Southern Bruce
2019 Cost of Service Checklist
EB-2018-0264

Filing Requirement
Section # reference from "OEB Filing Requirements for Natural Gas Applications"

Date: April 11, 2019

		Yes/No/N/A	Evidence Reference, Notes
GENERAL REQUIREMENTS			
1.1	Applications must be accurate, and information and data presented must be consistent across all exhibits, appendices and models.	**Yes**	
1.2	Certification by a senior officer that the evidence filed is accurate, consistent and complete	**Yes**	Exhibit 1, Tab 2, Schedule 2
1.5	Confidential Information - Practice Direction has been followed	**Yes**	No Confidential Information Included
2.0.1	Custom IR Application has included a proposed mechanism for the incentive rate-setting period.	**Yes**	Exhibit 10, Tab 1, Schedule 1
2.0.2	Applicant is separate from the parent company or any other affiliate not regulated by the OEB	**Yes**	Exhibit 1, Tab 1, Schedule 1
2.0.3	Applicant is filing after expiry of IR term.	**Yes**	Filing period is compliant with CIP process
2.0.4	Application has been filed one year prior to the proposed effective date of the new rates.	**No**	Applicant requests that rates are effective January 1, 2019. At this time customers are not expected to be connected until November 2019.
2.0.5	Application includes all 10 Exhibits	**Yes**	Each exhibit has been filed as a separate document
2.0.5	All models, spreadsheets and tables must be filed in live Microsoft Excel format.	**Yes**	All models are have been filed and are in Excel format. Financial model in Excel file named 'EPCOR 2019 Financial Model protected.xlsx'
2.0.5	Applicant has isolated delivery-related sufficiency/deficiency separate and apart from the commodity related sufficiency / deficiency.	**Yes**	Exhibit 6, Tab 1, Schedule 1
2.0.5	Data provided for required periods	**Yes**	No historical data as green field utility. Data filed related to 10-year rate stability period starting January 1, 2019 to December 31, 2028.
2.0.5	Documents provided are in bookmarked and text-searchable Adobe PDF format	**Yes**	Document is searchable PDF
2.0.6	Applicant must provide justification for annual changes to rate base, capital expenditures, and operations and administration costs. Magnitude of variance must fall within utility specific threshold.	**Yes**	Capital expenditures as established in CIP
2.0.7	Statement to the accounting standard used as the basis of the application, including date of its adoption by the utility. For those applicants that have adopted IFRS for financial reporting purposes, rate applications must be filed on the basis of MIFRS.	**Yes**	Section 1.8 of Exhibit 1, Tab 1, Schedule 1
2.0.7	If the applicant has changed its accounting standard from the accounting standard used in its previous rebasing application, the applicant has explained the reason for the change.	**Yes**	Section 1.5.2 of Exhibit 1, Tab 1, Schedule 1
2.0.7	Applicant discusses and quantifies the impact of the change to the affected elements of the revenue requirement and overall application. (change from ASPE to IFRS)	**Yes**	Section 1.5.2 of Exhibit 1, Tab 1, Schedule 1
2.0.7	Applicant has provided a summary of changes to accounting policies made since the applicant's last rebasing application (e.g. capitalization of overhead, capitalization of interest, depreciation, etc.).	**Yes**	Section 1.5.2 of Exhibit 1, Tab 1, Schedule 1
2.0.7	Revenue requirement impacts of any changes in accounting policies must be separately quantified.	**Yes**	Section 1.5.2 of Exhibit 1, Tab 1, Schedule 1
RESS Guideline	Two hardcopies of application sent to OEB	**Yes**	Couriered
EXHIBIT 1 - ADMINISTRATIVE DOCUMENTS			
2.1.1 Table of Contents			
2.1.1	Table of Contents has been provided listing major sections and subsections of the application. Electronic version of application appropriately bookmarked to provide direct access to each section	**Yes**	Exhibit 1, Tab 2, Schedule 1 (overall table of contents) See individual Exhibits for bookmarked table of contents
2.1.2 Executive Summary			
2.1.2	Summary identifies key elements of the proposals and the Business Plan underpinning application, as guided by the Rate Handbook including plain language information about its goals. Business plan is provided with the Application.	**Yes**	Exhibit 1, Tab 2, Schedule 1 Business Plan as per EPCOR's CIP filed EB-2016-0137/0138/0139
2.1.2	Applicant includes a discussion on bill impacts.	**Yes**	Exhibit 1, Tab 2, Schedule 1
2.1.2	Applicant describes distribution objectives and how the plan to deliver on certain goals reflects customer feedback.	**Yes**	Exhibit 1, Tab 2, Schedule 1
2.1.3 Administration			
Sec 1)	Primary contact information (name, address, phone, fax, email)	**Yes**	Section 1.3.1 of Exhibit 1, Tab 2, Schedule 1
Sec 2)	Identification of legal (or other) representation	**Yes**	Section 1.3.2 of Exhibit 1, Tab 2, Schedule 1
Sec 3)	Applicant's internet address for viewing of application and any social media accounts used by the applicant to communicate with customers	**Yes**	Section 1.3.3 of Exhibit 1, Tab 2, Schedule 1
Sec 4)	Number and Percentage of customer email addresses retained by the applicant, by customer class for which the applicant may use to communicate a notice of application.	**Yes**	Section 1.3.4 of Exhibit 1, Tab 2, Schedule 1
Sec 5)	The date by which the Applicant would require bill insert information to ensure inclusion in the next billing cycle.	**Yes**	Section 1.3.5 of Exhibit 1, Tab 2, Schedule 1

2019 Cost of Service Checklist

EB-2018-0264

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Sec 6)	One or more proposed locations within the service area for community meetings.	**Yes**	Section 1.3.6 of Exhibit 1, Tab 2, Schedule 1
Sec 7)	Statement by the Applicant of where the notice of hearing should be published and rationale why the stated publication is appropriate.	**Yes**	Section 1.3.7 of Exhibit 1, Tab 2, Schedule 1
Sec 8)	Bill impacts to be used for the notice of application for a typical residential and small commercial customer.	**Yes**	Section 1.3.8 of Exhibit 1, Tab 2, Schedule 1
Sec 9)	Identification of proposed changes from the status quo and impact on customers, including any changes to rates, charges, or terms of service that may affect discrete customer groups. Identify specific customers or groups that will be affected by such proposals to ensure notice of the application is served appropriately.	**Yes**	Section 1.3.9 of Exhibit 1, Tab 2, Schedule 1
Sec 10)	Applicants preference for written or oral hearing	**Yes**	Section 1.3.10 of Exhibit 1, Tab 2, Schedule 1
Sec 11)	Description of proposed components of the Customer IR plan	**Yes**	Section 1.3.11 of Exhibit 1, Tab 2, Schedule 1
Sec 12)	The requested effective date is identified	**Yes**	Section 1.3.12 of Exhibit 1, Tab 2, Schedule 1
Sec 13)	List of any deviations from the filing requirements and Rate Hand book or statement if no deviations.	**Yes**	Section 1.3.13 of Exhibit 1, Tab 2, Schedule 1
Sec 14)	List of any changes to methodologies used in previous applications.	**Yes**	Section 1.3.14 of Exhibit 1, Tab 2, Schedule 1
Sec 15)	Identification of OEB directions from any previous OEB decisions and /or orders. Address the status of any directives and indication of how they are being addressed in the current application.	**Yes**	Section 1.3.15 of Exhibit 1, Tab 2, Schedule 1
Sec 16)	Reference to Conditions of Service and customer related policies; reference to where the policies are publically available and confirmation of current version. Description of changes made since the last cost of service application. Identification of any policy changes.	**Yes**	Section 1.3.16 of Exhibit 1, Tab 2, Schedule 1
Sec 17)	Confirmation that there are no rates or charges listed in the Conditions of Service or other policies and regulations that are not on the utilities rate schedules.	**Yes**	Section 1.3.17 of Exhibit 1, Tab 2, Schedule 1
Sec 18)	Description of Organizational Structure, composition of Board of Directors, reporting relationships between management and parent company. Organizational chart of the utility. Relationship chart that includes corporate entities. Describe any planned changes in corporate or utility structure, planned changes in legal organization and control.	**Yes**	Section 1.3.18 of Exhibit 1, Tab 2, Schedule 1
Sec 19)	List of requested approvals and accounting orders.	**Yes**	Section 1.3.19 of Exhibit 1, Tab 2, Schedule 1
Sec 20)	Draft Issues List.	**Yes**	Section 1.3.20 of Exhibit 1, Tab 2, Schedule 1
2.1.4 System Overview			
2.1.4	Summary description of the Applicants system assets and service area.	**Yes**	Section 1.4 of Exhibit 1, Tab 2, Schedule 1
2.1.4	General description and map of applicant's assets and operations, showing where it operations within the province and the communities it services.	**Yes**	Exhibit 1, Tab 3, Schedule 5
2.1.4	A franchise map	**Yes**	Exhibit 1, Tab 3, Schedules 4 and 5
2.1.4	Applicant to identify location of gas transportation assets, compressor stations, major meter stations, underground storage facilities, LNG facilities, operations centers, interconnects and any other significant assets.	**Yes**	Section 1.4 of Exhibit 1, Tab 2, Schedule 5 System Map - Exhibit 1, Tab 3, Schedule 3 Note that location of operations center has yet to be confirmed.
2.1.5Application Summary			
2.1.5	**Revenue Requirement** • Revenue Requirement requested for Test Year • Increase/decrease ($ and %) from previously approved RR • Revenue deficiency or sufficiency • Schedule of main drivers of RR and deficiency / sufficiency changes from last approved year	**Yes**	Section 1.5.1 of Exhibit 1, Tab 2, Schedule 1
2.1.5	**Budgeting and Accounting Assumptions** • Economic overview (such as growth and inflation) • Identification of accounting standard used for each year and brief explanation of impacts resulting from any change in accounting standard	**Yes**	Section 1.5.2 of Exhibit 1, Tab 2, Schedule 1
2.1.5	**Throughput Forecast** • Throughput and throughput growth for the test year (percentage change from last OEB-approved) • Customer numbers and changes in customer count, average and year-end • Brief description of forecasting method(s) used	**Yes**	Section 1.5.3 of Exhibit 1, Tab 2, Schedule 1
2.1.5	**Rate Base and Utility System Plan** • Rate base requested for the test year • Change in rate base from last OEB approved ($ and %) • Capital expenditures requested for the test year • Change in capital expenditures from last OEB approved ($ and %) • Summary, key elements, and main drivers of the applicant’s capital investment plan	**Yes**	Section 1.5.4 of Exhibit 1, Tab 2, Schedule 1

2019 Cost of Service Checklist

EB-2018-0264

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2.1.5	**Operations, Maintenance and Administration (OM&A) Expense** • OM&A for the test year and the change from last OEB approved ($ and %) • Summary of overall drivers and cost trends • Inflation rates used for OM&A forecasts • Total compensation for the test year and the change from last OEB approved ($ and %) • Summary of any proposed gas supply, transportation and storage costs • Summary of any changes in depreciation rates	Yes	Section 1.5.5 of Exhibit 1, Tab 2, Schedule 1
2.1.5	**Cost of Capital** • A statement as to the use of the OEB's cost of capital parameters • Summary and rationale for any deviations from the OEB's cost of capital methodology • The weighted average cost of capital proposed in the application, and a summary breakdown of the proposed rates for each component of capital financing: • Return on equity • Weighted average cost of long-term debt • Cost of short-debt debt	Yes	Section 1.5.6 of Exhibit 1, Tab 2, Schedule 1
2.1.5	**Cost Allocation and Rate Design** • Summary of any deviations from OEB-approved cost allocation and rate design methodologies, including any changes to miscellaneous service charges • Summary of any new proposals • Summary of any significant changes proposed to revenue-to-cost ratios and fixed/variable splits • Summary of any proposed mitigation plans to address rate impacts on specific customer classes or overall rate impact	Yes	Section 1.5.7 of Exhibit 1, Tab 2, Schedule 1
2.1.5	**Performance and Reporting** • Scorecard proposal and a brief explanation of the performance results and drivers for the last five years for measures that contain historical data • Summary of any reporting requirements proposed • Description of how the applicant has addressed the Service Quality Performance and Measurement requirements as outlined in the OEB's Gas Distribution Access Rule (GDAR). • Discussion of any outstanding areas of non-compliance and the effect they have had on the application, including any relief sought	Yes	Section 1.5.8 of Exhibit 1, Tab 2, Schedule 2 Exhibit 1, Tab 3, Schedule 5 (Scorecard)
2.1.5	**Bill Impacts** • Summary of total bill impacts ($ and %) for typical or average customers in all customer classes	Yes	Section 1.5.9 of Exhibit 1, Tab 2, Schedule 1 ENGLP has used average volumes to determine the typical customer bill impact
2.1.5	**Deferral and Variance Accounts** • Accounts requested for disposition including account balances, disposition methodology and timing • Any new deferral and variance accounts requested and any request for the discontinuation of existing accounts	Yes	Section 1.5.10 of Exhibit 1, Tab 2, Schedule 1
2.1.5	**Rate Schedules** • Summary of any other changes to the current OEB-approved rate schedules that are being proposed in the new rate schedules, which are filed and discussed in Exhibit 8	Yes	Section 1.5.11 of Exhibit 1, Tab 2, Schedule 1
2.1.5	**Incentive Rate-setting** • Summary of the key components proposed for the Price Cap IR method for the incentive rate-setting period	Yes	Section 1.5.12 of Exhibit 1, Tab 2, Schedule 1
2.1.6 Customer Engagement			
2.1.6	Overview of customer engagement activities; description of plans and how customer needs, preferences and expectations have been reflected in the application.	Yes	Section 1.6 of Exhibit 1, Tab 1, Schedule 1
2.1.6	Discussion on how customers were informed of the proposals being considered for inclusion in the application and the value of those proposals to customers i.e. costs, benefits, and the impact on rates	Yes	Section 1.6 of Exhibit 1, Tab 1, Schedule 1
2.1.6	Discussion of any feedback provided by customers and how the feedback shaped the final application. This analysis must encompass all customers.	Yes	Section 1.6 of Exhibit 1, Tab 1, Schedule 1
2.1.6	Reference to any other communication sent to customers about the application i.e. bill inserts, town hall meetings or other forms of out reach and the feedback received from customers through these engagement activities	Yes	Section 1.6 of Exhibit 1, Tab 1, Schedule 1
2.1.6	Complete Appendix 2-AC Customer Engagement Activities Summary - explicit identification of the outcomes of customer engagement in terms of the impacts on the distributor's plans, and how that information has shaped the application	Yes	EPCOR has included customer feedback in the development of its system design and proposed tariff. As the utility is under devleopment speific plans and programs to address customer feedback are under development.
2.1.6	All responses to matters raised in letters of comment filed with the OEB	N/A	No letters of comment
2.1.6	Planning element of the customer engagement activities are to be filed as part of the Utility System Plan.	Yes	Exhibit 2, Tab 3, Schedule 1

2019 Cost of Service Checklist

EB-2018-0264

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2.1.7 Performance Measurement			
2.1.7	Applicant's first rate application following the issuance of the Rate Handbook, to propose a scorecard that will be used to measure and monitor its performance and, where appropriate, enable comparisons between or among gas utilities.	**Yes**	Section 1.7.1 of Exhibit 1, Tab 1, Schedule 1
2.1.7	Applicants scorecard includes measures for customer focus, operational effectiveness, public policy responsiveness, and financial performance.	**Yes**	Section 1.7.1 of Exhibit 1, Tab 1, Schedule 1 Exhibit 1, Tab 3, Schedule 5 (scorecard)
2.1.7	Applicant discussion about the plans for continuous improvement and any additional performance categories or measures that it believes would be meaningful for its operations as a natural gas utility.	**Yes**	Section 1.7 of Exhibit 1, Tab 1, Schedule 1
2.1.7	Applicant provides benchmarking analysis which supports their proposed plans and programs and demonstrates continuous improvement. Can include External or Internal benchmarks.	**Yes**	Southern Bruce is a greenfield utilty and as a result has no historical data on which to propose improvements. It will be recording performance going forward.
2.1.7	The Applicant discusses how the utility's assessment has informed its business plan and the application.	**Yes**	Section 1.7.2 of Exhibit 1, Tab 1, Schedule 1
2.1.7	Benchmarking, productivity or other related studies must be filed as an appendix to Exhibit 1.	**N/A**	The Rate Case is based on EPCOR's CIP. EPCOR's CIP was benchmarked against other proponent's in the competitive process and determinined by the Board to be superior.
2.1.8 Financial Information			
2.1.8	Non-consolidated audited financial statements of the utility (excluding operations of affiliated companies that are not rate-regulated) for the most recent three historical years	**Yes**	Exhibit 1, Tab 2, The Southern Bruce utilty is not yet operational and as a result no audited statements exist.
2.1.8	Detailed reconciliation of the financial results shown in the audited financial statements and the historical regulatory financial information filed in the application. The reconciliation includes: • The separation of regulated and non-regulated businesses • The identification of any proposed deviations between the audited financial statements and the regulatory financial information including the identification of any prior OEB approvals for such deviations	**Yes**	Exhibit 1, Tab 2, The Southern Bruce utilty is not yet operational and as a result no audited statements exist.
2.1.8	Pro-forma statements for the regulated utility for the bridge and the test year with separate disclosure regarding its operating segments	**Yes**	Exhibit 1, Tab 4, Schedule 1
2.1.8	Annual report and management's discussion and analysis for the most recent year of the parent company, if applicable	**N/A**	Exhibit 5, Tab 2, Schedule 2 include most recent rating agency reports for EPCOR's parent - EPCOR Utilities Inc.
2.1.8	Rating agency report(s), if available	**N/A**	ENGLP does not have any public debt or equity.
2.1.8	Prospectuses, information circulars, etc. for recent and planned public debt or equity offerings	**N/A**	EPCOR does not have any public debt or equity.
2.1.8	A description of existing accounting orders and list of any departures from these orders	**Yes**	Section 1.8 of Exhibit 1, Tab 2, Schedule 1 Exhibit 9, Tab 2, Schedule 1 (Proposed Accounting Orders)
2.1.8	Confirmation regarding the use of the Uniform System of Accounts for Class A Gas Utilities	**Yes**	Section 1.8 of Exhibit 1, Tab 2, Schedule 1
2.1.8	Any change in tax status	**Yes**	Section 1.8 of Exhibit 1, Tab 2, Schedule 1
2.1.8	Accounting Standards used for financial statements and when adopted	**Yes**	Section 1.8 of Exhibit 1, Tab 2, Schedule 1
2.1.8	Confirmation that accounting treatment of any non-utility business has segregated activities from rate regulated activities	**Yes**	Section 1.8 of Exhibit 1, Tab 2, Schedule 1
2.1.9 Utility Consolidation			
2.1.9	In the first cost of service application following a consolidation, the applicant is expected to address any rate-making aspects of the MAADs transaction, including a rate harmonization plan and /or customer rate classifications post consolidation.	**N/A**	
EXHIBIT 2 - RATE BASE			
2.2.1 Rate Base Overview			
2.2.1	Applicant has included continuity statements with opening and closing balances for each year for gross fixed assets and accumulated depreciation, and year-over-year variance analyses. Continuity statements include interest during construction, and overheads.	**Yes**	Exhibit 2, Tab 1, Schedule 2 On a forward looking basis and aligned with EPCOR's CIP
2.2.1	Variance analyses includes a written explanation when there is a variance greater than the amount set out in Section 2.0.6.	**Yes**	No historical data as green field utility.
2.2.1	Applicant has filed in support of the requested rate base and has included data for the historical actuals, bridge year (actuals to date and balance of year as budgeted), and test year.	**Yes**	Section 2.1 of Exhibit 2, Tab 1, Schedule 1 Values based on EPCOR's CIP
2.2.1	The applicant has documented the method used to calculate the value of average in-service fixed assets for the test year, such as the average of monthly or quarterly values, or the half-year rule. Rate base may also include an allowance for working capital	**Yes**	Section 2.1 of Exhibit 2, Tab 1, Schedule 1
2.2.1	If continuity statements have been restated for the purposes of the application (e.g., due to changes in accounting standards or to reflect corrections in historical audited values), the utility must provide a thorough explanation for the restatement and also provide a reconciliation to the original statements.	**Yes**	Continuity statements have not been restated.

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2.2.1	The following comparisons is provided: • Historical OEB-approved vs. historical actual (for most recent OEB-approved years) • Historical actual vs. preceding year historical actual • Historical actual vs. bridge • Bridge vs. test year	Yes	Section 2.2 of Exhibit 2, Tab 1, Schedule 1 - No historical data. Forward looking data is based on EPCOR's CIP
2.2.1	The opening and closing balances of gross assets and accumulated depreciation that are used to calculate the fixed asset component of rate base must correspond to the respective balances in any fixed asset continuity statements. In the event that the balances do not correspond, the applicant must provide an explanation and reconciliation. This reconciliation must be between or among the last actual year, bridge year and any test year net book value balances reported on a fixed asset continuity schedule and the balances included in the rate base calculation.	Yes	Exhibit 2, Tab 1, Schedule 2 -The opening and closing balances of gross assets and accumulated depreciation that are used to calculate the fixed asset component of rate base correspond to the respective balances in each of the fixed asset continuity statements.
2.2.1	When proposed capital expenditures are related to projects which require a contribution from customers, such amounts should be shown separately as an offset to rate base.	Yes	Section 2.2 of Exhibit 2, Tab 1, Schedule 1
2.2.1	The fixed asset continuity schedule and supporting data is filed in Microsoft Excel format.	Yes	On a forward looking bais - in financial model Excel file named 'EPCOR 2019 Financial Model protected.xlsx'
2.2.2 Gross Assets - PP&E and Accumulated Depreciation			
2.2.2	Breakdown by function (distribution plant, storage plant, transportation plant, general plant, other plant) for required statements and analyses	Yes	Section 2.2 of Exhibit 2 , Tab 1, Schedule 1
2.2.2	Detailed breakdown by major plant account for each functionalized plant item. For the test year, each plant item must be accompanied by a description.	Yes	Section 2.2 of Exhibit 2 , Tab 1, Schedule 1
2.2.2	Detailed breakdown of the capital additions for the test year	Yes	Section 2.5 of Exhibit 2 , Tab 1, Schedule 1
2.2.2	Summary of any capital adjustment(s), including what was approved and what was spent, if the utility received approval for a capital factor adjustment as part of a previous application	N/A	
2.2.2	Reconciliation of continuity statements to the calculated depreciation expenses, reported under Exhibit 4 – Operating Expenses, and presented by asset account	Yes	Section 2.2 of Exhibit 2 , Tab 1, Schedule 1, Exhibit 2 , Tab 1, Schedule 2
2.2.2	Identification and detailed explanations for any asset disposals, asset retirement obligations, site restoration costs or asset utilization impacts.	Yes	Section 2.2 of Exhibit 2 , Tab 1, Schedule 1
2.2.3 Allowance for Working Capital			
2.2.3	Confirmation whether applicant is proposing to include a working cash allowance in rate base. If an applicant is proposing to include a working cash allowance in rate base, it must support this with a lead/lag study.	Yes	Section 2.3 of Exhibit 2, Tab 1, Schedule 1 No historical information available to undertake a lead/lad study.
2.2.4 Capitalization Policy			
2.2.4	Applicant has provided its capitalization policy	Yes	Section 2.4 of Exhibit 2, Tab 1, Schedule 1 Project Development Policy also provided.
2.2.4	Declaration if the utility has changed its capitalization policy since its last rebasing application, and explanation of the changes and the causes of the changes if required.	Yes	Section 2.4 of Exhibit 2, Tab 1, Schedule 1
2.2.4.1 Capitalization of Overhead			
2.2.4.1	Applicant has provided information on overhead costs on self-constructed assets, including a breakdown of the amounts capitalized year over year. Any changes to the overhead capitalization methodology are explained.	Yes	Section 2.6 of Exhibit 2, Tab 1, Schedule 1
2.2.4.2 Burden Rates			
2.2.4.2	Applicant has identified the burden rates related to the capitalization of costs of self-constructed assets. If the burden rates were changed since the last rebasing application, the applicant as identified the burden rates prior to and after the change and explain the reason for the change.	Yes	Section 2.7 of Exhibit 2, Tab 1, Schedule 1
2.2.5 Capital Expenditures			
2.2.5	Applicant has provided a summary of capital expenditures over the past five historical years, which include the bridge year, and five future years including the test year, showing capital expenditures, treatment of contributed capital and additions, and treatment of Construction Work in Progress.	Yes	Section 2.8 of Exhibit 2, Tab 1, Schedule 1
2.2.5	Detailed explanation of the key drivers of capital expenditure increases for the test year, by capital expenditure category	Yes	Section 2.8 of Exhibit 2, Tab 1, Schedule 1 No historical data available
2.2.5	Proposed capital expenditures by investment category, with a reconciliation showing the contribution of these aggregated amounts to the applicant's total capital budget for each category	Yes	Section 2.8 of Exhibit 2, Tab 1, Schedule 1
2.2.5	Written explanation of variances	Yes	Section 2.8 of Exhibit 2, Tab 1, Schedule 1 No historical variances
2.2.5	The proposed accounting treatment, including the treatment of the cost of funds, for investments spanning more than one year	Yes	Section 2.8 of Exhibit 2, Tab 1, Schedule 1

2019 Cost of Service Checklist

EB-2018-0264

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2.2.6 Utility System Plan (USP)			
2.2.6	USP is filed as a stand-alone and self-sufficient document within this section of Exhibit 2.	**Yes**	Exhibit 2, Tab 2, Schedule 1
2.2.6	The USP includes all applicable elements from the Rate Handbook and the OEB's guidelines for natural gas utilities' transportation and distribution system projects (E.B.O. 134 and E.B.O. 188)	**Yes**	Exhibit 2, Tab 2, Schedule 1 - Construction projects as included in EPCOR's CIP. Proposal to file enhanced USP that will include updated sections.
2.2.6	The USP Includes • A description of the utility's investment planning process • The engineering plan for the utility, including the overall plan for capital investments • The longer term economic and planning assumptions, including expectations of natural gas prices • The asset management plan (see below) • A description of how investments are selected and prioritized • Highlights of recent and proposed investments and the relationship to the engineering plan • A description of how the needs of customers and overall system planning policy objectives are being reflected, including obligations stemming from Ontario Government policy including the facilitation of a cap and trade framework, relevant greenhouse gas (GHG) legislation, Demand Side Management (DSM) programs and consideration of the OEB's statutory objectives, as applicable • Linkages to the gas supply plan • Linkages and trade-offs between capital projects and ongoing OM&A spending	**Yes**	Exhibit 2, Tab 2, Schedule 1 - Initial USP reflecting activities included in CIP. Proposal to file enhanced USP in 2025.
2.2.6	Applicant has included discussion of how cost benchmarking studies or utility cost comparisons conducted by or for the applicant are used to support the applicant's proposed expenditures.	**N/A**	Proposed expenditures are supported by EPCOR's CIP which was benchmarked against other proponent.
2.2.6	A description of quantifiable continuous improvements, cost savings or efficiency gains that are expected to be achieved over the Price Cap IR term must be provided and the means by which those improvements, savings and efficiencies will be achieved.	**Yes**	Exhibit 2, Tab 2, Schedule 1 Initial USP reflects capital activites included in EPCOR's CIP. Proposal to file enhanced USP in 2025.
2.2.6	Applicant has provided on a project specific basis in the USP: • Need, scope, and purpose of project or program, related customer attachments, capital costs, as well as any applicable cost-benefit analysis • A discussion of the relative benefits and costs of the capital and non-capital alternatives considered and rejected in favour of the proposed project or program • Detailed information on the priority of the project or program relative to other investments and risks of deferring or not proceeding with the project or program • For any renewal investment, details on the change in condition and service life of the asset(s) expected to be achieved by the proposed expenditure • Detailed breakdown of the construction milestone dates and in-service dates • Information on the basis for the budget estimate by project or program • Explanation of how the project or program links directly to the asset management plan • In service date for each planned capital project • Contingency costs and the basis for determining the contingency amounts	**Yes**	Exhibit 2, Tab 2, Schedule 1 - Initial USP reflecting activities included in CIP. Proposal to file enhanced USP in 2025.
2.2.6	A brief summary of the evidence for any project that requires leave to construct approval under the OEB Act	**Yes**	The USP covers development of the Southern Bruce distribution system. A LTC has been filed to construct the system. EB-2018-0264
2.2.6	Information on customer additions and PI values	**Yes**	Exhibit 2, Tab 2, Schedule 1 All capital expenditures as per EPCOR's CIP
2.2.6	Identification of any project that has been undertaken in relation to a directive issued by the Minister of Energy to the OEB	**N/A**	No directive from the Minister of Energy.
2.2.6	Identification of any project that is going into service during the IR term for which the utility is considering requesting capital factor treatment if such a mechanism is being proposed as part of Exhibit 10	**N/A**	
2.2.6.1 Asset Management Plan			
2.2.6.1	Applicant has filed an Asset Management Plan as a component of the USP.	**Yes**	Exhibit 2, Tab 2, Schedule 1
2.2.6.1	Applicant has included the utility's asset management policy, strategy and objectives, an inventory and assessment of the condition of all capital assets or asset categories whose net book value is material, and how this information is used to plan for new and renewal capital, and maintenance expenditures.	**Yes**	Exhibit 2, Tab 2, Schedule 1
2.2.6.1	The asset management plan describes how determinate elements will produce an integrated capital investment maintenance and retirement plan that will drive capital and maintenance expenditures.	**Yes**	Exhibit 2, Tab 2, Schedule 1
2.2.7 Service Quality and Reliability Performance			
2.2.7	The applicant has included information for the past five historical years on its service quality performance and measurement requirements as outlined in the OEB's GDAR and provided discussion on the reasons for any minimum standards not met and plan for addressing any deficiencies if required.	**N/A**	No historical data as utility is greenfield

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Date: April 11, 2019

		Yes/No/N/A	Evidence Reference, Notes
2.2.7	Discussion regarding the Applicants reliability performance over the past five years for matters such as unplanned interruptions and outages and how it has informed it's USP	**N/A**	No historical data as utility is greenfield

2019 Cost of Service Checklist

EB-2018-0264

Filing Requirement
Section # reference from "OEB Filing Requirements for Natural Gas Applications"

Date: April 11, 2019

		Yes/No/N/A	Evidence Reference, Notes
EXHIBIT 3 - OPERATING REVENUE			
2.3 Overview			
2.3	Applicant has provided evidence on the applicant's forecast of customers, throughput volume, revenue, other revenue, and variance analyses related to these items for historic and test years.	**Yes**	Exhibit 3, Tab 1 , Schedule 1 No historical data as utility is greenfield.
2.3	Applicant has provided its customer, volume and revenue forecast, weather normalization methodology, transactional services / storage and transportation revenues, and other sources of revenue in this exhibit.	**Yes**	Exhibit 3, Tab 1, Schedule 1
2.3	Applicant has included a description of the methodologies and the assumptions used.	**Yes**	Exhibit 3, Tab 1, Schedule 1
2.3	All historical data is weather normalized each year and be presented as both actual and weather normalized.	**Yes**	Exhibit 3, Tab 1, Schedule 1
2.3.1 Throughput and Revenue Forecast			
2.3.1	The applicant has provided explanation of the drivers, assumptions and adjustments underpinning the throughput forecast. All economic assumptions and data sources used in the preparation of the volume and customer count forecast, including expansions and the impact of any demand side management, cap and trade or other GHG reduction-related activities, must be identified and included in this section.	**Yes**	Section 3.1 / 3.2 of Exhibit 3, Tab 1, Schedule 1
2.3.1	Forecasts should include a date of preparation.	**Yes**	Exhibit 3, Tab 2, Schedule 1 All forecasets are as of the filing date for EPCOR's CIP - October 2018.
2.3.1	Applicant has provided an explanation of the weather normalization methodology used and indicate in which OEB proceeding approval was granted for its use.	**Yes**	Exhibit 3, Tab 1, Schedule 1
2.3.1	All economic models, econometric models, end-use models, customer forecast surveys and other material inputs are described and documented	**Yes**	Exhibit 3, Tab 1, Schedule 1
2.3.1	Applicant has provided a description of how demand side management, cap and trade or any other GHG reduction-related activities affect throughput forecasts in each year of the rate-setting plan.	**Yes**	Section 3.2.3 of Exhibit 3, Tab 1, Schedule 2
2.3.2 Accuracy of Throughput Forecast and Variance Analyses			
2.3.2	Applicant has demonstrated the historical accuracy of the throughput forecast for at least the past five years by providing, as applicable, schedules of throughput volumes, revenues, customer count by rate class, and total system throughput for: • Historical OEB-approved • Historical actual for the past five years • Historical actual for the past five years – weather normalized • Bridge year • Bridge year – weather normalized • Test year	**N/A**	No historical data available as greenfield utility.
2.3.2	Applicant has provided the following variance analyses and relevant discussion for volumes, revenues, customer/connections count, and total system throughput: • Historical OEB-approved vs - historical actual • Historical OEB-approved vs - historical actual – weather-normalized • Historical actual – weather-normalized vs. preceding year's historical actual –weather-normalized (for the necessary number of years) • Historical actual – weather normalized vs. bridge year – weather-normalized • Bridge year – weather-normalized vs. test year	**Yes**	No historical data available as greenfield utility. Exhibit 3 - Data included for 10-year rate stability period as per CIP.
2.3.3 Transactional Services / Storage and Transportation Revenue			
2.3.3	Applicant this presented five years of actual data including the gross and net margin realized from transactional services activities. The actuals include year-over-year comparisons to the OEB-approved amounts with explanations for material variances.	**N/A**	No historical data available as greenfield utility. EPCOR does not plan to offer transitional services. ENGLP does not provide any transactional services nor storage capabilities.
2.3.3	Applicant has provided the bridge year and test year revenue forecasts for transactional services activities together with an explanation of the key drivers of the multi-year forecast	**N/A**	
2.3.3	Applicant has presented its treatment and mechanics for sharing revenues based on OEB-approved mechanisms and for any new proposals made in the rate application.	**N/A**	
2.3.4 Other Revenue			
2.3.4	The Applicant has provided a comparison of actual revenues for historical years to forecast revenue for the bridge and test years, including explanations for significant variances in year-over-year comparisons	**Yes**	Section 3.3 of Exhibit 3, Tab 1, Schedule 1. No historical data available
2.3.4	The Applicant has provided a list of the specific elements comprising Other Revenue.	**Yes**	Section 3.3 of Exhibit 3, Tab 1, Schedule 1. No historical data available
2.3.4	The Applicant provides information as to how costing and pricing for other revenues is determined that are not covered under Exhibit 8 with respect to specific miscellaneous service charges	**Yes**	Section 3.4 of Exhibit 3, Tab 1, Schedule 1

2019 Cost of Service Checklist

EB-2018-0264

Filing Requirement
Section # reference from "OEB Filing Requirements for Natural Gas Applications"

Date: April 11, 2019

		Yes/No/N/A	Evidence Reference, Notes
2.3.4	Any revenue from affiliate transactions, shared services or corporate cost allocations has been identified. For each affiliate transaction the applicant has identified the service, the nature of the service provided to affiliated entities, accounts used to record the revenue, and the associated costs to provide the service.	**N/A**	
2.3.4	Applicant will identify any discrete customer groups that may be materially impacted by changes to other rates and charges	**Yes**	Section 3.5 of Exhibit 3, Tab 1, Schedule 2

2019 Cost of Service Checklist

EB-2018-0264

Filing Requirement
Section # reference from "OEB Filing Requirements for Natural Gas Applications"

Date: April 11, 2019

		Yes/No/N/A	Evidence Reference, Notes
EXHIBIT 4 - OPERATING EXPENSES			
2.4.1 Gas Supply, Transportation and Storage Costs			
2.4.1	Applicant has provided an overview of its gas supply planning process including a discussion of its gas supply planning principles.	**Yes**	Section 4.1 of Exhibit 4, Tab 3, Schedule 1 Exhibit 4, Tab 1, Schedule 2 - Gas Supply Plan
2.4.1	A gas supply plan has been presented for the bridge year and forward test year showing supply sources, volumes, and a summary of gas transportation contracting arrangements.	**Yes**	Exhibit 4, Tab 3, Schedule 1 - Gas Supply Plan
2.4.1	Expected gas costs are provided for the bridge and forward test year together with a gas supply/demand balance sheet.	**Yes**	Section 4.1 of Exhibit 4, Tab 1, Schedule 1
2.4.1	Applicant presents a summary of the gas cost consequences of its gas supply plan, including transportation and storage.	**Yes**	Section 4.1 of Exhibit 4, Tab 1, Schedule 1
2.4.1	Applicant has provided a five year historical summary of its volumes, gas costs, supply basin sourcing arrangements, and storage	**N/A**	No historical data available as greenfield utility
2.4.2 Lost and Unaccounted for Gas			
2.4.2	Applicant has provided five years of historical information relating to actual versus OEB-approved forecasts of lost and unaccounted for gas.	**N/A**	No historical data as greenfield utility
2.4.2	Applicant has provided annual forecasts, and an explanation of the methodology underpinning lost and unaccounted for gas forecasting for the bridge and forward test years. Variance explanation of material changes should also be provided.	**Yes**	Section 4.2 of Exhibit 4, Tab 1, Schedule 1 EPCOR proposes a deemed UFG of 0% in this Application.
2.4.3 Operating, Maintenance, and Administrative Costs (OM&A)			
2.4.3	OM&A costs are presented on an output/program-focused basis	**Yes**	Exhibit 4, Tab 1, Schedule 1
2.4.3.1 OM&A Overview			
2.4.3.1	The overview provides a brief explanation (quantitative and qualitative) of the following: • OM&A levels for the test year • Associated cost drivers and significant changes that have occurred relative to forecast and bridge years • Overall trends in costs including OM&A per customer • Business environment changes • Cost benchmarking studies (internal and external) or utility cost comparisons conducted by or for the applicant relevant to OM&A • A description of the continuous improvement or efficiency gains that will be achieved over the term, and the means by which those gains and savings will be achieved, and how the benefits will be realized for customers • Inflation rate assumed: The utility must provide evidentiary support for the appropriateness of any inflation rate used in forecasting OM&A costs	**Yes**	Section 4.3 of Exhibit 4, Tab 1, Schedule 1
2.4.3.2 Summary and Cost Driver Tables			
2.4.3.2	Applicant has included the following tables as part of its evidence: • Summary of recoverable OM&A expenses • OM&A cost drivers	**Yes**	Section 4.3.2 of Exhibit 4, Tab 1, Schedule 1
2.4.3.2	Applicant has identified the overall change in OM&A expense in the test year that is attributable to a change in capitalized overhead.	**Yes**	Section 4.3.2 of Exhibit 4, Tab 1, Schedule 1
2.4.3.2	Applicant has provided a variance analysis for the change in OM&A expense for the test year in respect to each of the bridge year and the historical years.	**N/A**	No historical data available as greenfiel dutility.
2.4.3.3 Program Delivery Costs with Variance Analysis			
2.4.3.3	**Workforce Planning and Employee Compensation** Applicant has provided a description of their previous and proposed workforce plans, including compensation strategy. Discussion on the outcomes of previous plans and how those outcomes have impacted their plans including an explanation of the reasons for all material changes to head count and compensation. Including: • Year over year variances with an explanation of contributing factors, inflation rates used for forecasts, and the plan for any new employees • Basis for performance pay, eligible employee groups, goals, measures, and review processes for any pay-for-performance plans • Relevant studies conducted by or for the applicant (e.g., compensation benchmarking)	**Yes**	Section 4.3.3.1 of Exhibit 4, Tab 1, Schedule 1
2.4.3.3	Applicant has provided details of employee benefit programs, including pensions and other costs charged to OM&A for the last OEB-approved rebasing application, historical, bridge and test years.	**Yes**	Section 4.3.3.1 of Exhibit 4, Tab 1, Schedule 1
2.4.3.3	The most recent actuary report(s) must be included in the pre-filed evidence. The actuary information disclosed in any other area of the application (e.g. tax) must agree with the actuarial analysis	**N/A**	EPCOR employees do not participate in a pension plan.
2.4.3.3	Applicant should provide information on the accounting method used by the applicant in the area of pensions and OPEBs as well as a discussion of the differences between the forecast pension and OPEBs amounts proposed for the test year and the amounts forecasted to be paid to the applicable plans or beneficiaries	**N/A**	ECPOR employees do not participate in a pension plan.
	Operating Support Costs Applicant has provided a details of operating, maintenance and administrative cost other than employee compensation and shared service and corporate services costs. Including year over year variances with an explanation of contributing factors.	**Yes**	Section 4.3.2 of Exhibit 4, Tab 1, Schedule 1

2019 Cost of Service Checklist

EB-2018-0264

Filing Requirement
Section # reference from "OEB Filing Requirements for Natural Gas Applications"

Date: April 11, 2019

		Yes/No/N/A	Evidence Reference, Notes
2.4.3.3	**Shared Services and Corporate Cost Allocation** Applicant has identified all shared services between or among its affiliated entities. The allocation methodology, a list of costs and allocators, and any third party review of the corporate cost allocation methodology used has been provided	Yes	Section 4.3.3.2 of Exhibit 4, Tab 1, Schedule 1
2.4.3.3	Applicant has provided a self-certification that its costs are in compliance with the OEB's Affiliate Relationships Code for Gas Utilities	Yes	Exhibit 4, Tab 1, Schedule 7
2.4.3.3	The applicant must provide details about each service provided or received for the historical (actuals), bridge and test years. Variance analyses, with explanations, are required for the following: • Test year vs. last OEB-approved • Test year vs. most current actuals	Yes	Section 4.3.2 of Exhibit 4, Tab 1, Schedule 1 Section 4.3.3.2 of Exhibit 4, Tab 1, Schedule 1
2.4.3.3	The applicant has identified any Board of Director-related costs for affiliates that are included in its costs	Yes	Section 4.3.2 of Exhibit 4, Tab 1, Schedule 1
2.4.3.3	**Purchase of Non-Affiliate Services** Applicant has provided a copy of its procurement policy, including information in such areas as the level of signing authority, a description of its competitive tendering process and confirmation that its non-affiliate services purchases are in compliance with the policy.	Yes	Section 4.3.3.4 of Exhibit 4, Tab 1, Schedule 1 Exhibit 4, Tab 1, Schedule 5 - Procurement Policy
2.4.3.3	For any material transactions that are not in compliance with the procurement policy, or that were undertaken pursuant to exceptions contemplated within the policy, the applicant must provide an explanation as to why this was the case, as well as the following information for these transactions: • Summary of the nature and cost of the product or service that is the subject of the transaction • A description of the specific methodology used for selecting the vendor, including a summary of the tendering process/cost approach, etc.	Yes	Section 4.3.3.3 of Exhibit 4, Tab 1, Schedule 1
2.4.3.3	**One-time Costs** Applicant has identified material one-time costs in the historical, bridge and test years and provided an explanation as to how the costs included in the test year are to be recovered. If a utility is not proposing that one-time costs be recovered over the test year and the subsequent IR term (i.e., amortization of the cost recovery over the five-year period), an explanation must be provided.	Yes	Section 4.3.3.4 of Exhibit 4, Tab 1, Schedule 1
2.4.3.3	**Low Income programs** Applicant has provided a description of any low income programs it is administering and identify amounts it is proposing to recover from ratepayers, together with the supporting rationale.	Yes	Section 4.3.3.5 of Exhibit 4, Tab 1, Schedule 1
2.4.3.3	**Charitable and Political Donations** Applicant has provided detailed information for all contributions that are claimed for recovery. Applicant has confirmed that no political contributions have been included for recovery.	Yes	Section 4.3.3.6 of Exhibit 4, Tab 1, Schedule 1
2.4.4 Depreciation Expense			
2.4.4	The applicant has provided details of depreciation and amortization by asset group for the historical, bridge and test years, including asset amount (breaking out asset additions) and rate of depreciation or amortization and the information ties to the accumulated depreciation balances in the continuity schedule under rate base.	Yes	Section 4.4. of Exhibit 4, Tab 1, Schedule 1 Exhibit 2, Tab 1, Schedule 3 (Forward Looking Continuity Schedules)
2.4.4	Applicant has identified any asset retirement obligations (AROs) and any associated depreciation or accretion expenses in relation to the AROs, including the basis and calculation of how these amounts were derived. Any site restoration costs are disclosed and described	Yes	Section 4.4.1 of Exhibit 4, Tab 1, Schedule 1 EPCOR does not have any asset retirement obligations.
2.4.4	Applicant has provided a description of the depreciation approach underpinning the depreciation expense calculations in the year a capital asset enters service and clearly presented the details of its deprecation calculation in regards to the number of months a new capital asset is in service during the year.	Yes	Section 4.4 of Exhibit 4, Tab 1, Schedule 1
2.4.4	Applicant has provided a copy of its depreciation/amortization policy, if available. If not, the applicant must provide a written description of the depreciation practices followed and used in preparing the application.	Yes	Exhibit 4, Tab 1, Schedule 6
2.4.4	Applicant has provided a summary of changes to its depreciation/amortization policy made since the applicant's last revenue requirement filing, or since the OEB last approved a methodology, whichever is most recent. If the applicant has developed a new depreciation study, it must file that study.	Yes	Section 4.4 of Exhibit 4, Tab 1, Schedule 1 EPCOR has not undertaken a depreciation study.
2.4.4	Applicant has discussed how the depreciation/amortization expense is calculated under the new depreciation/amortization policy.	Yes	Section 4.4 of Exhibit 4, Tab 1, Schedule 1
2.4.4	The applicant has ensured that the significant parts or components of each plant item are being depreciated separately, in accordance with its adopted accounting standard. Any deviations from this practice are explained.	Yes	Section 4.4 of Exhibit 4, Tab 1, Schedule 1

2019 Cost of Service Checklist

EB-2018-0264

Filing Requirement
Section # reference from "OEB Filing Requirements for Natural Gas Applications"

Date: April 11, 2019

		Yes/No/N/A	Evidence Reference, Notes
2.4.5 Taxes			
2.4.5	Applicant has provided the information outlined below: • Detailed calculations of actual and forecasted regulatory taxable income and income tax, including derivation of adjustments (e.g., tax credits, Capital Cost Allowance adjustments) for the historical, bridge and test years to regulatory taxable income • Supporting schedules and calculations for reconciling items and adjustments • A description of the methodology used to calculate income tax • Copies of most recent Federal and Provincial tax returns (non-utility tax items, if material, must be separated)	**Yes**	Section 4.5 of Exhibit 4, Tab 1, Schedule 1 There are no relevant tax returns related to EPCOR Southern Bruce
2.4.5	Taxes other than income taxes, (e.g. property taxes) should be clearly identified and separately filed.	**Yes**	Section 4.5.2 of Exhibit 4, Tab 1, Schedule 1
2.4.6 Demand Side Management Costs			
2.4.6	Applicant has included detailed information of all approvals for DSM funding from prior proceedings as part of any rate application. Information related to annual budget amounts (including rate class allocation) and the total amount to be recovered through rates to support prior DSM approvals must be clearly described.	**Yes**	Section 4.6 of Exhibit 4, Tab 1, Schedule 1
EXHIBIT 5- COST OF CAPITAL AND CAPITAL STRUCTURE			
2.5.1 Cost of Capital (Return on Equity and Cost of Debt)			
2.5.1	Applicant has provided the following information for each year: • Calculation of the cost for each capital structure component • Profit or loss on redemption of debt and/or preference shares, if applicable • Copies of any current promissory notes or other debt arrangements with affiliates • Explanation of the applicable debt rate for each existing debt instrument, including an explanation on how the debt rate was determined and how each is in compliance with the policies documented in the 2009 Report • Forecasts of any new debt anticipated in the bridge and test year, including estimates of the applicable rate and any pertinent information on each new debt instrument (e.g. whether the debt is affiliated or with a third party, expected term/maturity, and any capital project(s) directly related to the new debt)	**Yes**	Section 5.1 of Exhibit 5, Tab 1, Schedule 1 Exhibit 5, Tab 2, Schedule 1 (Financial Commitment Agreement)
2.5.1	If the applicant is proposing any deviations from OEB policy as documented in the 2009 Report or any successor document, thorough justification must be provided.	**N/A**	Section 5.1 of Exhibit 5, Tab 1, Schedule 1 Applicant is aligned with the Board's Decision and Order EB-2016-0137 / 0138 / 0139.
2.5.2 Capital Structure			
2.5.2	The elements of the capital structure are presented with the appropriate schedules showing current OEB-approved, historical actuals, bridge and test years: • Long-term debt • Short-term debt • Preference shares • Common equity	**Yes**	Section 5.2 of Exhibit 5, Tab 1, Schedule 1
2.5.2	Explanations of material changes in actual capital structure are described including: • Retirements of debt or preference shares and buy-back of common shares • Short-term debt, long-term debt, preference shares and common share offerings	**Yes**	Section 5.2 of Exhibit 5, Tab 1, Schedule 1
2.5.2	Any proposal for a change to the deemed capital structure for a natural gas utility from that currently approved by the OEB, must be adequately supported in accordance with the 2009 Report or a successor document. As documented in the 2009 Report, any change in the deemed capital structure would be triggered by a significant change in financial, business or corporate fundamentals.	**N/A**	Section 5.2 of Exhibit 5, Tab 1, Schedule 1 Applicant not proposing any changes to the deemed capital structure.
EXHIBIT 6- REVENUE DEFICIENCY/SUFFICIENCY			
2.6	This exhibit includes the following: • Determination of net utility income • Statement of rate base • Actual utility return on rate base • Indicated rate of return • Requested rate of return • Deficiency or sufficiency in revenue • Gross deficiency or sufficiency in revenues	**Yes**	Section 6.0 Exhibit 6, Tab 1, Schedule 1 Impacts on rates of return are not reviewed as determined as element of competitive process.
2.6	Applicant has provided a summary of the drivers (including numerical schedules showing the causes) of the test year deficiency/sufficiency, along with the relative contribution of each driver. Specific references to the data contained in the detailed schedules and tables filed in the application are provided to enable mapping of the summary cost driver information in this exhibit, to the supporting evidence.	**Yes**	Exhibit 6, Tab 1, Schedule 1
2.6	Impacts are provided for any change in methodologies (e.g. accounting standards or policies) on the overall deficiency/sufficiency and on the individual cost drivers contributing to it.	**N/A**	

2019 Cost of Service Checklist

EB-2018-0264

Filing Requirement
Section # reference from "OEB Filing Requirements for Natural Gas Applications"

Date: April 11, 2019

		Yes/No/N/A	Evidence Reference, Notes
2.6	The applicant has isolated the delivery-related deficiency/sufficiency separate and apart from the gas supply-related deficiency/sufficiency and provided revenue deficiency or sufficiency calculations net of gas supply-related changes captured in the QRAM.	Yes	Exhibit 6, Tab 1, Schedule 1
2.6	The commodity cost to be used when filing the gas supply-related information is from the most recent OEB-approved QRAM, at the time of filing. The applicant should update the commodity and transportation costs for the most recently approved QRAM for the draft rate order process.	N/A	
EXHIBIT 7- COST ALLOCATION			
2.7	Applicant has provided its proposed cost allocation methodology in the form of a Cost Allocation Study including illustrative step-by-step schedules explaining the approach, and revenue-to-cost ratios. The revenue-to-cost ratios also include a comparison to the most recent OEB-approved revenue-to-cost ratios and the ratios proposed for the test year.	Yes	Section 7.4 Exhibit 7, Tab 1, Schedule 1
2.7	For any new cost allocation proposals, or changes to an existing methodology, the applicant is required to provide a detailed description of the change, the related financial impact, and the supporting rationale.	Yes	Section 7.4 Exhibit 7, Tab 1, Schedule 1
2.7	Applicant has included a schedule that compares the allocated customer-related costs per customer per month by rate class (and the cost functions included) to the level of the proposed fixed monthly customer charges and an explanation supporting the level of the proposed fixed monthly cost charges as compared to the allocated customer-related costs is provided.	Yes	Exhibit 7, Tab 1, Schedule 2 See Exhibit 8 for explanation of fixed charges
2.7	The cost allocation evidence is sufficient to demonstrate that the costs of providing each of the utility services, namely distribution, storage and/or transportation, have been assigned or allocated to assure that there is no undue cross subsidization among customer classes.	Yes	Section 7.1 of Exhibit 7, Tab 1, Schedule 1 Exhibit 7, Tab 1, Schedules 2
EXHIBIT 8- RATE DESIGN			
2.8	The rate design exhibit provides details of proposed changes to rates, proposed volume and revenue recovery, details regarding changes to proposed rate schedules, and detailed annual bill impacts	Yes	Section 8.0 of Exhibit 8, Tab 1, Schedule 1
2.8	Applicant has provided the existing rate schedules and the proposed rate schedules.	Yes	Exhibit 8, Tab 2, Schedule 2 (Proposed Rate Schedules) No existing rate schedule
2.8	The exhibit includes the following: • Proposed rate and revenue adjustments • Detailed calculations of revenue per rate class under current rates and proposed rates by customer class • Detailed reconciliation of rate class revenue and other revenue to total revenue requirement (i.e. breakout volumes, rates and revenues by rate blocks, seasons, zones, etc.) • Calculation of differences between revenue allocated under current rates and proposed rates by customer class • Explanation and application of non-cost factors to rate design • Impact of changes on representative samples of end-users, i.e. volume, % rate change, revenue • Explanation of proposed changes to terms and conditions of service and rationale supporting those changes • Presentation of miscellaneous service charges including the rationale for any changes relative to OEB-approved and how costing and pricing for any proposed new service charges, and/or changes to rates or rules for existing service charges is determined (utilities must ensure that the revenue from the total of the proposed miscellaneous service charges corresponds with the evidence under Operating Revenue)	Yes	Section 8.0 of Exhibit 8, Tab 1, Schedule 1 Exhibit 8, Tab 1, Schedules 9 - 12 (calculation of proposed revenue by rate class) Exhibit 8 , Tab 2, Schedule 1 (New Conditions of Service)
2.8.1 Bill Impacts			
2.8.1	Applicant has provided in summary form, bill impact information in both percentage and absolute dollar terms for all customer classes at the rate class level calculated at typical customer volumes and an average bill impact based on volumes at the rate class level.	Yes	Section 8.4 of Exhibit 8, Tab 1, Schedule 1 Exhibit 8, Tab 2, Schedules 9 - 12 (detailed bill impact)
2.8.1	The utility must file a mitigation plan if the total bill increase for any customer class is material. The mitigation plan must include the following information: • Identification of all customer classes or groups of customers that would experience material bill increases • A description of mitigation measures proposed, e.g. reductions to the revenue requirement, inter-class shifts, or longer disposition periods for deferral and variance account balances • A justification for all mitigation measures proposed, including reasons if no mitigation is proposed • Any other information believed to be relevant to the mitigation proposal	N/A	Initial rate proposal for utility. No rate mitigation for any specifc rate class.
2.8.2 Rate Harmonization Plan and Mitigation Issues			
2.8.2	Utilities which have merged or amalgamated service areas since their last cost of service or Custom IR application, must file a rate harmonization plan subject to established cost allocation and rate design principles for the natural gas sector.	N/A	

2019 Cost of Service Checklist

EB-2018-0264

Filing Requirement
Section # reference from "OEB Filing Requirements for Natural Gas Applications"

Date: April 11, 2019

		Yes/No/N/A	Evidence Reference, Notes
EXHIBIT 9 - DEFERRAL AND VARIANCE ACCOUNTS			
2.9	Applicant has to file for review and disposition of all remaining deferral and variance account balances at the time of a cost of service application. All account balances proposed for disposition must be supported by audited balances.	**N/A**	EPCOR is not proposing that any deferral and variance account balances be disposed of in this application
2.9	The information outlined below is provided whether or not the applicant is seeking disposition of any deferral and variance accounts: • List of all outstanding deferral and variance accounts including a description of the account • Confirmation that the interest rates established by the OEB were used to calculate the carrying charges for each deferral and variance account where carrying charges apply • Listing of accounts to be discontinued and the reasons • A statement as to whether or not the applicant has made any adjustments to deferral and variance account balances that were previously approved by the OEB on a final basis.	**Yes**	Section 9.0 of Exhibit 9, Tab 1, Schedule 1
2.9.1 Disposition of Deferral and Variance Accounts			
2.9.1	The applicant has: • Identified all accounts for which it is seeking disposition • Identified any accounts for which the applicant is not proposing disposition and the reasons • Propose the methodology and rationale for the recovery, or refund, of balances including the allocation methodology used, timing and duration of any rate riders, rate class impacts, and typical customer bill impacts • Provide a statement as to whether the balances proposed for disposition are consistent with the account balances reported in the RRR and the relevant year's audited financial statements and if not, provide explanations for variances	**Yes**	Section 9.0 and 9.1 of Exhibit 9, Tab 1, Schedule 1
2.9.1	For each account requested for disposition, the applicant has provided a continuity schedule for the period commencing from the establishment of the account or from the last approved disposition of the account, whichever is more recent, to the date of the most recent audited actuals.	**Yes**	Section 9.1 of Exhibit 9, Tab 1, Schedule 1 EPCOR has no existing deferral and variance accounts
2.9.1	The applicant has filed a continuity schedule in Excel format.	**N/A**	No exisitng deferral and variance accounts therefore no continuity schedules related to these accounts
2.9.2 Establishment of New Deferral and Variance Accounts			
2.9.2	In the event an applicant seeks an accounting order to establish a new deferral or variance account, the request must be accompanied by evidence of how the causation, materiality and prudence eligibility criteria are met.	**Yes**	Section 9.2 of Exhibit 9, Tab 1, Schedule 1
2.9.2	Applicant has included a draft accounting order that contains a description of the new account and its mechanics, the proposed general ledger entries, and the manner and timing proposed for disposition.	**Yes**	Exhibit 9, Tab 2, Schedule 1
2.9.3 Z-Factor			
2.9.3	An applicant may propose a Z-factor mechanism as part of its application.	**Yes**	Section 9.3 of Exhibit 9, Tab 1, Schedule 1
2.9.3	Z factor mechanism proposed addresses the four criteria of causation, materiality, prudence and management control.	**Yes**	Section 9.3 of Exhibit 9, Tab 1 , Schedule 1 Section 10.6 of Exhibit 10, Tab 1, Schedule 1
2.9.3	Process for the Z-factor mechanism proposed is consistent with the Z-factor policy applicable to electricity distributors and transmitters, and as outlined in the Filing Requirements for Natural Gas Rate Applications.	**Yes**	Section 9.3 of Exhibit 9, Tab 1 , Schedule 1
EXHIBIT 10 - INCENTIVE RATE-SETTING PROPOSAL			
2.10	This exhibit includes details of the components proposed for the Price Cap IR method including the basis for the inflation, productivity and stretch factors, customer protection measures, any capital factor proposed for the incentive rate-setting period, and any other elements in the proposal.	**Yes**	Exhibit 10, Tab 1, Schedule 1 Customer IR proposed
2.10	Utilities must also file their plan for any annual applications that may make up part of their proposal for the incentive rate-setting period.	**Yes**	Exhibit 10, Tab 1, Schedule 1
	TOTAL "NO"	**1**	Item 2.0.4 as Applicant is requesting approval for rates commencing January 1, 2019