volume Contract Rate (Note 1,2,3)								
Fixed Monthly Charge	\$/month	150.00	150.00	150.00	-	0.0%	-	0.0%
Delivery - Firm	cents/m3	3.8894	4.0472	4.0472	0.1578	4.1%	-	0.0%
Demand - Firm	cents/m3	18.8392	19.6024	19.6024	0.7632	4.1%	-	0.0%
Shared Tax Changes Rate Rider	\$/month	-	375.0371	375.0371	375.0371	N/A	-	0.0%
Notes:								
1) For the purposes of comparing to current rates, rates for Rate 6 are presented here as volumetric and are converted to the fixed charge in the calculations in item 16.								
2) To simplify the table the upper and lower limits for interruptible delivery charges applicable to Rate 3, 5 and 6 have not been included in the table; however no changes to these rates were proposed and they will remain at the current rates. Rates are shown in the draft rate orders. As well, the commodity charge (system gas fee) has also been excluded from the table as no changes were proposed to this fee and it will remain at the current rate of 0.0363 cents per m3.								
3) Purchased Gas Transportation Charges have not been excluded from rates calculated for Rate 6 above. See calculation in item 16 of this Settlement Proposal for the calculation of the fixed rate and the removal of these charges.								

Rates to be in Effect from January 1, 2019 to December 31, 2019

	Unit	Current Rate	Proposed Rate as Filed	Agreed Rates Per Settlement Proposal	Difference Between Current and Settlement Proposal	Difference Between Current and Proposed %	Difference Between Filed and Settlement Proposal	Difference Between Filed and Proposed %
Rate 1 - General Service Rate								
Monthly Service Charge	\$/month	13.50	13.50	15.50	2.00	14.8%	2.00	14.8%
Delivery First 1,000 m3	cents/m3	16.2312	17.2453	15.9486	-0.2826	-1.7%	-1.2967	-7.5%
Delivery Over 1,000 m3	cents/m3	10.9099	11.3519	11.3519	0.4420	4.1%	-	0.0%
Shared Tax Changes Rate Rider	\$/month	-	0.1084	0.1084	0.1084	N/A	-	0.0%
Rate 2 - Seasonal Service								
Monthly Service Charge	\$/month	15.00	15.00	17.25	2.25	15.0%	2.25	15.0%
Shared Tax Changes Rate Rider	\$/month	-	0.6908	0.6908	0.6908	N/A	-	0.0%
Volumetric - April to October								
Delivery First 1,000 m3	cents/m3	15.8212	17.6429	17.2765	1.4553	9.2%	-0.3664	-2.1%
Delivery Next 24,000 m3	cents/m3	9.4826	9.4826	9.4826	-	0.0%	-	0.0%
Delivery Over 25,000 m3	cents/m3	6.1698	6.1698	6.1698	-	0.0%	-	0.0%
Volumetric - November to March								
Delivery First 1,000 m3	cents/m3	19.9424	22.2386	21.7767	1.8343	9.2%	-0.4618	-2.1%
Delivery Next 24,000 m3	cents/m3	15.6960	15.6960	15.6960	-	0.0%	-	0.0%
Delivery Over 25,000 m3	cents/m3	15.2899	15.2899	15.2899	-	0.0%	-	0.0%
Rate 3 -Special Large Volume Contract Rate (Note 2)								
Monthly Service Charge	\$/month	150.00	150.00	172.50	22.50	15.0%	22.50	15.0%

Delivery - Firm	cents/m3	4.0357	4.4035	4.3127	0.2770	6.9%	-0.0909	-2.1%
Demand - Firm	cents/m3	29.0974	29.0974	29.0974	-	0.0%	-	0.0%
Shared Tax Changes Rate Rider	\$/month	-	5.6243	5.6243	5.6243	N/A	-	0.0%
Rate 4 - General Service Peaking								
Monthly Service Charge	\$/month	15.00	15.00	17.25	2.25	15.0%	2.25	15.0%
Shared Tax Changes Rate Rider	\$/month	-	0.8522	0.8522	0.8522	N/A	-	0.0%
Volumetric - April to December								
Delivery First 1,000 m3	cents/m3	15.8149	17.4085	17.1487	1.3338	8.4%	-0.2598	-1.5%
Delivery Over 1,000 m3	cents/m3	10.5218	10.5218	10.5218	-	0.0%	-	0.0%
Volumetric - January to March								
Delivery First 1,000 m3	cents/m3	20.1755	22.2085	21.8770	1.7015	8.4%	-0.3315	-1.5%
Delivery Over 1,000 m3	cents/m3	16.9052	16.9052	16.9052	-	0.0%	-	0.0%
Rate 5 - Interruptible Peaking Contract Rate (Note 2)								
Monthly Service Charge	\$/month	150.00	150.00	172.50	22.50	15.0%	22.50	15.0%
Delivery - Firm (average)	cents/m3	7.1995	7.5453	7.3503	0.1508	2.1%	-0.1950	-2.6%
Shared Tax Changes Rate Rider	\$/month	-	2.4643	2.4643	2.4643	N/A	-	0.0%
Rate 6 - Special Large Volume Contract Rate (Note 1, 2, 3)								
Fixed Monthly Charge	\$/month	150.00	150.00	150.00	-	0.0%	-	0.0%
Delivery - Firm	cents/m3	3.8894	4.0472	3.2462	-0.6432	-16.5%	-0.8010	-19.8%
Demand - Firm	cents/m3	18.8392	19.6024	15.7274	-3.1118	-16.5%	-3.8750	-19.8%
Shared Tax Changes Rate Rider	\$/month	-	375.0371	375.0371	375.0371	N/A	-	0.0%
Notes:								
1) For the purposes of comparing to current rates, rates for Rate 6 are presented here as volumetric and are converted to the fixed charge in the calculations in item 16.								
2) To simplify the table the upper and lower limits for interruptible delivery charges applicable to Rate 3, 5 and 6 have not been included in the table; however no changes to these rates were proposed and they will remain at the current rates. Rates are shown in the draft rate orders. As well, the commodity charge (system gas fee) has also been excluded from the table as no changes were proposed to this fee and it will remain at the current rate of 0.0363 cents per m3.								
3) Purchased Gas Transportation Charges have not been excluded from rates calculated for Rate 6 above. See calculation in item 16 of this Settlement Proposal for the calculation of the fixed rate and the removal of these charges.								

For greater certainty, the above-noted rates apply only to distribution rates. Gas costs will be adjusted, as determined by the OEB.

The rates for the period October 1, 2018 to December 31, 2019 have been calculated based on the agreed upon inflation, productivity and stretch factors shown in section 8. The new rates for October 1, 2018 are those that would have been calculated had rates been adjusted for the two prior years.

The Parties agreed to make an adjustment to the rate design of those rates for Rate classes 1 through 5. This was to increase the fixed charge by 15% (rounded to nearest five or ten cents) and make a corresponding reduction to the variable charges in each class. The change was made on a 2018 revenue neutral basis that is by making a corresponding change to the variable rate in each class.

The Parties made this adjustment in recognition of the proposal in the original application EB-2016-0236 (still in abeyance) to increase the fixed component of the rate. This adjustment will smooth the “rate shock” that might otherwise arise out of the rate design

adjustment expected as part of the next cost of service application for 2020 rates. The table below shows the current IRM fixed rates as compared to those proposed in EB-2016-0236 and those agreed to in this Settlement Proposal. The proposal also brings the fixed rate for Rate 1 closer to the rate charged by Union for comparable customers in the neighbouring communities it serves which is currently at \$21.00.

Rate Class	Current	EB-2016-0236	Settlement Proposal
Rate 1	13.50	18.50	15.50
Rate 2	15.00	20.00	17.25
Rate 3	150.00	175.00	172.50
Rate 4	15.00	15.00	17.25
Rate 5	150.00	175.00	172.50

The Parties agree that the rates in effect for Rates 1-5 for October 1, 2018 to December 31, 2018 shall remain in effect for January 1, 2019 through December 31, 2019 as outlined in the tables above. As described further in item 14, the Parties also agree that the rates for Rate 6 for January 1, 2019 to December 31, 2019 shall be adjusted to reflect the impact of the accelerated depreciation on the rate base and associated revenue for this rate class for 2019, akin to a cost of service application.

Evidence:

Application:

- Exhibit C – Executive Summary, Manager’s Summary, Appendix A: 2018 IRM Adjustment Model, Appendix B: Proposed Draft Rate Schedules

IRRs:

- IGPC Interrogatories – IGPC 2, IGPC-4, IGPC-7
- VECC Interrogatories – VECC-4

Supporting Parties: All

7. *Is EPCOR’s proposal to adjust rates under an IRM approach for 2016, 2017 and 2018 appropriate considering that the utility’s cost structure and capital program were last reviewed for 2011 rates?*

Complete Settlement: The Parties agree that ENGLP’s proposal to adjust rates as set out herein is appropriate, on the basis that ENGLP will submit a full cost of service application (for rates commencing January 1, 2020) that is in material compliance with the Board’s *Filing Requirements for Natural Gas Distributor Rate Applications* (February 16, 2017).

Evidence:

Application:

- Exhibit A – Executive Summary, Manager’s Summary, Appendix B: 2016 IRM Adjustment Model
- Exhibit B – Executive Summary, Manager’s Summary, Appendix A: 2017 IRM Adjustment Model
- Exhibit C – Executive Summary, Manager’s Summary, Appendix A: 2018 IRM Adjustment Model

IRRs:

- IGPC Interrogatories – IGPC-1, IGPC-2, IGPC-10

Supporting Parties: All

8. *Are the inflation rates, productivity factor and stretch factor used in the price cap adjustment for 2016, 2017 and 2018 appropriate?*

Complete Settlement: There are no rate adjustments for 2016 or 2017. The Parties agree that inflation rates, productivity factor and stretch factor are the appropriate factors to be used as the basis to derive 2018 rates, subject to adjustments agreed to in this Settlement Proposal. For reference, the inflation rates, productivity factor and stretch factor are as follows:

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Inflation Factor	2.10%	1.90%	1.20%
Productivity Factor	0.00%	0.00%	0.00%
Stretch Factor	<u>0.40%</u>	<u>0.40%</u>	<u>0.40%</u>
IRM Adjustment	1.70%	1.50%	0.80%

Evidence:

Application:

- Exhibit A – Manager’s Summary, Appendix B: 2016 IRM Adjustment Model
- Exhibit B – Manager’s Summary, Appendix A: 2017 IRM Adjustment Model
- Exhibit C – Manager’s Summary, Appendix A: 2018 IRM Adjustment Model

IRRs:

- OEB Staff Interrogatories – A-Staff-3
- IGPC Interrogatories – IGPC-3
- VECC Interrogatories – VECC-2

Supporting Parties: All

9. *Are the volumes used to calculate 2016, 2017 and 2018 rate adjustments appropriate?*

Complete Settlement: There are no rate adjustments for 2016 or 2017. The Parties agree that the volumes used to calculate 2018 rate adjustments are appropriate.

Evidence:

Application:

- Exhibit A – Manager’s Summary
- Exhibit B – Manager’s Summary
- Exhibit C – Manager’s Summary

IRRs:

- IGPC Interrogatories – IGPC-10
- ENGLP IRR Cover Letter

Supporting Parties: All

10. *Should rates be made final for each of the rate years 2016, 2017 and 2018?*

Complete Settlement: The Parties agree that the rates proposed herein for the period from October 1, 2016 to December 31, 2019 should be made final.

Evidence:

Application:

- Exhibit A – Executive Summary
- Exhibit B – Executive Summary
- Exhibit C – Executive Summary

IRRs:

- IGPC Interrogatories – IGPC-1

Supporting Parties: All

11. *Is EPCOR’s proposal to establish the Unrecovered Shared Tax Changes Deferral Account to recover prior period adjustments appropriate?*

Complete Settlement: As the Parties have agreed that there will be no rate adjustments or recovery of the shared tax changes for 2016 and 2017, the Unrecovered Shared Tax Changes Deferral Account, as originally filed by the Applicant, is no longer required. The Parties have agreed that the recovery of the Shared Tax Changes for October 1, 2018 to

December 31, 2018 will be done through a 12-month rate rider commencing January 1, 2019 and therefore no Unrecovered Shared Tax Changes Deferral Account is required for the recovery of these amounts. The rate rider is as follows:

Rate Group	October to Dec 2018 Shared Tax Changes Rate Rider	Number of months to Recover	Total \$ to Recover Per Customer	Months Over Which to Recover	2018 Shared Tax Changes Rate Rider
	\$ Per Customer Per Month				\$ Per Customer Per Month
RATE 1 - General Service Rate	0.1084	3	0.3252	12	0.0271
RATE 2 - Seasonal Service	0.6908	3	2.0724	12	0.1727
RATE 3 - Special Large Volume Contract Rate	5.6243	3	16.8729	12	1.4061
RATE 4 - General Service Peaking - Apr to Dec	0.8522	3	2.5566	12	0.2131
RATE 5 - Interruptible Peaking Contract Rate	2.4643	3	7.3929	12	0.6161
RATE 6 - Integrated Grain Processors Co-Operative Aylmer Ethanol Production Facility	375.0371	3	1,125.1113	12	93.7593

Evidence:

Application:

- Exhibit A – Executive Summary, Manager’s Summary, Appendix A: Accounting Orders, Appendix B: 2016 IRM Adjustment Model
- Exhibit B – Executive Summary, Manager’s Summary, Appendix A: 2017 IRM Adjustment Model, Appendix B: Proposed Draft Rate Schedules
- Exhibit C – Executive Summary, Manager’s Summary, Appendix A: 2018 IRM Adjustment Model, Appendix B: Proposed Draft Rate Schedule

IRRs:

- OEB Staff Interrogatories – A-Staff-2, C-Staff-8, C-Staff-9
- VECC Interrogatories – VECC-3

Supporting Parties: All.

12. *Is EPCOR’s proposal to establish the Unrecovered IRM Adjustment Deferral Account to recover prior period adjustments appropriate?*

Complete Settlement: As the Parties have agreed that there will be no rate adjustments for 2016 and 2017, the Unrecovered IRM Adjustment Deferral Account, as originally filed by the Applicant, is no longer required. The Parties have agreed that the recovery of the IRM adjustment for October 1, 2018 to December 31, 2018 will be done through a

12-month rate rider commencing January 1, 2019 and therefore no Unrecovered IRM Adjustment Deferral Account is required for the recovery of these amounts. The rate rider is as follows:

Rate Group	Proposed Revenue Requirement	Current Revenue Requirement	Change In Annual Revenue Requirement	Deferred Revenue to be Recovered	Number of Customers	Total Annual Consumption	Proposed Deferred Revenue Recovery Rate Rider cents per m3
	A	B	C = A - B	D = C / 12 * 3	E	F	H = D / F
RATE 1 - General	\$4,694,507	\$4,511,723	\$182,784	\$45,695.91	8,676	20,570,795	0.2221
RATE 2 - Seasonal	\$182,730	\$175,615	\$7,115	\$1,778.68	53	1,454,147	0.1223
RATE 3 - Special Large	\$140,345	\$134,881	\$5,464	\$1,366.11	5	1,485,572	0.0920
RATE 4 - General	\$153,114	\$147,152	\$5,962	\$1,490.40	36	912,931	0.1633
RATE 5 - Interruptible	\$49,194	\$47,279	\$1,915	\$478.85	4	553,894	0.0865
	\$5,219,890	\$5,016,650	\$203,240	\$50,809.94	8,774	24,977,339	

In respect of the reconciliation to the proposed rates for Rate 6, the Parties have agreed to true up the billing for the Rate 6 for this time period based on the difference between: (a) actual amounts billed to the customer related to October 1, 2018 to December 31, 2018; and (b) the sum of the fixed monthly charge for three months plus the actual costs billed to ENGLP by Union for this same time period under ENGLP's M9 and Bundled T contracts with Union specific to the IGPC volumes. This calculation will be completed as soon as reasonably practical after the volumes for December 2018 for Rate 6 have been determined and billed.

Should this reconciliation result in a credit to Rate 6, ENGLP will refund the amount of the credit to IGPC within 30 days of finalizing the amount. In the case of a resulting unrecovered amount, ENGLP and IGPC will determine an appropriate payment plan for the recovery of the amount but the timing of the recovery shall not extend beyond December 31, 2019.

Evidence:

Application:

- Exhibit A – Executive Summary, Manager’s Summary, Appendix A: Accounting Orders
- Exhibit B – Executive Summary, Manager’s Summary
- Exhibit C – Executive Summary, Manager’s Summary

IRRs:

- OEB Staff Interrogatories – A-Staff-2, C-Staff-8, C-Staff-9
- VECC Interrogatories – VECC-4

Supporting Parties: All.

13. *Are the amounts recorded in the 2016-2017 Shared Tax Changes Deferral Account and the 2016-2017 IRM Adjustment Deferral Account, and EPCOR's proposal to dispose of the balances appropriate?*

Complete Settlement: As the Parties have agreed that there will be no rate adjustments or recovery of the shared tax changes for 2016 and 2017, the proposal to dispose of the balances in the 2016-2017 Unrecovered Shared Tax Changes Deferral Account and the 2016-2017 Unrecovered IRM Adjustment Deferral Account as originally filed by the Applicant is no longer applicable.

Evidence:

Application:

- Exhibit A – Manager's Summary, Appendix A: Accounting Orders, Appendix B: 2016 IRM Adjustment Model
- Exhibit B – Manager's Summary, Appendix A: 2017 IRM Adjustment Model, Appendix B: Proposed Draft Rate Schedules
- Exhibit C – Manager's Summary, Appendix A: 2018 IRM Adjustment Model, Appendix B: Proposed Draft Rate Schedules

IRRs:

- OEB Staff Interrogatories – A-Staff-2, A-Staff-7, C-Staff-8, C-Staff-9

Supporting Parties: All.

14. *Is an adjustment to reflect the depreciated value of the IGPC pipeline in rate base since the last rebasing application of Natural Resource Gas Limited, EB-2010-0018 (now EPCOR Natural Gas Limited Partnership) required? If yes, what should be the effective date and the amount of adjustment in rates to reflect the depreciated value of the IGPC pipeline in rate base since the last rebasing?*

Complete Settlement: The Parties recognize that had NRG's original cost of service EB-2016-0236 proceeded, the rate base for Rate 6 would likely have been adjusted down as a result of the accelerated depreciation of that rate class's dedicated rate base and the resulting reduction in the overall revenue requirement for the utility would have at least in part been offset by the relative increase in the rate base for Rates 1-5. The Application, being an IRM application, does not have a mechanism to account for such changes in rate base and associated rate rebalancing. The Parties agree that no adjustment should be made for the depreciated value of the pipeline prior to January 1, 2019; however, an adjustment shall be made, akin to a cost of service application, in recognition of the depreciated value of the IGPC pipeline for 2019 by way of a reduction to the total amount to be paid by IGPC for the period January 1, 2019 to December 31, 2019. The total

amount of the adjustment shall be \$370,000, made up of a \$160,000 reduction to the revenue as filed for by the Applicant for 2019 and a \$210,000 recovery from Rates 1-5 in recognition of the rebalancing which likely would have occurred under a cost of service application.

The \$370,000 reduction has been reflected in the determination of the rates for Rate 6 commencing January 1, 2019 outlined in item 6, and correspondingly in the fixed monthly charge for Rate 6 for 2019 outlined in items 15 and 16. In association with this adjustment, the Parties agree that ENGLP shall establish a “2019 Rebalancing Deferral Account” and shall implement a fixed monthly rate rider for 12 months commencing January 1, 2019 to recover the \$210,000 in rebalancing amounts from customers in Rate Classes 1 through 5, as follows:

Rate Group	Revenue By Rate Class	Proportionate Revenue	Rebalancing Amount	Number of Customers	Number of Months	Fixed Monthly Rate Rider
RATE 1 - General Service Rate	4,694,507	89.9%	188,863	8,676	12	\$1.8140
RATE 2 - Seasonal Service	182,730	3.5%	7,351	53	12	\$11.5587
RATE 3 - Special Large Volume Contract Rate	140,345	2.7%	5,646	5	12	\$94.1034
RATE 4 - General Service Peaking	153,114	2.9%	6,160	36	12	\$14.2590
RATE 5 - Interruptible Peaking Contract Rate	49,194	0.9%	1,979	4	12	\$41.2315
	5,219,890	100.0%	210,000	8,774		

The parties agree that the appropriate cost allocation and rate rebalancing will ultimately be determined by the Board in ENGLP’s upcoming cost of service application for rates effective January 1, 2020. The agreement for a reduction in the Rate 6 rate and any corresponding contribution from Rate Classes 1 - 5 for 2019 is made without prejudice and parties may take alternative positions as to the appropriate allocation of costs to each of ENGLP’s customer classes for rates effective January 1, 2020.

Evidence:

Application:

- Exhibit A – Appendix C: Proposed Draft Rate Schedules
- Exhibit B – Appendix B: Proposed Draft Rate Schedules
- Exhibit C – Appendix B: Proposed Draft Rate Schedules

IRRs:

- IGPC Interrogatories – IGPC-4, IGPC-5, IGPC-6, IGPC-8
- VECC Interrogatories – VECC-4, VECC-7,

Supporting Parties: All.

15. *Is EPCOR's proposal to implement a fixed monthly charge for Rate 6 to recover the cost of distribution service effective October 1, 2018 appropriate?*

Complete Settlement: The Parties agree that the proposal to implement a fixed monthly charge for Rate 6 to recover the cost of distribution service effective October 1, 2018 is appropriate. The Parties also agree that in conjunction with the implementation of a fixed monthly charge for Rate 6, the Purchased Gas Transportation Charges should be removed from the delivery charge and in its place all actual charges billed to ENGLP by Union related to gas supplied to ENGLP's system for IGPC, under its M9 and Bundled T contracts with Union specific to the IGPC volumes (Union contract ID SA008936 and SA008937 as amended or replaced from time to time), shall be passed through directly to IGPC by ENGLP without mark-up. The actual charges billed by Union under these contracts will be billed to IGPC by ENGLP when and as billed to ENGLP by Union.

The fixed monthly charge (excluding the Purchased Gas Transportation Charges as noted above) for Rate 6 will be as follows:

- \$124,323.96 from October 1, 2018 to December 31, 2018; and,
- \$93,400.63 beginning January 1, 2019.

Evidence:

Application:

- Exhibit D – Executive Summary, Appendix A: Rate 6 (IGPC) 2019 Rate Year Revenue Impact of Interim IRM and Flat Monthly Fixed Rates, Appendix B: Proposed Draft Rate Schedules,

IRRs:

- OEB Staff Interrogatories – D-Staff-10, D-Staff-11
- IGPC Interrogatories – IGPC-4, IGPC-5, IGPC-6, IGPC-9
- VECC Interrogatories – VECC-7

Supporting Parties: All.

16. *Is the calculation of the fixed monthly charge for Rate 6 appropriate and does it recover all the appropriate costs to serve that rate class?*

Complete Settlement: The Parties agree that the calculations of the fixed monthly charge for Rate 6 as outlined below are appropriate. The Parties also agree that these fixed charges, taken together with the flow through of all actual charges billed to ENGLP by Union related to gas supplied to ENGLP's system for IGPC under its M9 and Bundled T contracts with Union specific to the IGPC volumes (Union contract ID SA008936 and

SA008937 as amended or replaced from time to time), recover all the appropriate costs to serve that rate class.

Rate 6 Fixed Rate Calculation for October 1, 2018 to December 31, 2018

Fixed Monthly Charge of \$150 x 12 months

Delivery Charge as per item 6 of 4.0472 cents/m³ x 2016/2017 actual delivered volume of 38,423,518m³

Demand Charge as per item 6 of 19.6024 cents/m³ x annual contracted demand volume of 1,606,140m³

Fixed Monthly Charge \$150 x 12 months	\$ 1,800
Delivery Charge 4.0472 cents/m ³ x 38,423,518 m ³	1,555,062
Demand Charge 19.6024 cents/m ³ x 1,606,140m ³	<u>314,843</u>
Annual Fixed Rate as filed	\$ 1,871,704
Less Purchased Gas Transportation Charges at 0.9885 cents/m ³ (reference price included in rate as approved in EB-2017-0215) x 38,423,518m ³	<u>-\$ 379,816</u>
Annual Fixed Rate	\$ 1,491,888

Annual Fixed Rate divided by 12 months = Monthly Fixed Rate of \$ 124,323.96

Rate 6 Fixed Rate Calculation for January 1, 2019 to December 31, 2019

Fixed Monthly Charge of \$150 x 12 months

Delivery Charge as per item 6 of 3.2462 cents/m³ x 2016/2017 actual delivered volume of 38,423,518m³

Demand Charge as per item 6 of 15.7274 cents/m³ x annual contracted demand volume of 1,606,140m³

Fixed Monthly Charge \$150 x 12 months	\$ 1,800
Delivery Charge 3.2462 cents/m ³ x 38,423,518 m ³	1,247,300
Demand Charge 15.7274 cents/m ³ x 1,606,140m ³	252,604
Less: Purchased Gas Transportation Charges at 0.9885 cents/m ³ (reference price included in rate as approved in EB-2017-0215) x 38,423,518m ³	<u>-\$ 379,816</u>
Annual Fixed Rate	\$ 1,121,887

Annual Fixed Rate divided by 12 months = Monthly Fixed Rate of \$ 93,490.62

Note that the above fixed rates do not include any rate riders applicable to Rate 6 including the Shared Tax Rider as outlined in item 6, as well as the rate riders in item 11, 12, and 19.

Evidence:

Application:

- Exhibit D – Executive Summary, Appendix A: Rate 6 (IGPC) 2019 Rate Year Revenue Impact of Interim IRM and Flat Monthly Fixed Rates, Appendix B: Proposed Draft Rate Schedules

IRRs:

- OEB Staff Interrogatories – D-Staff-10, D-Staff-11
- IGPC Interrogatories – IGPC-4, IGPC-5, IGPC-6, IGPC-9

Supporting Parties: All.

17. *Is the balance in the Purchased Gas Transportation Variance Account (PGTVA) as of September 30, 2017 for rate classes 1 to 5 and rate class 6 appropriate?*

Complete Settlement: The Parties agree that for Rates 1 to 5 and Rate 6, the balance in the PGTVA as of September 30, 2017 is appropriate.

Evidence:

Application:

- Exhibit A – Executive Summary
- Exhibit E – Executive Summary, Appendix A: Continuity Schedules, Appendix B: Derivation of Rate Riders, Appendix C: Proposed Draft Rate Schedule,

IRRs:

- OEB Staff Interrogatories – E-Staff-12
- IGPC Interrogatories – IGPC-11

Supporting Parties: All.

18. *Is the proposal for disposition of the PGTVA and calculation of the rate riders appropriate?*

Complete Settlement: The Parties agree that for Rates 1 to 5, the proposal for disposition of the PGTVA and calculation of the rate riders is appropriate. The Parties agree that the 12-month period for the disposition of these balances through the proposed rate riders shall commence January 1, 2019. The Parties also agree that the reference prices for the Purchased Gas Transportation Variance Account (PGTVA) from the Board’s decision and order EB-2017-0215 shall continue in effect until December 31, 2019.

The Parties further agree that for Rate 6, the PGTVA balance will be disposed of by way of a one-time payment that will be issued to IGPC within 15 business days of this Settlement Proposal being accepted by the Board. The Parties also agree that amounts

will continue to be calculated as approved in EB-2017-0215 and balances carried in the PGTVA account for Rate 6 until September 30, 2018. Commencing October 1, 2018 the PGTVA calculation for Rate 6 will no longer be required since, as outlined in items 15 and 16 above, the Purchased Gas Transportation Charges will no longer be part of the rates charged to Rate 6 and all actual charges billed to ENGLP by Union related to gas supplied to ENGLP's system for IGPC, under its M9 and Bundled T contracts with Union specific to the IGPC volumes will be passed through directly to IGPC.

Evidence:

Application:

- Exhibit A – Executive Summary
- Exhibit B – Executive Summary
- Exhibit C – Executive Summary
- Exhibit E – Executive Summary, Appendix A: Continuity Schedules, Appendix B: Derivation of Rate Riders, Appendix C: Proposed Draft Rate Schedule,

IRRs:

- OEB Staff Interrogatories – E-Staff-12, E-Staff-13
- IGPC Interrogatories – IGPC-11

Supporting Parties: All.

19. *Are the balances of the Regulatory Expense Deferral Account (REDA) and the IFRS Conversion Cost Deferral Account (IFRSDA) as of September 30, 2017 appropriate?*

Complete Settlement: The Parties agree that the balances of the REDA and the IFRS Conversion Cost Deferral Account (IFRSDA) as of September 30, 2017 are appropriate.

Evidence:

Application:

- Exhibit E – Executive Summary, Appendix A: Continuity Schedules, Appendix B: Derivation of Rate Riders, Appendix C: Proposed Draft Rate Schedule

IRRs:

- OEB Staff Interrogatories – E-Staff-13, E-Staff-14, E-Staff-15
- IGPC Interrogatories – IGPC-11

Supporting Parties: All.

20. *Is the proposal for disposition of the REDA and IFRSDA including calculation of the rate riders appropriate?*

Complete Settlement: The Parties agree that the proposal for disposition of the REDA and IFRSDA including calculation of the rate riders is appropriate. The Parties agree that the 12-month period for the disposition of these balances through the proposed rate riders will commence January 1, 2019.

Evidence:

Application:

- Exhibit E – Executive Summary, Appendix A: Continuity Schedules, Appendix B: Derivation of Rate Riders, Appendix C: Proposed Draft Rate Schedules
- Exhibit G

IRRs:

- OEB Staff Interrogatories – E-Staff-13
- IGPC Interrogatories – IGPC-11

Supporting Parties: All.

21. *Is the proposal to change the fiscal year from October 1 to January 1 effective January 1, 2020 appropriate?*

Complete Settlement: ENGPL's fiscal year was, in fact, changed from October 1 to January 1 when ENGLP acquired NRG's natural gas distribution system from NRG on November 1, 2017.

ENGPL now seeks to change its rate year from October 1 to January 1 effective January 1, 2019 and the Parties agree that this change is appropriate. The agreement to adjust rates effective January 1, 2019 as set out in items 6 and 15 above is consistent with this change in the rate year.

Evidence:

Application:

- Exhibit F – Executive Summary, Appendix A: Proposed Draft Rate Schedules
- Exhibit G

Supporting Parties: All.

22. *Is the proposal to recover revenues for the period October 1, 2019 to December 31, 2019 appropriate?*

Complete Settlement: The Parties agree that the proposals to recover revenues for the period October 1, 2019 to December 31, 2019, as per the rates for Rates 1-5 set out in item 6 and the fixed rate for Rate 6 set out in item 15 of this Settlement Proposal, are appropriate.

Evidence:

Application:

- Exhibit F – Executive Summary, Appendix A: Proposed Draft Rate Schedules

Supporting Parties: All.

SCHEDULE B
DECISION AND RATE ORDER
EPCOR NATURAL GAS LP
EB-2018-0235
DECEMBER 6, 2018
RATE SCHEDULES

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	\$15.50
b)	Delivery Charge	
	First 1,000 m ³ per month	15.9486 cents per m ³
	All over 1,000 m ³ per month	11.3519 cents per m ³
c)	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: October 1, 2018

Implementation: All bills rendered on or after January 1, 2019

EB-2018-0235

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	\$17.25	\$17.25
b) Delivery Charge		
First 1,000 m ³ per month	17.2765 cents per m ³	21.7767 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) 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: October 1, 2018

Implementation: All bills rendered on or after January 1, 2019

EB-2018-0235

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 \$172.50 for firm or interruptible customers; or
A Monthly Customer Charge of \$201.25 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 4.3127 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) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A

- e) 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 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 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; and
- 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. 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:- October 1, 2018

Implementation: All bills rendered on or after January 1, 2019

EB-2018-0235

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	\$17.25	\$17.25
b) Delivery Charge		
First 1,000 m ³ per month	17.1487 cents per m ³	21.8770 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) 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: October 1, 2018

Implementation: All bills rendered on or after January 1, 2019

EB-2018-0235

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 \$172.50

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

d) 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 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; and
- 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: October 1, 2018

Implementation: All bills rendered on or after January 1, 2019

EB-2018-0235

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) Fixed Monthly Charge of \$124,323.96 for firm distribution services
- b) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A
- c) 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 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 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; and
- d) Competition.

Purchased Gas Transportation Charges

In addition to the Rates and Charges outlined above, IGPC is responsible for all costs, charges and fees incurred by EPCOR related to gas supplied by Union to EPCOR's system for IGPC. All actual charges billed to ENGLP by Union Gas under Union contract ID SA008936 and SA008937, as amended or replaced from time to time, shall be billed to IGPC by EPCOR when and as billed to EPCOR by Union Gas.

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: October 1, 2018

Implementation: All bills rendered on or after January 1, 2019

EB-2018-0235

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-2018-0261(Interim))	15.9076 cents per m ³
GPRA Recovery Rate	(EB-2018-0261 (Interim))	0.1065 cents per m ³
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m ³
Total Gas Supply Charge		<u>16.0504</u> cents per m ³

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: October 1, 2018

Implementation: All bills rendered on or after January 1, 2019

EB-2018-0235

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: October 1, 2018

Implementation: All bills rendered on or after January 1, 2019

EB-2018-0235

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 Natural Resource Gas Corp. delivers gas to a delivery point on EPCOR's system.

Rate

Administrative Charge	\$250/month
Transportation Rate	\$0.95/mcf

Effective: October 1, 2018

Implementation: All bills rendered on or after January 1, 2019

EB-2018-0235

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	\$15.50
	Rate Rider for 2019 Shared Tax Changes – effective for 12 months ending December 31, 2019	\$0.1084
	Rate Rider for Oct-Dec 2018 Shared Tax Changes – effective for 12 months ending December 31, 2019	\$0.0271
	Rate Rider for REDA Recovery – effective for 12 months ending December 31, 2019	\$1.50
	Rate Rider for 2019 Rate Base Rebalancing – effective for 12 months ending December 31, 2019	\$1.8140
b)	Delivery Charge	
	First 1,000 m ³ per month	15.9486 cents per m ³
	All over 1,000 m ³ per month	11.3519 cents per m ³
	Rate Rider for Oct-Dec 2018 Unrecovered IRM Adjustment – effective for 12 months ending December 31, 2019	0.2221 cents per m ³
	Rate Rider for PGTVA disposal – effective for 12 months ending December 31, 2019	(1.7172) cents per m ³
c)	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 1, 2019

Implementation: All bills rendered on or after January 1, 2019

EB-2018-0235

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	\$17.25	\$17.25
Rate Rider for 2019 Shared Tax Changes – effective for 12 months ending December 31, 2019	\$0.6908	\$0.6908
Rate Rider for Oct-Dec 2018 Shared Tax Changes – effective for 12 months ending December 31, 2019	\$0.1727	\$0.1727
Rate Rider for REDA Recovery – effective for 12 months ending December 31, 2019	\$1.50	\$1.50
Rate Rider for 2019 Rate Base Rebalancing – effective for 12 months ending December 31, 2019	\$11.5587	\$11.5587
b) Delivery Charge		
First 1,000 m ³ per month	17.2765 cents per m ³	21.7767 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
Rate Rider for Oct-Dec 2018 Unrecovered IRM Adjustment – effective for 12 months ending December 31, 2019	0.1223 cents per m ³	0.1223 cents per m ³
Rate Rider for PGTVA disposal – effective for 12 months ending December 31, 2019	(1.7172) cents per m ³	(1.7172) cents per m ³
c) 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 1, 2019

Implementation: All bills rendered on or after January 1, 2019

EB-2018-0235

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 \$172.50 for firm or interruptible customers; or
A Monthly Customer Charge of \$201.25 for combined (firm and interruptible) customers.

Rate Rider for 2019 Shared Tax Changes \$5.6243
– effective for 12 months ending December 31, 2019

Rate Rider for Oct-Dec 2018 Shared Tax Changes \$1.4061
– effective for 12 months ending December 31, 2019

Rate Rider for REDA Recovery \$1.50
– effective for 12 months ending December 31, 2019

Rate Rider for 2019 Rate Base Rebalancing \$94.1034
– effective for 12 months ending December 31, 2019

- 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 4.3127 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.

Rate Rider for Oct-Dec 2018 Unrecovered IRM Adjustment 0.0920 cents per m³
– effective for 12 months ending December 31, 2019

Rate Rider for PGTVA disposal (1.7172) cents per m³
– effective for 12 months ending December 31, 2019

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

e) 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 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 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; and
- 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. 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 1, 2019

Implementation: All bills rendered on or after January 1, 2019

EB-2018-0235

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	\$17.25	\$17.25
Rate Rider for 2019 Shared Tax Changes – effective for 12 months ending December 31, 2019	\$0.8522	\$0.8522
Rate Rider for Oct-Dec 2018 Shared Tax Changes – effective for 12 months ending December 31, 2019	\$0.2131	\$0.2131
Rate Rider for REDA Recovery – effective for 12 months ending December 31, 2019	\$1.50	\$1.50
Rate Rider for 2019 Rate Base Rebalancing – effective for 12 months ending December 31, 2019	\$14.2590	\$14.2590
b) Delivery Charge		
First 1,000 m ³ per month	17.1487 cents per m ³	21.8770 cents per m ³
All over 1,000 m ³ per month	10.5218 cents per m ³	16.9052 cents per m ³
Rate Rider for Oct-Dec 2018 Unrecovered IRM Adjustment – effective for 12 months ending December 31, 2019	0.1633 cents per m ³	0.1633 cents per m ³
Rate Rider for PGTVA disposal – effective for 12 months ending December 31, 2019	(1.7172) cents per m ³	(1.7172) cents per m ³
c) 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 1, 2019

Implementation: All bills rendered on or after January 1, 2019

EB-2018-0235

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 \$172.50
 - Rate Rider for 2019 Shared Tax Changes \$2.4643
 - effective for 12 months ending December 31, 2019
 - Rate Rider for Oct-Dec 2018 Shared Tax Changes \$0.6161
 - effective for 12 months ending December 31, 2019
 - Rate Rider for REDA Recovery \$1.50
 - effective for 12 months ending December 31, 2019
 - Rate Rider for 2019 Rate Base Rebalancing \$41.2315
 - effective for 12 months ending December 31, 2019
- 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.
 - Rate Rider for Oct-Dec 2018 Unrecovered IRM Adjustment 0.0865 cents per m³
 - effective for 12 months ending December 31, 2019
 - Rate Rider for PGTVA disposal (1.7172) cents per m³
 - effective for 12 months ending December 31, 2019
- c) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A
- d) 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 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; and
- 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 1, 2019

Implementation: All bills rendered on or after January 1, 2019

EB-2018-0235

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) Fixed Monthly Charge of \$93,490.62 for firm services
 - Rate Rider for 2019 Shared Tax Changes \$375.0371
– effective for 12 months ending December 31, 2019
 - Rate Rider for Oct-Dec 2018 Shared Tax Changes \$93.7593
– effective for 12 months ending December 31, 2019
 - Rate Rider for REDA Recovery \$0.04
– effective for 12 months ending December 31, 2019
- b) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A
- c) 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 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 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; and
- d) Competition.

Purchased Gas Transportation Charges

In addition to the Rates and Charges outlined above, IGPC is responsible for all costs, charges and fees incurred by EPCOR related to gas supplied by Enbridge Gas Inc. to EPCOR's system for IGPC. All actual charges billed to ENGLP by Enbridge Gas Inc. under former Union Gas contract ID SA008936 and SA008937, as amended or replaced from time to time, shall be billed to IGPC by EPCOR when and as billed to EPCOR by Enbridge Gas Inc.

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 1, 2019

Implementation: All bills rendered on or after January 1, 2019

EB-2018-0235

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-2018-0261(Interim))	15.9076 cents per m ³
GPRA Recovery Rate	(EB-2018-0261 (Interim))	0.1065 cents per m ³
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m ³
Total Gas Supply Charge		<u>16.0504</u> cents per m ³

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: January 1, 2019

Implementation: All bills rendered on or after January 1, 2019

EB-2018-0235

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 Enbridge Gas Inc. 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 Enbridge Gas Inc. (Union South) System as agreed to by EPCOR and EPCOR's customer or their agent.

Effective: January 1, 2019

Implementation: All bills rendered on or after January 1, 2019

EB-2018-0235

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 Natural Resource Gas Corp. delivers gas to a delivery point on EPCOR's system.

Rate

Administrative Charge	\$250/month
Transportation Rate	\$0.95/mcf

Effective: January 1, 2019

Implementation: All bills rendered on or after January 1, 2019

EB-2018-0235

SCHEDULE C
DECISION AND RATE ORDER
EPCOR NATURAL GAS LP
EB-2018-0235
DECEMBER 6, 2018
ACCOUNTING ORDER

EPCOR NATURAL GAS LIMITED PARTNERSHIP
Accounting Order

Deferral Account to Record Rebalancing Recovery from Rates 1-5

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

EPCOR Natural Gas Limited Partnership (“ENGLP”) shall establish a new “2019 Rebalancing Deferral Account” to record \$210,000 for the recovery of revenue from Rates 1 through 5 associated with rebalancing of the utility’s 2019 revenue as between Rate 1 through 5 with Rate 6 in recognition of rate rebalancing which likely would have occurred under a cost of service application as a result of changes in the respective rate bases as outlined in item 14 of the Settlement Proposal for EB-2018-0235. The account will be established as Account 179 Other Deferred Charges, Sub-Account 100 Rebalancing Deferral Account until such time as the amounts have been disposed of.

ENGLP will not record interest on any balance in this sub-account.

This amount will be disposed of using fixed monthly rate rider for the period of 12 months commencing January 1, 2019 as outlined in the Settlement Proposal for EB-2018-0235

Accounting Entries for Rebalancing Deferral Account

To record the \$210,000 of revenue to be recovered from Rates 1-5 for 2019 rate base rebalancing with Rate 6 in Deferral Account No. 179-100 Rebalancing Deferral Account and recognize the associated revenue.

Debit - Account No. 179-100 2019 Rebalancing Deferral Account

Credit - Account No. 529 – Gas Sales

SCHEDULE D
DECISION AND RATE ORDER
EPCOR NATURAL GAS LP
EB-2018-0235
DECEMBER 6, 2018
CUSTOMER NOTICE

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

The Ontario Energy Board (OEB) has approved changes to the delivery charges that EPCOR Natural Gas Limited (EPCOR) charges its customers commencing January 1, 2019.

How will this price change impact you? For a typical residential customer who consumes about 2,000 cubic meters of gas annually, the rate change will increase the bill by \$2.84 per month. Commercial, industrial and seasonal rate customers will also be impacted by this change.

On all bills rendered by EPCOR on or after January 1, 2019, there will be rate changes for the “Fixed Monthly Charge” and “Delivery To You Charges”. In addition, some temporary rate adjustments will be added to your bill for the period of January 1, 2019 to December 31, 2019 to recover and/or refund specific amounts as approved by the OEB. The rate riders to be implemented include a) the recovery of amounts related to rate increases approved for October 1, 2018 through December 31, 2018, b) rebalancing of revenue amongst rate classes, and c) clearing of balances in certain deferral and variance accounts.

These changes do not impact the Gas Supply Charges on your bill which will continue to be adjusted quarterly in accordance with the OEB approved process. Please refer to epcor.com or visit OEB.ca for the approved rates and rate riders to see how you may be affected.

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.