

EB-2018-0336

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 approval to change gas distribution rates and other charges effective January 1, 2020 to December 31, 2024.

EPCOR NATURAL GAS LIMITED PARTNERSHIP

SETTLEMENT PROPOSAL

Filed: June 3, 2019

**ENGLP 2020 Rates
EB-2018-0336
Settlement Proposal
Filed: June 3, 2019**

**EPCOR Natural Gas Limited Partnership
EB-2018-0336**

Settlement Proposal

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APPENDIX K49

EPCOR Natural Gas Limited Partnership
EB-2018-0336
Settlement Proposal

Filed with OEB: June 3, 2019

EPCOR Natural Gas Limited Partnership (the “**Applicant**” or “**ENGLP**”) filed an application with the Ontario Energy Board (the “**Board**” or “**OEB**”) on January 31, 2019 under section 36 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B) (the “**Act**”) seeking approval for new distribution rates through a five-year incentive rate-setting plan (covering the period from January 1, 2020 to December 31, 2024 based on:

1. ENGLP’s forecasted Test Year (2020) revenue requirement of \$6,652,600 (updated to \$6,740,568 at 9-Staff-78); and
2. A Test Year delivery-related revenue sufficiency of \$352,267.

ENGLP also sought Board approval for, *inter alia*:

1. New fixed monthly charges;
2. A change to ENGLP’s depreciation rates;
3. The continuation of certain deferral and variance accounts, and the establishment of certain new deferral and variance accounts; and,
4. The disposition of certain deferral and variance account balances.

The Board issued a Notice of Hearing on February 28, 2019, which was served and posted as per the direction of the Board. IGPC Ethanol Inc. and Integrated Grain Processors Co-operative (collectively, “**IGPC**”), Enbridge Gas Inc. (“**Enbridge Gas**”) and the Vulnerable Energy Consumers Coalition (“**VECC**”) applied for and were granted intervenor status. Procedural Order No. 1 was issued on March 22, 2019 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 the settlement conference. On May 8, 2019, a proposed issued list was filed, and an Issues List Decision was rendered on May 10, 2019.

On May 14, 2019, ENGLP provided the Intervenors and OEB staff with updated information related to a recalculation of the depreciation expense in the Test Year, resulting in a reduced revenue requirement of \$6,403,421, and associated revised revenue sufficiency/deficiency, revenue to cost ratios, bill impact summaries, and summary of proposed changes to distribution rates. This document was not filed with the OEB. It has been included as **Appendix “A”** of this Settlement Proposal.

Further to the Board's Procedural Order Nos. 1 and 2, and its Issues List Decision on May 10, 2019, a settlement conference was convened on May 16, 2019 and continued to May 17, 2019 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**".

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. This agreement is subject to a condition subsequent, that if it is not accepted by the Board in its entirety (with the exception of Issues 4(d) and 4(e) which, pursuant to the Board's Decision on Issues List dated May 10, 2019, the OEB required be severable from this Settlement Proposal), 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.

There are Appendices to this Settlement Proposal which provide further support for the proposed settlement. The Parties acknowledge that the Appendices were prepared by ENGLP. While the Intervenor has reviewed the Appendices, the Intervenor is 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 May 10, 2019.

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. This includes an agreement to defer one issue (Issue 2(a)) with respect to prior year capital spending. 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 Intervenor 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 Intervenor 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>

The Parties have settled the issues as a package, and with the exception of Issues 4(d) and 4(e), none of the parts of this Settlement Proposal are severable. If the Board does not accept the non-severable provisions of 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 May 10, 2019.

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

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.

A summary of the changes in the revenue requirement resulting from Interrogatories and the Settlement Proposal is provided in the Table 1¹ below.

¹ Please note that any discrepancies in the figures in this Table 1 (and other Tables in this Settlement Proposal) are due to rounding.

Table 1
 Summary of Changes in the Revenue Requirement

(\$ thousands)

		A	B	C	D
		Application	Correction on Depreciation	Settlement	Change Due to Settlement
1	Transportation Cost	676	676	676	0
2	Distribution O&M	3,359	3,359	3,208	(150)
3	Depreciation	1,131	877	877	0
4	Property Tax	632	632	632	0
5	Income Tax	152	62	62	0
6	Cost of Debt	363	366	366	0
7	Cost of Equity	576	580	580	0
8	less: Other Revenue	(148)	(148)	(148)	0
9	Revenue Requirement	6,741	6,403	6,253	(150)

1. Administration

- (a) **Has EPCOR Natural Gas complied with the OEB directives from and since the utility’s last cost of service proceeding (EB-2010-0018)?**

Complete Settlement: The Parties agree that ENGLP has complied with the OEB directives from and since EB-2010-0018.

Evidence:

Application:

- Exhibit 1, Tab 1, Schedule 1, section 1.3.15.

IRRs:

- Staff Interrogatories: 1-Staff-11, 2-Staff-17, 2-Staff-28
- VECC Interrogatories: 2-VECC-6, 2-VECC-14

Supporting Parties: All

- (b) **Are the proposed changes to EPCOR Natural Gas’ Conditions of Service appropriate?**

Complete Settlement: For the purposes of the settlement of all of the issues in this proceeding, the Parties agree that ENGLP’s miscellaneous and service charges and fees shall be removed from ENGLP’s Conditions of Service and shall reside only within

ENGLP's rate schedules The revised Conditions of Service are provided for reference in **Appendix "B"**.

The Parties' agreement with respect to the proposed fees in ENGLP's Schedule of Miscellaneous and Service Charges is addressed in Issue 7 (c) below.

Evidence:

Application:

- Exhibit 1, Tab 1, Schedule 1, sections 1.3.16 and 1.3.17.
- Exhibit 4, Tab 1, Schedule 1, section 4.3.3.6.
- Exhibit 8, Tab 1, Schedule 1, section 8.0.
- Exhibit 8, Tab 3, Schedule 2

IRRs:

- Staff Interrogatories: 3-Staff-36, 8-Staff-71, 8-Staff-73
- VECC Interrogatories: 8-VECC-33, 8-VECC-34

Supporting Parties: All

2. Rate Base

(a) Were amounts closed (or proposed to be closed) to rate base since the utility's last rate proceeding in EB-2010-0018 prudently incurred?

Complete Settlement: With the exception of four capital projects constructed in 2016-17 (and discussed immediately below), the Parties agree that amounts closed (or proposed to be closed) to rate base since the utility's last rate proceeding in EB-2010-0018 were (or will be) prudently incurred.

In its Decision EB-2010-0018 (May 17, 2012) the Board ordered Natural Resource Gas Limited ("NRG") to complete an independent study that would examine engineering solutions and/or viable supply options within NRG's franchise area to resolve the stated system integrity issues. In the interim, the Board permitted NRG to purchase gas at a premium price of \$8.486 per mcf from an affiliate company at a maximum annual quantity of one million cubic metres. In 2016, NRG filed a cost-of-service rate application (EB-2016-0236). This application included both a System Integrity Study prepared by SNC-Lavalin and a Competitive Market Study prepared by Dr. Philip Walsh that examined the market for locally-sourced natural gas.

The application also outlined a number of projects which were presented as addressing the system integrity issues identified in these studies. The forecast capital costs of these

projects was (at that time) approximately \$2.0 million.² These capital projects to address the specified system integrity issues were never reviewed by the Board because the EB-2016-0236 was, in effect, superseded by ENGLP's application in EB-2018-0235 to finalize distribution rates through to the end of 2019 (following ENGLP's purchase of NRG's distribution system).

In this Application ENGLP has filed the former SNC-Lavalin study completed for NRG as well as an independent study by Cornerstone Energy Services that ENGLP has authorized, and which examines the system integrity issues as at 2018. ENGLP has included a number of future capital projects to address the issues raised in the Cornerstone study. For settlement purposes, the Parties agree that there is insufficient evidence to substantiate the projects completed by NRG between 2015 and 2017, and how they addressed system integrity issues. For this reason, the Parties have agreed to the establishment of a deferral account that would track the revenue requirement related to the four capital projects completed by NRG to address system integrity as of January 1, 2020, until such time as ENGLP can put before the Board sufficient evidence to support its request to include these four projects in rate base. The associated net book values of the four projects for 2020 are as follows:

1. \$402,639 for the Enbridge Gas (formerly Union Gas) Bradley Station Project.
2. \$748,383 for the pipeline from the Bradley Station to the Wilson Line project.
3. \$498,922 for the pipeline from the existing Putnam Station to Colloden Line project.
4. \$265,015 for the extension of the Springwater Road pipeline from south of Orwell to John Wise Line project.

The Parties agree that the Board could review the prudence of the four system integrity projects completed by NRG as a separate proceeding or as Phase 2 of this proceeding. For the purposes of this Settlement Proposal and rates effective January 1, 2020, the Parties have agreed to include these projects in rate base (i.e., presumption of prudence, subject to Board's prudence review at a subsequent proceeding or Phase 2 of this proceeding).

Evidence:

Application:

- Exhibit 1, Tab 1, Schedule 1, section 1.5.4.

IRRs:

² See EB-2016-0236, Exhibit 2, Tab 1, Schedule 1

- Staff Interrogatories: 1-Staff-11, 2-Staff-12, 2-Staff-21, 2-Staff-22, 2-Staff-24, 2-Staff-28
- IGPC Interrogatories: 2-IGPC-3, 2-IGPC-4, 2-IGPC-5

Supporting Parties: All

(b) **Is the level of planned capital expenditures appropriate and is the rationale for planning and pacing choices appropriate and adequately explained, giving due consideration to:**

- **customer feedback and preferences**
- **productivity**
- **benchmarking of costs**
- **reliability and service quality**
- **impact on distribution rates**
- **trade-offs with OM&A spending**
- **government-mandated obligations**
- **the objectives of EPCOR Natural Gas and its customers**
- **the utility system plan**
- **the business plan**

Complete Settlement: For the purposes of the settlement of all of the issues in this proceeding, the Parties accept the evidence of ENGLP that the level of planned capital expenditures, as summarized in Table 2.1 below is appropriate, and the rationale for planning and pacing choices are appropriate to maintain system reliability, service quality objectives and the reliable and safe operations of the distribution system.

The Parties acknowledge that ENGLP retains the full discretion to manage its capital spending in the Test Year and beyond in accordance with the actual operating conditions it confronts in any year.

The 2020 Test Year rate base agreed to by the parties is summarized in Table 2.2 below. The amounts agreed to include the rate base associated with the projects described at Issue 2(a), which will be the subject to a subsequent prudence review.

Table 2.1
Forecast Capital Expenditures by Asset Groups - Settlement
 (\$ thousands)

Category		A	B	C	D	E
		2020 Test	2021 F	2022 F	2023 F	2024 F
1	Land	0	0	0	0	0
2	Structures & Improvements - General Plant	31	0	0	0	0
3	Computer Equipment	10	11	11	11	11

4	Software - Acquired	26	106	0	0	0
5	Tools and Work Equipment	16	69	16	17	17
6	Vehicles - Transportation Equipment (ENGLP)	47	48	49	50	51
7	Vehicle - Heavy Work Equipment	0	85	0	0	0
8	Meters - Residential	126	128	131	133	136
9	Meters - Commercial	262	179	183	187	191
10	Regulators - New	41	42	42	43	44
11	Measuring and Regulating Equipment	41	42	42	43	44
12	Mains - Plastic (Distribution Plant)	574	589	600	612	624
13	Services - Plastic	172	157	161	163	167
14	Total Capital Expenditures	1,346	1,455	1,236	1,260	1,285

**Table 2.2
Summary of Changes in the Rate Base**

(\$ thousands)

		A	B	C
		Application	Settlement	Change
1	2019 Bridge Year Rate Base (Year End)	16,042	16,042	0
2	2020 Test Year Rate Base (Year End)	16,023	16,277	254
3	2020 Test Year Rate Base (Mid-year)	16,032	16,160	127

Evidence:

Application:

- Exhibit 1, Tab 1, Schedule 1, section 1.5.4 (incl. Table 1.5.4-3) and section 6.1.2.
- Exhibit 2, Tab 1, Schedule 1, section 2.5.
- Exhibit 5, Tab 1, Schedule 1.

IRRs:

- Staff Interrogatories: 2-Staff-14, 2-Staff-15, 2-Staff-17, 2-Staff-19, 2-Staff-23, 2-Staff-25, 2-Staff-26, 2-Staff-28, 2-Staff-29, 2-Staff-30, 2-Staff-31, 2-Staff-32, 2-Staff-33
- VECC Interrogatories: 2-VECC-2, 2-VECC-3, 2-VECC-5, 2-VECC-10, 2-VECC-11, 2-VECC-12, 2-VECC-13, 2-VECC-14, 10-VECC-37

Supporting Parties: All

(c) Is the working capital allowance for the 2020 Test Year appropriate?

Complete Settlement: ENGLP is not requesting any working capital allowance to be included in its rate base. The Parties agree that this is appropriate.

Evidence:

Application:

- Exhibit 2, Tab 1, Schedule 1, Section 2.3

Supporting Parties: All

3. Operating Revenue

(a) Are the customer addition forecasts for the 2019 Bridge Year and 2020 Test Year appropriate?

Complete Settlement: For the purposes of the settlement of all of the issues in this proceeding, the Parties agree that the customer addition forecasts for the 2019 Bridge Year and 2020 Test Year included in ENGLP’s Application are appropriate.

**Table 3
Forecasted Year End Connections**

	A Application Bridge 2019	B Application Test 2020	C Settlement Bridge 2019	E Settlement Test 2020	F Change Bridge 2019	G Change Test 2020
1 Rate 1 - Residential	8,747	9,011	8,747	9,011	0	0
2 Rate 1 - Commercial	490	498	490	498	0	0
3 Rate 1 - Industrial	68	69	68	69	0	0
4 Rate 2	51	49	51	49	0	0
5 Rate 3	6	6	6	6	0	0
6 Rate 4	37	38	37	38	0	0
7 Rate 5	4	4	4	4	0	0
8 Rate 6	1	1	1	1	0	0
9 Total	9,403	9,677	9,403	9,677	0	0

Evidence:

Application:

- Exhibit 3, Tab 1, Schedule 1, section 3.2.

IRRs:

- Staff Interrogatories: 2-Staff-14, 3-Staff-34, 3-Staff-35, 3-Staff-36, 3-Staff-41
- VECC Interrogatories: 3-VECC-15

Supporting Parties: All

- (b) **Are the volume throughput and revenue forecasts for the 2019 Bridge Year and 2020 Test Year appropriate?**

Complete Settlement: For the purposes of the settlement of all of the issues in this proceeding, the Parties agree that volume throughput and revenue forecasts for the 2019 Bridge Year and 2020 Test Year included in ENGLP’s Application are appropriate.

The Parties agree ENGLP will request furnace efficiency and number of persons in household in future customer engagement surveys and will update its volume throughput and revenue forecasting methodology in its next rebasing application to reflect these variables.

Table 4
Forecast Volumes
(m3’s)

	A	B	C	E	F	G
	Application	Application	Settlement	Settlement	Change	Change
	Bridge	Test	Bridge	Test	Bridge	Test
	2019	2020	2019	2020	2019	2020
1 Rate 1 - Residential	16,556,503	17,045,597	16,556,503	17,045,597	0	0
2 Rate 1 - Commercial	4,769,270	4,851,704	4,769,270	4,851,704	0	0
3 Rate 1 - Industrial	1,731,722	1,743,215	1,731,722	1,743,215	0	0
4 Rate 2	1,322,665	1,280,413	1,322,665	1,280,413	0	0
5 Rate 3	1,801,305	1,721,684	1,801,305	1,721,684	0	0
6 Rate 4	1,116,228	1,149,006	1,116,228	1,149,006	0	0
7 Rate 5	685,748	685,748	685,748	685,748	0	0
8 Rate 6	59,243,876	59,243,876	59,243,876	59,243,876	0	0
9 Total	87,227,317	87,721,242	87,227,317	87,721,242	0	0

Evidence:

Application:

- Exhibit 3, Tab 1, Schedule 1, section 3.1

IRRs:

- Staff Interrogatories: 3-Staff-34, 3-Staff-35, 3-Staff-37, 3-Staff -38, 3-Staff-39, 3-Staff-40, 3-Staff-41

- IGPC Interrogatories: 7-IGPC-17
- VECC Interrogatories: 3-VECC-17

Supporting Parties: All

(c) Are the proposed Other Revenues for the 2020 Test Year appropriate?

Complete Settlement: For the purposes of the settlement of all of the issues in this proceeding, the Parties agree that ENGLP’s calculation of Other Revenues for the 2020 Test Year as filed by ENGLP are appropriate. Revenues agreed upon are set out in Table 5 below.

Table 5
Other Revenues (\$ thousands)

	A	B	C
	Application	Settlement	Change
1 Transfer/Connection Charge	36	36	0
3 Reconnect Charge ¹	3	3	0
4 Returned Cheques	7	7	0
5 Utility Fees	68	68	0
6 Late Fees	18	18	0
7 Direct Charge	15	15	0
8 Bank Interest	1	1	0
9 Total Other Revenues	148	148	0

¹ Reconnect charges in the Application included disconnect charges. No change was made to Other Revenue when Parties agreed ENGLP would remove the disconnect fee.

Evidence:

Application:

- Exhibit 3, Tab 1, Schedule 1, section 3.4.

IRRs:

- Staff Interrogatories: 3-Staff-36, 8-Staff-71

Supporting Parties: All

4. Operating Costs

(a) Is the level of planned OM&A expenditures appropriate and is the rationale for planning choices appropriate and adequately explained, giving due consideration to:

- customer feedback and preferences
- productivity
- benchmarking of costs
- reliability and service quality
- impact on distribution rates
- trade-offs with capital spending
- government-mandated obligations
- the objectives of EPCOR Natural Gas and its customers
- the utility system plan
- the business plan
- Affiliate Shared Services
- Corporate Shared Services and the Corporate Structure/Status

Complete Settlement: For the purposes of the settlement of all of the issues in this proceeding, the Parties agree that OM&A expenditures of \$3,208,803 for the 2020 Test Year is appropriate. This amount includes an agreed reduction of \$150,000 from the applied-for OM&A amount (as adjusted via interrogatory responses).

The Parties agree that the revised planned OM&A expenditure amount is appropriate and reflects a reasonable increase from both bridge year actuals and the last approved Board approved amounts. The agreed OM&A expenditure amount is summarized in Table 6 below, and the Parties acknowledge that ENGLP is at liberty to manage the agreed upon reduction as it sees fit, given the actual cost pressures faced by the company.

Table 6
Summary of Changes in Distribution O&M

(\$ thousands)

		A	B	C
		Application	Settlement	Change
1	Wages	1,071	1,071	0
2	Employee Benefits	361	361	0
3	Insurance	86	86	0
4	Utilities	17	17	0
5	Advertising	34	34	0
6	Telephone	36	36	0
7	Office & Postage	127	127	0
8	Repair & Maintenance	118	118	0

9	Transp. Fuel/ Maint.	46	46	0
10	Dues & Fees	31	31	0
11	Mapping Expense	0	0	0
12	Regulatory	212	212	0
13	Bad Debts	34	34	0
14	Interest - Security Deposits	0	0	0
15	Bank Charges	6	6	0
16	Collection Expense	0	0	0
17	Travel & Ent.	15	15	0
18	Legal	34	34	0
19	Audit	31	31	0
20	Consulting Fees	117	117	0
21	Management Fees	0	0	0
22	Correction on CCA issue	0	0	0
23	Miscellaneous	0	0	0
24	Affiliate Shared Services	454	454	0
25	Corporate Shared Services	439	439	0
26	LEAP Funding	8	8	(1)
27	Maintenance Cost on IGPC Pipeline and Station	80	80	0
28	Settlement Proposal Adjustment	0	(150)	(150)
29	Total O&M	3,359	3,209	(151)

Evidence:

Application:

- Exhibit 4, Tab 1, Schedule 1, section 4.3.

IRRs:

- Staff Interrogatories: 2-Staff-19, 4-Staff-47, 4-Staff-48, 4-Staff-49, 4-Staff-50, 4-Staff-51, 4-Staff-52, 4-Staff-53, 4-Staff-54, 4-Staff-55, 4-Staff-56, 4-Staff-57
- IGPC Interrogatories: 1-IGPC-1, 1-IGPC-2, 3-IGPC-6, 4-ICPC-7, 4-IGPC-8, 4-ICPG-9, 4-IGPC-10, 4-IGPC-11, 4-IGPC-12, 4-IGPC-13, 4-IGPC-14
- VECC Interrogatories: 4-VECC-18, 4-VECC-20, 4-VECC-21, 4-VECC-22, 4-VECC-23, 4-VECC-24, 4-VECC-25, 4-VECC-26

Supporting Parties: All

(b) Are the depreciation costs for the 2020 Test Year appropriate?

Complete Settlement: For the purposes of the settlement of all of the issues in this proceeding, the Parties agree that ENGLP’s depreciation calculations are reasonable and have been appropriately determined in accordance with OEB policies and practices. The recalculated depreciation expense in the revenue requirement provided by ENGLP to the Parties on May 14, 2019 was accepted as appropriate. Table 7 below outlines the agreed upon depreciation costs.

In particular, the Parties agree that ENGLP’s proposal to change the depreciation rates for the residential meters asset class from 3.62% to 10% to reflect the seal life of ten years for a new residential meter (AC-250 meter) is appropriate given the impracticalities of implementing a sampling program which complies with Measurement Canada requirements in order to extend the useful life of these meters beyond the ten year seal life. This is based on ENGLP’s evidence that the cost to recertify a meter for the Aylmer operations is greater than the cost of a new residential meter including installation. The Parties accept ENGLP’s proposed approach to remove the meters at the end of the seal life and replace with a new or refurbished meter, the cost of which would be capitalized and depreciated over a ten year seal life.

The Parties also agree that in conjunction with the change in depreciation rate for the residential meters, ENGLP’s proposal to establish a deferral account to record the loss on disposal of meters in 2020 resulting from the change in depreciation is appropriate. The draft accounting order for this account is included in **Appendix “C”**.

Table 7
Summary of Changes of Depreciation Expense

(\$ thousands)

Asset Group	A Application	B Correction on Depreciation	C Settlement	D Change Due to Settlement
1 Land	0	0	0	0
2 Structures & Improvements - General Plant	14	15	15	0
3 Structures & Improvements – Distribution Plant	0	0	0	0
4 Structures & Improvements – Transmission Plant	0	0	0	0
5 Furnishing / Office Equipment	5	2	2	0
6 Computer Equipment	103	57	57	0
7 Software - Acquired	81	50	50	0
8 Tools and Work Equipment	51	18	18	0
9 Communication Equipment	15	5	5	0
10 Vehicles - Transportation Equipment	53	51	51	0
11 Vehicle - Heavy Work Equipment	0	0	0	0
12 Meters - Residential	88	125	125	0
13 Meters - Commercial	65	84	84	0
14 Meter – IGPC	2	8	8	0

15	Regulators - New	3	12	12	0
16	Regulator and Meter Installations	0	0	0	0
17	Measuring and Regulating Equipment	74	48	48	0
18	Mains - Plastic (Distribution Plant)	312	259	259	0
19	Mains - Metallic (Distribution Plant)	0	0	0	0
20	Mains - Metallic IGPC (Transmission Plant)	124	72	72	0
21	Plastic Service Lines (net of contributions)	101	37	37	0
22	Franchises and Consents	38	33	33	0
23	Total Depreciation	1,131	877	877	0

Evidence:

Application:

- Exhibit 4, Tab 1, Schedule 1, section 4.4.
- Appendix A: Recalculation of the depreciation expense in test year

IRRs:

- Staff Interrogatories: 2-Staff-13, 4-Staff-58, 4-Staff-60
- VECC Interrogatories: 2-VECC-3, 2-VECC-5

Supporting Parties: All

- (c) **Have all impacts of any changes in accounting standards, policies, estimates and adjustments been properly identified and recorded, and is the ratemaking treatment of each of these impacts appropriate?**

Complete Settlement: For the purposes of the settlement of all of the issues in this proceeding, the Parties agree that any changes in accounting standards, policies, estimates and adjustments have been properly identified and recorded, and the ratemaking treatment of each of these impacts is appropriate.

Evidence:

Application:

- Exhibit 1, Tab 1, Schedule 1, Sections 1.5.2, 1.3.14, 1.5.5
- Exhibit 2, Tab 1, Schedule 2, Sections 2.1 and 2.2.4
- Exhibit 4, Tab 1, Schedule 1, Section 4.4

IRRs:

- Staff Interrogatories: 2-Staff-16

- VECC Interrogatories: 2-VECC-3

Supporting Parties: All

- (d) **Are the cost consequences of the EPCOR Natural Gas Supply Plan, including the proposal for gas purchases from On-Energy Corp. appropriate?**

Complete Settlement: The Parties agree that ENGLP's proposal to use the Dawn Reference Price in place of the Ontario Landed Reference Price which Union Gas (now Enbridge Gas Inc.) ceased calculating effective January 1, 2017, to determine the cost of gas purchases in excess of 1.0 million cubic meters from NRG Corp. (and its successor On-Energy Corp.) for the period January 1, 2017 to December 31, 2019 is appropriate. In conjunction with this item, the Parties agree that the QRAM pricing that became interim as of January 1, 2017 as a result of the replacement reference price should be made final.

The Parties agree that ENGLP's Natural Gas Supply Plan for the 2020 Test Year and subsequent years will be the subject of a separate Board proceeding (EB-2019-0150), which may impact the associated cost consequences of this Settlement Proposal. With this understanding, the Parties agree that:

- ENGLP's proposal to use the Dawn Reference Price to determine the cost of gas purchases in excess of 1.0 million cubic meters from On-Energy Corp. for the period January 1, 2020 to the end of the term of the Gas Supply Agreement (September 30, 2020) is appropriate; and,
- ENGLP's proposal to recover from system gas customers (up to a maximum annual quantity of 1.0 million m³ of natural gas) the cost of gas purchased from On-Energy Corp. (previously NRG Corp.) at a rate of \$8.486 per Mcf until September 30, 2020, is appropriate.

ENGLP will continue to require locally-sourced natural gas through the time period covered by this Application. ENGLP now deals at arm's-length from local gas producers, and is negotiating pricing (to take effect at the end of September 2020, upon expiry of the existing contract) based on a discount to the Enbridge commodity rate under the M9 Tariff.

Evidence:

Application:

- Exhibit 4, Tab 4, Schedule 1
- Exhibit 9, Section 9.1.2.1, PGTVA 1-5 Reference Price

IRRs:

- Staff Interrogatories: 2-Staff-21, 2-Staff-23, 4-Staff-42, 4-Staff-43, 4-Staff-44, 4-Staff-45
- VECC Interrogatories: 2-VECC-8

Supporting Parties: All

(e) Is the gas transportation cost forecast for the 2020 Test Year appropriate?

Complete Settlement: The Parties agree that: (a) the gas transportation costs forecast of \$675,544 for the 2020 Test Year for customers in Rate classes 1 to 5 is appropriate; and (b) the PGTVA 1-5 reference price proposed in ENGLP’s Application appropriately represents the transportation costs included in ENGLP’s distribution rates for Rate classes 1 to 5 for the 2020 Test Year and therefore is the appropriate reference price for recording the difference between the transportation costs included in the distribution rates and the actual transportation costs incurred for the purposes of recording amounts in the PGTVA 1-5 variance account commencing January 1, 2020.

The Parties also agree that ENGLP’s proposal to continue to directly flow-through to the customer in Rate 6 the actual costs charged to ENGLP by Enbridge under its M9 and Bundled-T contracts with Enbridge for the volumes required to serve this customer is appropriate.

The Parties acknowledge that ENGLP’s Natural Gas Supply Plan is subject to a separate Board proceeding (EB-2019-0150), the outcome of which may impact these items. Table 8 provides the agreed upon PGTVA 1-5 reference price. A draft accounting order reflecting the agreed upon PGTVA 1-5 reference price is included in **Appendix “D”**.

Table 8
PGTVA 1-5 Reference Price (\$/m3)

	A Current	B Proposed 2020 Test Year	C Agreed Upon 2020 Test Year
1 PGTVA 1-5 Reference Price	\$0.018339/m3	\$0.023724	\$0.023724

Evidence:

Application:

- Exhibit 4, Tab 1, Schedule 1, Table 4.1-8
- Exhibit 9, Tab 1, Schedule 1

IRRs:

- Staff Interrogatories: 1-Staff-2, 1-Staff-3, 4-Staff-42

Supporting Parties: All

5. Deferral and Variance Accounts

- (a) **Is EPCOR Natural Gas’ proposal for deferral and variance accounts, including the balances in the existing accounts and their disposition, requests for new accounts and the continuation or closure of existing accounts, appropriate?**

Complete Settlement: For the purposes of the settlement of all of the issues in this proceeding, the Parties agree that ENGLP’s proposals for its deferral and variance accounts (including the balances in the existing accounts and their disposition, requests for new accounts and the continuation or closure of existing accounts) as filed are appropriate.

With respect to the Unaccounted For Gas Variance Account (“UFGVA”), the Parties agree that this account shall apply to Rates 1-5 and an annual materiality threshold of \$25,000 shall apply to this account. The draft accounting order for the UFGVA is provided in **Appendix “E”**.

The Parties acknowledge that in its responses to interrogatories ENGLP withdrew its request to establish the Recovery of Income Tax Deferral Account (“RITDA”) prior to the settlement conference. In addition to the deferral and variance accounts ENGLP filed to establish, the Parties agree that ENGLP shall establish the following additional deferral accounts:

1. The Accelerated CCA Income Taxes Variance Account (“ACITVA”) for ENGLP to record the income tax impact from the difference between the capital cost allowance (“CCA”) rates used in the income taxes payable calculation included in the 2020 revenue requirement (EB-2018-0336) and the accelerated CCA rates as enacted under Bill C-97, should EPCOR Natural Gas Limited Partnership (“ENGLP”) claim accelerated CCA for its Aylmer operations during the Price Cap IR Term. In the calculation of income taxes payable included in the 2020 revenue requirement, ENGLP has not claimed the accelerated CCA on eligible capital property. Therefore, this account is required to record the impact associated with changes to income taxes payable should ENGLP claim accelerated CCA during the Price Cap IR Term. The draft accounting order for this account is included as **Appendix “F”** to this settlement proposal.
2. A deferral account to record the revenue requirement associated with the four capital projects described in Issue 2(a) above. The draft accounting order for the 2016-2017 System Integrity Capital Projects Deferral Account is included as **Appendix “G”** to this Settlement Proposal.

3. The Earnings Share Mechanism Deferral Account (“ESMDA”) to record the annual earnings sharing mechanism over the Price Cap IR Term to be implemented for 2020-2024 as part of ENGLP’s Price Cap IR Plan as outlined in the Parties agreement under Issue 8 (a) below. The draft accounting order for this account is included as **Appendix “H”** to this settlement proposal.

4. The Approved Deferral/Variance Disposal Account (“ADVADA”) to track the collection/refund of all deferral and variance accounts against the balances which have been approved for disposition. The ADVADA will allow any over or under collection/refund on ENGLP’s deferral and variance account balances which have been approved for disposition to be tracked and accounted for in the same manner as Account 1595 (Disposition and Recovery/Refund of Regulatory Balances Control Account) as per the Uniform Chart of Accounts for Electricity Distributors. The draft accounting order for this account is included as **Appendix “I”** to this settlement proposal.

The Parties’ agreement regarding the ENGLP’s deferral and variance accounts is summarized in Table 9 below.

Table 9. Treatment of ENGLP’s Deferral and Variance Accounts

Account	A Dec 31, 2018 Balance (incl. interest) (\$)	B Disposition Proposal	C Continuance/ Account Closure/ Establishment Request
1 Purchased Gas Commodity Variance Account (“PGCVA”)	22,914	No Disposition	Continuance
2 Gas Purchase Rebalancing Account (“GPR”)”)	(178,286)	No Disposition	Continuance
3 Purchased Gas Transportation Variance Account Rates 1-5 (“PGTVA 1-5”)	35,662	Disposition	Continuance
4 Purchased Gas Transportation Variance Account Rates 6 (“PGTVA 6”)	180,941	Disposition	Closure
5 Regulatory Expense Deferral Account (“REDA”)	65,598	Disposition	Continuance
6 IFRS Conversion Cost Deferral Account (“IFRSDA”)	-	No Disposition	Closure
7 Transportation Service Charge Deferral Account (“TSCDA”)	-	No Disposition	Continuance
8 Greenhouse Gas Emissions Compliance Obligation – Customer-Related Deferral Account (“GGECRDA”)	(165,162)	No Disposition	Continuance
9 Greenhouse Gas Emissions Compliance Obligation – Facility-Related Deferral Account (“GGEFRDA”)	(1,252)	No Disposition	Continuance
10 Greenhouse Gas Emissions Impact Deferral Account (“GGEIDA”)	266,450	No Disposition	Continuance
11 2019 Rebalancing Deferral Account	-	No Disposition	Closure
12 Unaccounted For Gas Variance Account (“UFGVA”)	N/A	N/A	Established
13 Loss on Disposal of Meters Deferral Account (“LDMDA”)	N/A	N/A	Established
14 Accelerated CCA Income Tax Deferral Account (“ACITDA”)	N/A	N/A	Established
15 2016-17 System Integrity Capital Projects Deferral Account (“SICDA”)	N/A	N/A	Established
16 Earnings Share Mechanism Deferral Account (“ESMDA”)	N/A	N/A	Established
17 Approved Deferral/Variance Disposal Account (“ADVADA”)	N/A	N/A	Established

Tables **10** through **13** below outline the agreed upon disposition amounts and rate riders for each of the accounts the Parties agree shall be disposed of as a part of this proceeding.

Table 10 Disposition Amount and Twelve-Month Rate Rider for PGTVA 1-5

		A Unit	B Amount
1	PGTVA 1-5 audited Dec 31, 2018 balance	\$	35,466
2	PGTVA 1-5 audited carrying charges as of Dec. 31, 2018	\$	196
3	PGTVA 1-5 forecasted interest from Dec 31, 2018 through Dec 31, 2019	\$	797
4	Total Disposition Amount	\$	36,459
5	Total Forecasted Volume for Rate Classes 1 - 5	m3	28,475,446
6	12 Month Volumetric Rate Rider for Rate Classes 1 - 5	cents / m3	0.1280

Table 11 Twelve-Month Rate Rider for PGTVA 6 (\$)

		A Amount
1	PGTVA 6 audited Dec 31, 2018 balance	178,809
2	PGTVA 6 audited carrying charges as of Dec. 31, 2018	2,132
3	PGTVA 6 forecasted interest from Dec 31, 2018 through Dec 31, 2019	4,019
4	Total Disposition Amount	184,960
5	Fixed Monthly Rate Rider	15,413.33

Table 12 Disposition Amount for REDA (\$)

		A DSM	B All Other	C Total
1	REDA audited Dec 31, 2018 balance	2,803	61,973	64,776
2	REDA audited carrying charges as of Dec. 31, 2018	37	785	822
3	REDA forecasted interest from Dec 31, 2018 through Dec 31, 2019	63	1,393	1,456
4	Total Disposition Amount	2,903	64,151	67,054

Table 13 Twelve-Month Rate Rider for REDA

	A Unit	B Row Sum	C Rate 1 - Residential	D Rate 1 - Commercial	E Rate 1 - Industrial	F Rate 2	G Rate 3	H Rate 4	I Rate 5	J Rate 6
1 Average Connection Count	Cx	9,538	8,877	494	68	50	6	38	4	1
2 Allocation for DSM	%	100.00%	93.08%	5.18%	0.71%	0.52%	0.06%	0.40%	0.04%	0.00%
3 Allocation for Other REDA	%	100.00%	93.07%	5.18%	0.71%	0.52%	0.06%	0.40%	0.04%	0.01%
4 DSM	\$	2,903	2,702	150	21	15	2	12	1	0
5 Other REDA	\$	64,151	59,705	3,323	457	336	40	256	27	7
6 Sum	\$	67,054	62,407	3,473	478	352	42	267	28	7
7 Rate Rider / month	\$/ month		0.59	0.59	0.59	0.59	0.59	0.59	0.59	0.56

Evidence:

Application:

- Exhibit 9 – Deferral and Variance Accounts

IRRs:

- Staff Interrogatories: 1-Staff-5, 4-Staff-46, 4-Staff-57, 9-Staff-74, 9-Staff-76, 9-Staff-77, 9-Staff-78
- VECC Interrogatories: 9-VECC-35, 10-VECC-35, 10-VECC-36
- IGPC Interrogatories: 4-IGPC-8, 9-IGPC-18

Supporting Parties: All

6. Cost of Capital

- (a) **Is EPCOR Natural Gas’ proposed capital structure of 60% debt (56% long-term and 4% short-term) and 40% equity appropriate?**

Complete Settlement: The Parties agree that ENGLP’s proposed capital structure, as outlined in Table 14 below, is appropriate.

Table 14
2020 Capital Structure

	Capital Component	A Application	B Settlement	C Change
1	Equity	40%	40%	0%
2	LT Debt	56%	56%	0%
3	ST Debt	4%	4%	0%
4	Total	100%	100%	0%

Evidence:

Application:

- Exhibit 5, Tab 1, Schedule 1, Section 5.1 (Capital Structure)

IRRs:

- Staff Interrogatories: 5-Staff-63

Supporting Parties: All

- (b) **Is EPCOR Natural Gas’ cost of capital for the 2020 Test Year appropriate?**

Complete Settlement: The Parties agree that ENGLP’s cost of capital for the 2020 Test Year as outlined in Table 15 below is appropriate.

Table 15
2020 Cost of Capital

	Capital Component	A Application	B Settlement	C Change
1	Equity	8.98%	8.98%	0.00%
2	LT Debt	3.84%	3.84%	0.00%

3	ST Debt	2.82%	2.82%	0.00%
4	WACC	5.86%	5.86%	0.00%

Evidence:

Application:

- Exhibit 5, Tab 1, Schedule 1, section 5.0.

IRRs:

- Staff Interrogatories: 5-Staff-63

Supporting Parties: All

7. Cost Allocation and Rate Design

(a) Are the proposed changes to cost allocation, rate design and revenue-to-cost ratios appropriate?

Complete Settlement: The Parties agree that the proposed changes to cost allocation, rate design and revenue-to-cost ratios are appropriate, subject to the following agreed changes:

1. For the purposes of the settlement of all the issues in this proceeding, the Parties agree that the proposed changes to distribution rates will be revised as follows:
 - a. The Rate 1 fixed monthly rate will increase by \$1.00 for the 2020 Test Year to \$16.50. The Rate 1 fixed monthly rate shall then increase by \$1.00 per year for each year of the Price Cap IR Plan Term as originally proposed in the Price Cap IR Plan included in ENGLP’s Application; and,
 - b. The fixed monthly rate for Rate 4 shall increase from \$17.25 to \$20.00 for the 2020 Test Year.

Table 16 included below in Issue 7(b) includes the fixed monthly rates as agreed to by the Parties.

2. For the purposes of the settlement of all of the issues in this proceeding, the Parties agree that the proposed changes to the revenue-to-costs ratio will be revised as follows: ENGLP will increase distribution rates for Rates 4 and 5 in the 2020 Test Year to effect an increase of up to 10% for the typical customer in each of these classes in order to achieve a revenue to cost ratio of 1.06 for Rate 6 by correspondingly reducing the revenue to be recovered from Rate 6. These changes

shall not impact the total revenue to be collected by ENGLP, only the Rate class from which it is collected.

Evidence:

Application:

- Exhibit 7 – Cost Allocation
- Exhibit 8 – Rate Design
- Exhibit 1, Tab 1, Schedule 1, section 1.5.7.

IRRs:

- Staff Interrogatories: 2-Staff-20, 7-Staff-64, 7-Staff-65, 7-Staff-66, 7-Staff-67, 7-Staff-68, 7-Staff-70, 8-Staff-68, 8-Staff-69, 9-Staff-78
- VECC Interrogatories: 4-VECC-24, 7-VECC-29, 5-VECC-30, 8-VECC-30, 8-VECC-31
- IGPC Interrogatories: 1-IGPC-1, 7-IGPC-16, 7-IGPC-17

Supporting Parties: All

(b) Are the proposed rates appropriate?

Complete Settlement: Based on the settlement of issues in accordance with this Settlement Proposal, the Parties agree that the resultant rates are appropriate. The resultant rates are summarized in Table 16 below and the associated bill impacts of typical customers, 10th percentile customers and revenue to cost ratios are provided in Table 17, Table 18 and Table 19 respectively.

Table 16
Summary of Proposed Changes to Distribution Rates

Rate Class	A Rate Block	B Unit	C Application	D Correction on Depreciation	E Settlement	F Change Due to Settlement
1 Rate 1	Fixed Monthly Rate	\$ / month	17.00	17.00	16.50	-0.50
2	Tier 1 Rate (first 1,000 m3's)	cents / m3	14.9119	13.8753	13.6301	-0.2451
3	Tier 2 Rate (> 1,000 m3's)	cents / m3	12.0146	11.1288	10.9546	-0.1742
4 Rate 2	Fixed Monthly Rate	\$ / month	20.00	20.00	20.00	0.00
5	<u>April - October</u>					
6	<u>Tier 1 (First 1,000 m3 per month)</u>	cents / m3	17.0476	17.0476	16.7582	-0.2894
7	<u>Tier 2 (Next 24,000 m3 per month)</u>	cents / m3	9.3570	9.0085	8.7056	-0.3029
8	<u>Tier 3 (Over 25,000 m3 per month)</u>	cents / m3	6.7868	6.7868	6.7868	0.0000
9	<u>November - March</u>					
10	<u>Tier 1 (First 1,000 m3 per month)</u>	cents / m3	21.4882	21.4882	21.1234	-0.3648
11	<u>Tier 2 (Next 24,000 m3 per month)</u>	cents / m3	15.4880	14.9112	14.4099	-0.5013
12	<u>Tier 3 (Over 25,000 m3 per month)</u>	cents / m3	15.2899	15.2899	15.2899	0.0000
13 Rate 3	Fixed Monthly Rate	\$ / month	200.00	200.00	200.00	0.00
14	Firm Demand	cents / m3 / month	29.0974	29.0974	29.0974	0.0000
15	Firm Delivery	cents / m3	4.0367	4.0367	3.8403	-0.1964
16 Rate 4	Fixed Monthly Rate	\$ / month	17.25	17.25	20.00	2.75
17	<u>April - December</u>					
18	Block 1 (First 1,000 m3 per month)	cents / m3	18.5480	18.0919	18.5840	0.4922
19	Block 2 (Over 1,000 m3 per month)	cents / m3	11.3804	11.1005	11.4025	0.3020
20	<u>January - March</u>					
21	Block 1 (First 1,000 m3 per month)	cents / m3	23.6622	23.0802	23.7081	0.6279
22	Block 2 (Over 1,000 m3 per month)	cents / m3	18.2847	17.8350	18.3202	0.4852
23 Rate 5	Fixed Monthly Rate	\$ / month	190.00	190.00	190.00	0.00
24	Interruptible Delivery	cents / m3	8.2606	8.2606	8.2908	0.0302
25 Rate 6	Fixed Monthly Rate	\$ / month	71,812.87	64,253.62	61,229.92	-3,023.70

Table 17
Summary of Annual Distribution Rate Impacts (Typical)

Rate Class	A Annual Bill Current Rates	B Annual Bill Proposed Rates	C Change (\$)	D Change (%)
1 Rate 1 - Residential	469.92	440.65	-29.27	-6.23%
2 Rate 1 - Commercial	832.18	750.24	-81.93	-9.85%
3 Rate 1 - Industrial	2,080.55	1,835.07	-245.48	-11.80%
4 Rate 2	2,691.46	2,568.09	-123.36	-4.58%

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5	Rate 3	93,609.24	93,382.08	-227.16	-0.24%
6	Rate 4	2,283.44	2,490.24	206.80	9.06%
7	Rate 5	14,922.42	16,404.81	1,482.39	9.93%
8	Rate 6	1,133,887.44	734,759.06	-399,128.38	-35.20%

Table 18

Summary of Annual Distribution Rate Impacts (10th Percentile)

Rate Class		A Annual Bill Current Rates	B Annual Bill Proposed Rates	C Change (\$)	D Change (%)
1	Rate 1 - Residential	264.28	264.90	0.62	0.23%
2	Rate 1 - Commercial	304.53	299.30	-5.23	-1.72%
3	Rate 1 - Industrial	551.97	510.77	-41.20	-7.46%
4	Rate 2	437.55	463.63	26.08	5.96%
5	Rate 3	9,645.92	9,929.81	283.89	2.94%
6	Rate 4	968.06	1,064.76	96.70	9.99%
7	Rate 5	6,498.74	7,147.18	648.45	9.98%
8	Rate 6	1,133,887.44	734,759.06	-399,128.38	-35.20%

Table 19

Distribution Revenue to Cost Comparison (excluding Commodity)

(\$)

		A	B	C	D	E	F	G	H	I	J
		Total	Rate 1	Rate 1 - Residential	Rate 1 - Commercial	Rate 1 - Industrial	Rate 2	Rate 3	Rate 4	Rate 5	Rate 6
1	Proposed Revenue	6,253,241	4,983,317	4,078,102	690,283	214,933	152,112	167,703	149,375	65,974	734,759
2	Cost	6,253,241	4,973,798	4,146,402	667,480	159,915	151,127	172,501	161,207	103,870	690,739
3	Over (Under) Contribution	(0)	9,520	(68,300)	22,802	55,017	985	(4,798)	(11,832)	(37,896)	44,020
4	Proposed Revenue to Cost Ratio	1.00	1.00	0.98	1.03	1.34	1.01	0.97	0.93	0.64	1.06
5	EB-2010-0018 Approved	0.98	0.99	0.94	1.47	0.72	0.37	0.93	1.14	0.61	1.06

Evidence:

Application:

- Exhibit 8, Tab 2, Schedule 4 (Proposed Rates and Schedules)

IRRs:

- Staff Interrogatories: 2-Staff-14, 9-Staff-78

Supporting Parties: All

(c) Are the proposed changes to EPCOR Natural Gas' Schedule of Service Charges appropriate?

Complete Settlement: For the purposes of the settlement of all of the issues in this proceeding, the Parties agree to the following changes to its Miscellaneous Charges schedule: (1) removal of a disconnection fee; (2) continuation of the NSF (returned cheque) fee at \$20; (3) clarification that the service lateral associated with the installation of service lateral fee is 20 metres.

**Table 20
Summary of Settled Service and Miscellaneous Charges**

Service	A Current Fee (2011)	B Proposed Fee	C Settled Fee
1 Service Work			
2 During normal working hours			
3 Minimum charge (up to 60 minutes)	\$90.00	\$100.00	\$100.00
4 Each additional hour (or part thereof)	\$90.00	\$100.00	\$100.00
5 Outside normal working hours			
6 Minimum charge (up to 60 minutes)	\$115.00	\$130.00	\$130.00
7 Each additional hour (or part thereof)	\$95.00	\$105.00	\$105.00
8 Miscellaneous Charges			
9 Returned Cheque / Payment	\$20.00	\$48.00	\$20.00
10 Replies to request for account information	\$20.00	\$25.00	\$25.00
11 Bill Reprint / Statement Print Requests		\$20.00	\$20.00
12 Consumption Summary Requests		\$20.00	\$20.00
13 Customer Transfer / Connection Charge	\$30.00	\$35.00	\$35.00
14 Reconnection Charge	\$78.00	\$85.00	\$85.00
15 Inactive Account Charge		ENGLP cost to install service	ENGLP cost to install service
16 Late Payment Charge	1.5% /month, 19.56% /year (effective rate of 0.04896% compounded daily)	1.5% / month, 19.56% / year (effective rate of 0.04896% compounded daily)	1.5% / month, 19.56% / year (effective rate of 0.04896% compounded daily)
17 Meter Tested at Customer Request Found to be Accurate	Charge based on actual costs	Charge based on actual costs	Charge based on actual costs

18	Installation of Service Lateral	\$100 first 20 meters. \$10/meter thereafter	\$100 (minimum). Additional if pipe length exceeds length used to set fee.	\$100 first 20 meters. Additional if pipe length exceeds length used to set fee.
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Evidence:

Application:

- Exhibit 1, Tab 1, Schedule 1, section 1.3.16.

IRRs:

- Staff Interrogatories: 3-Staff-36, 8-Staff-71
- VECC Interrogatories: 8-VECC-32, 8-VECC-33

Supporting Parties: All

8. *Incentive Regulation Plan*

(a) Is EPCOR Natural Gas’ proposed Incentive Regulation Plan for the period 2021 to 2024 appropriate?

Complete Settlement: For the purposes of the settlement of all of the issues in this proceeding, the Parties agree that the proposed Incentive Regulation (“IR”) Plan for the period 2021 to 2024 as filed in its Application including: (a) an annual adjustment mechanism or Price Cap Adjustment; (b) specified Y-factors; (c) use of Z-factor adjustments; (d) tax changes; (e) use of an incremental capital module; and (f) an earnings dead band off-ramp is appropriate, subject to the following agreed changes:

1. ENGLP will employ a stretch factor of 0.4% for the calculation of the annual Price Cap Adjustment for its Aylmer business unit over the IR term.
2. The Y-factor related to income taxes payable is removed in conjunction with ENGLP’s withdrawal of its request to establish the Recovery of Income Tax Deferral Account (“RITDA”) as noted in Issue 5 (a) above.
3. ENGLP will implement an asymmetrical Earnings Sharing Mechanism (“ESM”) based on an assessment of earnings over the term covered by this Application (2020-2024). In the event that the utility’s cumulative ROE at the end of the period 2020 through 2024 exceeds the Board-approved ROE by more than 150 basis points, ENGLP is required to share with ratepayers 50% of the earnings which are in excess of the 150 basis points threshold. For additional clarity, the cumulative ROE will be calculated as the sum of actual regulated net income over the term, taking into account any necessary adjustments, divided by the sum of

the actual regulated equity balances for the same term (i.e. considers rate base growth). For the purposes of calculating the utility's regulated net income for the determination of cumulative ROE for assessment under the ESM, ENGLP's annual Affiliate and Corporate Shared Services costs included in O&M costs as described in the original application for EB-2018-0336 shall be capped at the lower of: (a) actual costs incurred annually; or (b) the Affiliate and Corporate Shared Services costs included in the 2020 Test Year Board-approved revenue requirement per EB-2018-0336 as inflated annually by the inflation factors approved for use in ENGLP's annual IRM applications.

Evidence:

Application:

- Exhibit 1, Tab 1, Schedule 1, section 1.3.11.
- Exhibit 10 – Incentive Rate-Setting Proposal

IRRs:

- Staff Interrogatories: 9-Staff-78, 10-Staff-79, 10-Staff-80, 10-Staff-81
- VECC Interrogatories: 8-VECC-31, 10-VECC-37, 10-VECC-38

Supporting Parties: All

9. Score Card

(a) Is EPCOR Natural Gas' proposed Score Card appropriate?

Complete Settlement: For the purposes of the settlement of all of the issues in this proceeding, the Parties agree that the proposed Scorecard is appropriate, subject to the following agreed changes:

1. The Scorecard shall include total cost per customer per year and total cost per kilometre of distribution pipe per year.

The agreed upon Scorecard is provided in **Appendix "J"** to this settlement proposal.

Evidence:

Application:

- Exhibit 1, Tab 1, Schedule 1, section 1.7.

Supporting Parties: All

APPENDIX A

UPDATED INFORMATION ENGLP PROVIDED TO THE INTERVENORS AND OEB
 STAFF MAY 14, 2019 TO REFLECT THE RECALCULATION OF THE
 DEPRECIATION EXPENSE IN TEST YEAR

Table 1
Changes to 2020 Revenue Requirement (\$)

Item	A
1 Revenue Requirement filed January 31, 2019	6,652,600
2 Changes to Income Tax (see 1-STAFF-07, 4-STAFF-59)	146,786
3 Updated PP&E Additions to reflect 2018 Actuals & Updates to Depreciation Calculations	3,937
4 Adjusted 2019 and 2020 capital expenditures (see 2-STAFF-24 & 2-VECC-12)	(27,844)
5 Updated Other Revenue projection (see 3-STAFF-36)	(34,911)
6 Reduction in depreciation resulting from correction to application of proposed new useful lives	(337,147)
7 Revised Revenue Requirement	6,403,421

Table 2
Summary of 2020 Revenue Requirement (\$)

Description	A 2020 Test
1 Transportation Cost	675,547
2 OM&A	3,370,304
3 Depreciation	876,563
4 Property Taxes	632,000
5 Income Taxes	61,842
6 Cost of Capital	946,443
7 Cost of Service before Revenue Offsets	6,562,700
8 Other Revenue	(147,778)
9 System Gas Fee	(11,501)
10 Revenue Requirement	6,403,421

Table 3
Cost Drivers of Revenue Sufficiency (\$)

Description	A 2020 Revenue at Existing Rates	B 2020 Proposed Revenue Requirement	C Variance
1 Transportation Costs	700,200	675,547	(24,653)
2 Operation and Maintenance	3,360,306	3,358,803	(1,502)
3 Depreciation and Amortization	1,334,155	876,563	(457,592)
4 Property Taxes	627,917	632,000	4,083

**ENGLP 2020 Rates
EB-2018-0336
Settlement Proposal
Filed: June 3, 2019**

5	Income Taxes	157,265	61,842	(95,423)
6	Return on Rate Base	942,214	946,443	4,229
7	Other Revenue	(117,190)	(147,778)	(30,588)
8	Total	7,004,867	6,403,421	(601,446)

**Table 4
Distribution Revenue to Cost Comparison (Excluding commodity) (\$)**

	A Total	B Rate 1	C Rate 1 - Residential	D Rate 1 - Commercial	E Rate 1 - Industrial	F Rate 2	G Rate 3	H Rate 4	I Rate 5	J Rate 6
1 Proposed Revenue	6,403,421	5,095,042	4,173,072	703,315	218,655	156,078	171,084	144,407	65,767	771,043
2 Cost	6,403,421	5,090,997	4,245,675	681,919	163,404	155,110	175,899	165,489	106,642	709,284
3 Over (Under) Contribution	(0)	4,045	(72,603)	21,396	55,251	968	(4,815)	(21,082)	(40,875)	61,759
4 Proposed Revenue to Cost Ratio	1.00	1.00	0.98	1.03	1.34	1.01	0.97	0.87	0.62	1.09
5 EB-2010-0018 Approved	0.98	0.99	0.94	1.47	0.72	0.37	0.93	1.14	0.61	1.06

**Table 5
Summary of Annual Distribution Rate Impacts (Typical)**

Rate Class	A Annual Bill Current Rates	B Annual Bill Proposed Rates	C Change (\$)	D Change (%)
1 Rate 1 - Residential	469.92	451.01	-18.91	-4.02%
2 Rate 1 - Commercial	832.18	766.17	-66.00	-7.93%
3 Rate 1 - Industrial	2,080.55	1,870.19	-210.36	-10.11%
4 Rate 2	2,691.46	2,633.64	-57.82	-2.15%
5 Rate 3	93,609.24	93,613.69	4.45	0.00%
6 Rate 4	2,283.44	2,397.65	114.20	5.00%
7 Rate 5	14,922.42	16,353.40	1,430.98	9.59%
8 Rate 6	1,133,887.44	771,043.46	-362,843.98	-32.00%

**Table 6
Summary of Annual Distribution Rate Impacts (10th Percentile)**

Rate Class	A Annual Bill Current Rates	B Annual Bill Proposed Rates	C Change (\$)	D Change (%)
1 Rate 1 - Residential	264.28	272.10	7.82	2.96%
2 Rate 1 - Commercial	304.53	307.12	2.59	0.85%
3 Rate 1 - Industrial	551.97	522.39	-29.58	-5.36%
4 Rate 2	437.55	467.49	29.95	6.84%

5	Rate 3	9,645.92	9,948.98	303.06	3.14%
6	Rate 4	968.06	1,009.92	41.86	4.32%
7	Rate 5	6,498.74	7,129.47	630.73	9.71%
8	Rate 6	1,133,887.44	771,043.46	-362,843.98	-32.00%

Table 7
Summary of Proposed Changes to Distribution Rates

A	B	C	D	E	F	
Rate Class	Rate Block	Unit	Current Rates	Proposed Rates	Difference	
1	Rate 1	Fixed Monthly Rate	\$ / month	15.50	17.00	1.50
2		Tier 1 Rate (first 1,000 m3's)	cents / m3	15.9486	13.8753	(2.0733)
3		Tier 2 Rate (> 1,000 m3's)	cents / m3	11.3519	11.1288	(0.2231)
4	Rate 2	Fixed Monthly Rate	\$ / month	17.25	20.00	2.75
5		<u>April - October</u>				
6		<u>Tier 1 (First 1,000 m3 per month)</u>	cents / m3	17.2765	17.0476	(0.2289)
7		<u>Tier 2 (Next 24,000 m3 per month)</u>	cents / m3	9.4826	9.0085	(0.4741)
8		<u>Tier 3 (Over 25,000 m3 per month)</u>	cents / m3	6.1698	6.7868	0.6170
9		<u>November - March</u>				
10		<u>Tier 1 (First 1,000 m3 per month)</u>	cents / m3	21.7767	21.4882	(0.2885)
11		<u>Tier 2 (Next 24,000 m3 per month)</u>	cents / m3	15.6960	14.9112	(0.7848)
12		<u>Tier 3 (Over 25,000 m3 per month)</u>	cents / m3	15.2899	15.2899	0.0000
13	Rate 3	Fixed Monthly Rate	\$ / month	172.50	200.00	27.50
14		Firm Demand	cents / m3 / month	29.0974	29.0974	0.0000
15		Firm Delivery	cents / m3	4.3127	4.0367	(0.2760)
16	Rate 4	Fixed Monthly Rate	\$ / month	17.25	17.25	0.00
17		<u>April - December</u>				
18		Block 1 (First 1,000 m ³ per month)	cents / m3	17.1487	18.0919	0.9432
19		Block 2 (Over 1,000 m ³ per month)	cents / m3	10.5218	11.1005	0.5787
20		<u>January - March</u>				
21		Block 1 (First 1,000 m ³ per month)	cents / m3	21.8770	23.0802	1.2032
22		Block 2 (Over 1,000 m ³ per month)	cents / m3	16.9052	17.8350	0.9298
23	Rate 5	Fixed Monthly Rate	\$ / month	172.50	190.00	17.50
24		Firm Delivery	cents / m3	7.5439	8.2606	0.7167
25	Rate 6	Fixed Monthly Rate	\$ / month	94,490.62	64,253.62	(30,237.00)

**APPENDIX B
CONDITIONS OF SERVICE**



EPCOR Natural Gas Limited Partnership - Aylmer Natural Gas Operations

Conditions of Service

**Effective January 1, 2020
EB-2018-0336**

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1 PREAMBLE

EPCOR Natural Gas Limited Partnership's Aylmer Operations ("EPCOR") sells and distributes natural gas to approximately 8,800 Customers in and around Aylmer, Ontario. EPCOR's franchise areas extend from just south of Highway 401 (in the north) to the shores of Lake Erie (in the south), and from Port Bruce (in the west) to Clear Creek (in the east).

These Conditions of Service provide a summary of EPCOR's standards and practices governing the relationship between EPCOR and its Customers. This document does not supersede any terms and conditions set out in EPCOR's Rate Schedules approved by the Ontario Energy Board ("OEB"). EPCOR reserves the right to modify these Conditions of Service at any time.

Capitalized terms are defined in Appendix A.

2 GAS DISTRIBUTION SERVICES

Gas distribution services will be made available to new residential, commercial and industrial Customers within EPCOR's franchise areas if EPCOR, at its sole discretion, determines that:

- a) sufficient gas supply exists;
- b) sufficient transportation and distribution capacity exists;
- c) installation of the infrastructure required would not pose any safety or other risk; and,
- d) installation of the infrastructure required is determined to be economically feasible.

2.1 Gas Distribution and/or Supply Interruptions

EPCOR may require Customers to curtail or discontinue the use of gas if the supply of gas is jeopardized in the event of:

- a) an actual or threatened shortage of gas due to circumstances beyond EPCOR's control;
- b) a curtailment or restricted gas usage being ordered by a governmental authority or agency having jurisdiction; or
- c) an event of Force Majeure.

EPCOR may also be required to interrupt gas service from time to time for repair and/or maintenance of its facilities. Except in the case of an emergency, affected Customers will be given reasonable notice of such interruption. EPCOR shall not be liable for any loss of production, nor for any loss or damages whatsoever associated with curtailment, discontinuance, interruption or any other failure of supply.

2.2 Delivery Point

The point of delivery of all gas (or redelivery in the case of gas directly purchased by a Customer) shall be at the outlet of EPCOR's Meter. At the point of delivery, all gas delivered becomes property of the

Customer. All gas passing through the Meter, whether it is used or lost through leakage downstream of the Meter, is the Customer's responsibility and the Customer shall pay for that gas.

3 RATE SCHEDULES

The rates EPCOR charges for its various gas distribution and supply services are set out in EPCOR's Rate Schedules, which are approved by the OEB from time to time. When EPCOR's Rate Schedules are amended by the OEB, the amended rate(s) and/or term(s) will apply to Customers on the effective date established by the OEB.

4 INITIATION OF SERVICE

4.1 Application for Service

A potential Customer requesting natural gas service must complete EPCOR's "Application for Natural Gas Service" form ("Application") attached at Schedule 2 to these Conditions of Service. Contract Rate Customers are required to execute a contract for a specified term of not less than one (1) year.

EPCOR may approve an Application, taking into account the criteria set out in Section 2, and the conditions set out in Sections 4.2 and 4.3. If serving the potential Customer would require EPCOR to construct a new Service Lateral, the Customer must also complete EPCOR's "Meter Size and Location Request" form.

A transfer/connection fee, plus applicable taxes will be charged for an approved Application, which will be applied to the Customer's first natural gas bill. In addition, a new Customer may be required to provide a security deposit in accordance with EPCOR's security deposit policy set out in Section 6.3.

The Application for Natural Gas Service form is attached to these Conditions of Service in Schedule 2. This form is also available on EPCOR's website at www.epcor.com under "Sign up details", in person at EPCOR's office or by contacting an EPCOR customer service representative at 1-519-773-5321.

4.2 Main Extensions

EPCOR will make extensions of its natural gas Mains within its franchise area to serve new Customers when EPCOR, at its sole discretion, determines that: (a) the criteria outlined in Section 2 have been met; and (b) the Main Extension will not disturb or impair the service to other Customers. The following criteria will be used by EPCOR to review the economic feasibility of a Main Extension:

- a) the full cost of extending the gas Main;
- b) the number of potential new Customers that will be served off the Main Extension within the next five (5) years; and
- c) the amount of natural gas expected to be used by those Customers.

If the Main Extension is not economically feasible, the potential new Customer(s) will be required to pay a Contribution-in-Aid-of-Construction (“CIAC”) in an amount to be determined by EPCOR, consistent with OEB guidelines, to make the Main Extension project economically feasible. If a CIAC is required, EPCOR will notify the potential new Customer(s) of the amount of the CIAC. In addition, the potential new Customer(s) may be required to sign a CIAC agreement. EPCOR will begin planning the installation once the CIAC has been paid in full.

Many factors affect the installation of Main Extensions. As a result, EPCOR cannot guarantee the time required to complete a Main Extension.

4.3 Service Lateral Installations

In addition to the criteria in Section 2 above, the following conditions must be met prior to the installation of Service Laterals within EPCOR’s franchise area:

- a) an Application and/or contract as outlined in Section 4.1 above have been properly completed and approved/executed;
- b) any applicable security deposit has been provided;
- c) any associated Main Extensions have been determined to be economically feasible, or the required CIAC has been paid as outlined in Section 4.2; and,
- d) all fees for the Service Lateral installation (as described below) have been paid.

For each Service Lateral request, EPCOR shall complete a construction estimate for the Service Lateral extending from the Customer’s property line to the Meter location selected by EPCOR. The minimum fee for installation of a natural gas Service Lateral outlined in EPCOR’s Schedule of Miscellaneous and Service Charges included in its Rate Schedules includes up to 20 meters of pipe. Additional fees may be charged if the length of pipe required to bring the Service Lateral to the Meter location exceeds the 20 meter length EPCOR uses to set this fee.

EPCOR may, at its sole discretion, accommodate requests made by the Customer regarding the location of the service or other specific requirements and in such cases, the Customer will be responsible for any additional costs associated with the request.

EPCOR will try to restore Customers’ property to the approximate condition in which it was found prior to EPCOR’s work. This includes property that is excavated or disrupted during laying, constructing, repairing or removing EPCOR’s facilities. Such restoration costs are included in the installation fees charged to the Customer.

Many factors affect the installation of services. As a result, EPCOR cannot guarantee the time required to install a new service.

A Meter connection shall be established as soon as practical after the installation of the service line at the Customer’s premises and will be subject to EPCOR’s monthly fixed charge from that date. If a

Customer does not have any natural gas consumption within 12 months of installation of a new gas service, they will be required to reimburse EPCOR for any service line installation costs not covered by any Service Lateral installation fee charged at the time of installation.

4.4 Meter Locations

EPCOR will determine the location of any Customer Meter. EPCOR will make every effort to install Meters to be accessible for inspection, reading, testing, maintenance and exchange. All Meter locations must comply with all applicable legal requirements, including the *Technical Standards and Safety Act* and its associated regulations.

For Residential Customers, Meters may be located on the front or on either side of the dwelling receiving gas service. A Meter located on the side of a dwelling cannot be greater than ten feet from the front corner of the dwelling. When the distance from the property line to a dwelling or building requiring the natural gas service exceeds 100 meters, the Meter may be required to be located near the property line and the Customer will be responsible for the installation of the piping from the outlet of the Meter as per Section 4.6.

Where outside Meters are installed in locations that do not afford reasonable protection from damage, a physical barrier will be provided as part of the installation. Customers are subsequently responsible for the protection of all metering equipment necessary for the supply of gas, and for keeping it accessible at all times. If at the time of installation, a Meter is adequately protected, and the protection is subsequently compromised by alterations to the property, the Customer will be responsible for EPCOR's cost to install meter protection. Customers will be held liable for any or damage to EPCOR's metering or regulating equipment on their premises that is determined, in EPCOR's judgment, to be beyond ordinary wear and tear, and shall pay EPCOR the cost of any necessary repairs or replacements.

4.5 Alterations or Service Relocations

The cost of work done to alter or relocate existing services and equipment solely for the convenience of the Customer, or to accommodate a Customer's modified requirements, will be charged to the Customer.

4.6 Customer Piping, Appliances and Equipment

Customers shall, at their own expense, equip their premises with all piping, controls, safety devices and other attachments from the outlet of the Meter to the appliances or equipment served. Customers are responsible for maintaining the piping and equipment beyond the outlet (customer) side of the Meter, at their own expense. Customers shall ensure that all such piping and attachments are installed and maintained in accordance with EPCOR's requirements contained herein, the *Technical Standards and Safety Act* (and associated regulations), and any other applicable laws, regulations, rules, codes or standards.

Meters will not be connected to a Customer's piping when that piping, and/or appliances or equipment attached thereto, is known by EPCOR to be defective or not in accordance with applicable laws, regulations, rules, standards or codes. EPCOR reserves the right to discontinue service at any time should it find the piping, venting, appliances or other gas equipment on the Customer's premises to be defective, in an unsafe condition or not in compliance with laws, regulations, rules, standards or codes .

The Customer is required to immediately notify EPCOR of any leakage or escape of natural gas on the customer's premises by calling the 24-hour emergency number at 1-519-773-5321.

EPCOR shall not be liable to the Customer for any damages, and the Customer shall indemnify EPCOR from and against all loss, cost, damages, injury, or expense associated with any injury or damage to persons or property arising, either directly or indirectly, from or incidental to the escape of gas or products of combustion of gas from piping, controls, appliances or appliances that are on the outlet side of the Meter.

4.7 Inspections of Installations

All new installations of supply piping, gas appliances and installations on premises served with natural gas for the first time, are required to be inspected prior to gas being introduced to the premises. In addition to inspections in the instance of a new installation, additional inspections may be performed from time-to-time, including when Meters are changed or physically reset and when gas supply is restored to a premises for any reason. Inspections are governed by the *Technical Standards and Safety Act* and associated regulations

If an inspection reveals that repairs or adjustments are required to the Customer's equipment, the Customer will be advised and the required repairs or adjustments must be completed by the Customer prior to the gas being turned on.

5 MAINTENANCE OF SERVICE

5.1 Customer Service

Only EPCOR or its authorized representatives shall be permitted to perform work on EPCOR's Meters, regulators, piping, and equipment. All connections and disconnections of Meters and regulators, and piping connections to, or disconnections from, EPCOR's facilities must be completed by an authorized EPCOR representative.

EPCOR provides regular service during the normal working hours, and emergency service 24 hours a day. EPCOR does not charge for the response and investigation of natural gas leaks, insufficient natural gas supply complaints, and any required inspections. Repairs required to remedy natural gas leaks and insufficient supply of natural gas from causes on the outlet side of the Meter will be charged to the Customer on a time and material basis.

EPCOR will provide regular maintenance required for the proper use of any EPCOR-owned equipment at no charge to the Customer. Customers will also not be charged for service required due to the failure of EPCOR equipment.

5.2 Access to Customer Premises

The Customer shall ensure that EPCOR has access to the Customer's premises at all reasonable times and upon reasonable notice (unless in case of an emergency, as determined by EPCOR in its sole discretion, EPCOR is unable to provide reasonable notice) for the purposes of inspecting, repairing, testing, replacing, altering or disconnecting any Meter, Service Lateral, appliance or equipment used in connection with gas service within or outside the premises.

5.3 Meter Testing

Meters will be tested: (a) at EPCOR's option; (b) at the request of the Customer; or (c) as required by law. Customers disputing the accuracy of their Meter can initiate the test process by filing a complaint with Measurement Canada and requesting a Meter inspection. The Customer contacting Measurement Canada directly maintains the independence of the dispute process.

EPCOR is required to periodically remove and submit Meters for government inspection in accordance with the *Electricity and Gas Inspection Act*. As a result, EPCOR may arrange an appointment to remove the existing Meter and replace it with a new one. To complete this work, the gas supply to the Customer Meter will be shut off temporarily. After the new Meter has been installed and gas supply is reinstated, the Customer's gas appliances will be relit and inspected.

Note that if EPCOR does not receive a response after two or more attempts to contact a Customer regarding the removal of a Meter for inspection, the Customer's Meter will be removed and replaced with a new one and the gas supply left turned off. The Customer will then be required to call EPCOR to arrange an appointment to have the Meter turned on, gas supply restored to the premises and the natural gas appliances relit and inspected.

In the event a Meter is found to register with an error outside of the regulated thresholds, the provisions of the *Electricity and Gas Inspection Act* will be applied to determine the error duration for the purposes of retroactive bill corrections.

There is no charge for this service unless the Meter is tested at the Customer's request and it is determined that the Meter meets regulated accuracy requirements. In such case, EPCOR will charge the Customer all costs associated with the Meter removal/replacement and testing, and any applicable inspection fees.

5.4 Resale Prohibited

Gas taken by the Customer through the Meter shall not be resold or redistributed other than in accordance with all applicable laws and regulations and orders of the OEB or any governmental authority having jurisdiction.

6 CUSTOMER CARE

This Section 6, unless specifically stated otherwise, applies to all Customers, with the exception of Contract Rate Customers. For those customers who have entered into specific contracts with EPCOR, the terms and conditions set out in that contract will supersede the information contained in this section. In this section, the Customer may also be referred to as "you".

All Customers must comply with these Conditions of Service and will be obliged to pay for all gas supplied and/or delivered to the Customer's premises and all items billed to the Customer by EPCOR.

6.1 Setting up an Account

Potential new Customers of EPCOR, and existing Customers moving premises, must notify EPCOR and complete an "Application for Natural Gas Service" form at least three business days prior to their planned move. If advance notice is not given, accounts may be retroactively adjusted up to a maximum of 30 days from the date on which notification of the move was provided to EPCOR.

6.2 Meter Reads

EPCOR reads its Customer Meters every month. You must provide EPCOR or its representative access to your premises and Meter, for Meter reading purposes, during normal working hours. Customers are responsible for the protection of all metering equipment necessary for the supply of gas and for keeping it accessible at all times. This includes refraining from placing vegetation, structures of any kind, whether permanent or temporary, and other objects within 60 centimeters (24 inches) around the Meter.

If EPCOR has been unable to read your Meter during normal working hours, arrangements can be made to obtain a reading at your convenience. You can also submit your own Meter reading by calling an EPCOR customer service representative at 1-519-773-5321. If EPCOR is not able to read the Meter and you do not submit a reading, your bill will be issued based on an estimated reading. Any necessary adjustments due to estimated bills will be made on the next regular billing after EPCOR has obtained a reading.

6.3 Security Deposits

6.3.1 Security Deposit Requirements

EPCOR reserves the right to request a security deposit from its Customers as a condition of supplying gas service. Security deposits are used to secure payment for future charges in the event that a Customer does not pay their bill and are necessary to protect both EPCOR and its Customers from increased rates resulting from non-paying Customers. Security deposits are not to be considered as prepayment for future charges.

All Customers will be required to provide a security deposit unless the requirement is waived by EPCOR. EPCOR will waive the security deposit if you:

- a) are a General Service Customer and meet EPCOR's credit requirements;

- b) can provide a letter of reference from any natural gas or electricity utility in Canada confirming good payment history;
- c) have moved, and your previous EPCOR account has a good payment history; or
- d) have requested the security deposit requirement be waived and are an eligible low-income customer as set out in Section 6.11.

Good payment history must be demonstrated for a time period of at least one (1) year for Residential Customers, five (5) years for General Service Customers and seven (7) years for all other Customers. Good payment history must be demonstrated for the most recent period of time on record for the Customer, some of which must have occurred within the past 24 months.

Good payment history is maintained unless the Customer has experienced any of the following in the above indicated time frame:

- a) received a disconnection notice from EPCOR, or another natural gas vendor or electricity distributor;
- b) had a payment to EPCOR returned for insufficient funds; or,
- c) had at least one visit from EPCOR personnel to their premises for purpose of payment of an account in arrears, to shut off or limit the natural gas supply to the Customer's premises for reasons of non-payment.

The security deposit amount is determined based on the average monthly natural gas consumption over the last 12 consecutive months, within the past two (2) years, at the specific address in which the natural gas service is or will be installed. The maximum amount of the security deposit EPCOR may require from a Customer shall be 2.5 times the average actual monthly consumption over the past 12 consecutive months. Should the Customer have no historical consumption on record, an estimate of consumption will be used.

If you are required to provide a security deposit it will be charged on your next EPCOR bill. Late payment fees will not be applied to the balance owing on your security deposit for a period of up to six (6) months, provided you are making regular monthly installments of at least 1/6th of the balance owing on your security deposit.

When a Customer has been disconnected for non-payment, the security deposit amount will be determined at 2.5 times the Customer's highest actual or estimated monthly consumption, within the most recent 12 consecutive months in the past two (2) years.

If a Customer moves to another location where natural gas service is provided by EPCOR, the security deposit requirements for the Customer shall be reviewed. Depending on the consumption at the new location and the recent payment history of the Customer, the amount of the security deposit required for the account may change or a security deposit may be required where one was not required previously.

EPCOR may, from time to time, review your credit record or conduct a credit check (including obtaining a credit report) when reviewing a request for new or modified service, determining whether a security deposit is required, or performing collection actions. EPCOR may also report information (such as late payments, missed payments or other defaults) about your account to credit reporting agencies.

EPCOR, at its sole discretion, may accept automatically renewing, irrevocable, unconditional letters of credit from a Customer's bank or a third party guarantee in lieu of cash security, for Commercial Customers or Industrial Customers.

6.3.2 Security Deposit Refunds

Security deposits on all accounts are reviewed annually to determine if the Customer is entitled to a refund or an adjustment as required.

Requests for refund of a security deposit can be made after one (1) year of service for Residential Customers, five (5) years for General Service Customers, and seven (7) years for all other Customers. Refund requests must be made in writing to EPCOR at 39 Beech Street East, Aylmer, Ontario, N5H 3J6, and must include the Customer's address, account number and a statement to the effect that they are applying to have their security deposit refunded or adjusted. EPCOR will refund security deposits by crediting the Customer's account on their next EPCOR bill. At the Customer's request, EPCOR may refund a security deposit through the issuance of a cheque payable to the Customer.

When a Customer discontinues natural gas service with EPCOR, the final billing period must be processed and the account settled in full before the security deposit will be refunded to the Customer.

6.3.3 Interest on Security Deposits

Simple interest will be earned on security deposits held by EPCOR at the Bank of Canada's prime business rate, less 2% or the interest rate prescribed by the OEB. The interest rate will be established quarterly and if the prime business rate is 2% or less at the time of update, the interest rate for the quarter will be 0%.

Interest on security deposits will be calculated and paid out monthly and upon return of the security deposit to the Customer. Interest payments will appear as a credit on the Customer's next bill.

6.3.4 Third Party Security Deposits

Where all or part of a security deposit has been paid by a third party on behalf of a Customer, EPCOR shall return the amount of the security deposit paid by the third party to that third party. This shall apply where and to the extent that:

- a) the third party paid all or part (as applicable) of the security deposit directly to EPCOR;
- b) the third party has requested, at the time the security deposit was paid or within a reasonable time thereafter, that EPCOR return all or part (as applicable) of the security deposit to them rather than to the Customer; and,

- c) there is not an amount overdue for payment by the Customer, as EPCOR is permitted to offset amounts overdue using the security deposit.

6.4 Bill Issuance and Payment

6.4.1 Monthly Bills

Bills are issued to Customers every month. Bills will be mailed to the Customer at the last known address as shown on EPCOR records. Customers wishing to forward their bills to another address must submit a request to EPCOR in writing. One bill is generated for each service/Meter. EPCOR does not accommodate joint or split billing of accounts for rented properties or third party services. In special situations, EPCOR, at its sole discretion, may combine readings from several Meters into one group bill.

Customers will have the option of using EPCOR's paperless billing option to receive their bills electronically. This environmentally friendly option is secure and convenient. You can sign up to receive paperless billing by calling an EPCOR customer service representative at 1-519-773-5321 or on EPCOR's website at www.epcor.com. New gas Customers will be automatically enrolled in paperless billing unless they request otherwise.

The following items make up your EPCOR natural gas bill:

Natural gas commodity

The gas commodity charge is calculated using the actual cost of gas for the gas you use during the period of time between meter readings (or based on an estimate of the gas used as described in Section 6.2). The commodity rate you are billed at on your EPCOR bill depends upon the commodity purchase choice you have made. If you have not signed a contract with an energy retailer then you are automatically billed at EPCOR's system gas commodity rate for the natural gas commodity portion of your bill. This system gas commodity rate is approved by the OEB. If you have signed a contract with an energy retailer then you are billed at your contracted energy retailer rate for the natural gas commodity portion of your bill.

Delivery to you

This is the cost associated with the distribution and transportation of gas from the source to you. This includes any carbon tax or similar abatement program, clean fuel, green, carbon or other related charges as applicable to comply with such legislated programs.

Monthly charge

This is an administration charge covering the cost of maintaining gas services and providing billing and customer service.

In addition to the above charges other miscellaneous charges may appear on your bill periodically including transfer/connection fees, late payment charges, and adjustments.

6.4.2 Payment Options

Customers must pay their EPCOR bills, using one of the following options.

6.4.2.1 Automatic Withdrawal Plan

Paying your bill by automatic withdrawal is easy and convenient as your amount due is automatically withdrawn from your bank account on the due date shown on your bill. You can sign up for EPCOR's automatic withdrawal plan by completing an "Automatic Withdrawal Plan Authorization Form" attached at Schedule 2 of these Conditions of Service. This form is also available on EPCOR's website www.epcor.com under "How to Pay Your Bill", in person at EPCOR's office or you can contact an EPCOR customer service representative at 1-519-773-5321 to request a form.

Sufficient funds or bank approved overdraft protection must be available when payment is due to avoid not sufficient funds and/or late payment charges. Dishonored payment withdrawals may result in termination of this payment option. If your banking information changes, new banking information must be provided to EPCOR in writing at least five (5) days prior to your next payment withdrawal date.

A voided personalized cheque or a form certified by your bank displaying your account numbers and the name of your account must be included with all Automatic Withdrawal Plan Authorization Forms and banking information change requests.

6.4.2.2 Online with EPCOR

You may pay your bill online with EPCOR using your debit card or valid credit card (that is accepted by the credit card service provider) Please see EPCOR's website at www.epcor.com for details on how to pay your account online with EPCOR. Payments made by credit card are subject to any convenience or other fees payable to the third party credit card service provider.

6.4.2.3 Through Your Bank

Payments can be made through most banks online, by telephone service or in person through the teller or bank machine. When payments are made through your bank, bills are considered to have been paid on the date the payment is processed by the bank.

6.4.2.4 By mail

Payments by cheque or money order can be mailed to EPCOR's office. Please make your cheque or money order payable to "EPCOR Natural Gas L.P.". Your payment, along with the remittance portion at the top of your bill, can be mailed to EPCOR using the pre-addressed envelope included with your bill statement or by addressing to:

EPCOR
39 Beech Street East
Aylmer, Ontario N5H 3J6

When payments are made by mail, bills are considered to have been paid the day prior to the postmark date.

6.4.2.5 At the EPCOR Office

Payments may be made in person Monday through Friday during the business hours of 8:00 a.m. and 4:00 p.m. EST or after hours through the quick drop payment slot at the EPCOR office located at 39 Beech Street East, Aylmer, Ontario.

6.4.3 Late Payment

Bills are due when rendered. To avoid late payment charges, your payment must be received by EPCOR by the due date (which is 20 days after the billing date) as shown on your bill. Both the billing date and the due date are displayed on your bill. Payments made after the due date are considered late, and the OEB-approved late payment charge of 1.5% per month or 19.56% per year (effective rate of 0.04896% compounded daily) will be levied. Late payment charges will continue to accrue until the outstanding balance (including any late payment charges) has been paid.

In addition to late payment charges being applied to the outstanding balance, overdue accounts may be subject to disconnection in accordance with EPCOR's process for discontinuance of service for non-payment as outlined in Section 6.8.

EPCOR makes every effort to contact Customers for payment of outstanding amounts. If the account balance remains unpaid despite these efforts, further collection action will be initiated. Customers will be responsible for any additional collection costs incurred by EPCOR or its agent.

6.4.4 Budget Billing Plan

EPCOR offers a budget billing plan designed to equalize the monthly payments for natural gas service throughout the year, thereby avoiding high bills in the winter months. The budget billing plan is available to all Residential Customers and General Service Customers who have established satisfactory credit with EPCOR.

If you are on the budget billing plan, EPCOR will estimate the amount of your bill for natural gas service from May to April based on your historical usage (if available). The estimated total amount for that time period is divided into 12 equal budget billing plan installments. You will then be billed that calculated monthly installment each month from May to the following April. In May of each year:

- your account will be reconciled for the previous 12-month budget billing period; and
- your budget billing plan monthly installment will be recalculated and adjusted based on your most recent 12 months' historical usage.

EPCOR's reconciliation will result in an adjustment being made for the difference between: (a) the monthly budget billing installment payments made by you in the 12-month budget billing period; and (b) the charges for natural gas that would have been incurred based on your actual usage. The adjustment amounts will be reflected on your bill issued for the month of May. Your adjustment will be either a credit, if the total budget billing plan installments you paid were in excess of the actual total natural gas

charges incurred, or an amount owing to EPCOR if the actual charges incurred are greater than the sum of budget billing plan installments made.

The estimate completed by EPCOR for the purposes of budget billing plan is not in any way a guarantee or assurance of your total actual natural gas charges. A number of factors can impact your usage and create a variance from the estimate. Significant changes in weather, gas prices, change in gas marketers, or gas use in the home such as additional natural gas appliances, can create a difference between actual gas costs and the installment amounts. EPCOR may at any time submit a revised estimate to you and require your monthly budget billing plan installment be adjusted in order for you to continue on the budget billing plan. You are also encouraged to monitor your actual gas charges compared to your budget billing installments and may request a review of the payments at any time.

Your current budget billing plan applies only to you and your current premises. If you move, the budget billing plan will be terminated and your account reconciled. Adjustments to your account for differences between the actual amount of natural gas used and the budget billing plan installments will be made in the next billing cycle. Should you wish to remain on a budget billing plan, you can request to be set up with one for your new premises.

Customers can inquire about enrolling in the budget billing plan by calling an EPCOR customer service representative at 1-519-773-5321. You are not required to pay through the automatic pre-authorized payment option to enroll in the budget billing plan. You can withdraw from the budget billing plan at any time upon notification to EPCOR. If you withdraw from the budget billing plan before the annual review and reconciliation, the plan will be reviewed and reconciled at that point and your account will be billed or credited for the difference between the budget billing plan instalments paid and the actual total natural gas charges incurred.

6.5 Billing Errors

A retroactive billing adjustment is required to correct the error when a Customer has been billed incorrectly. Billing errors may arise due to a Customer's error or EPCOR's error. Regardless of whether the Customer or EPCOR is responsible for the error, or whether the error results in an over or under-billing, errors will be corrected retroactively for a period of up to two (2) years for Residential Customers. For all other Customers, the error will be corrected retroactively for a period of up to six (6) years.

If you discover an error, please contact an EPCOR customer service representative at 1-519-773-5321. EPCOR will review your account and correct for any validated errors. Adjustments correcting the error retroactively will appear on your next regular bill. In the case of a correction of over-billing, you may request a refund or opt to leave the credit amount on your account to apply to future bills. When the error has resulted in under-billing, EPCOR will work with you to develop an appropriate payment arrangement for the adjustment.

6.6 Allocation of Payments between Gas and Non-Gas Charges

Payments are applied to the charges on your EPCOR bill so that the oldest billed amounts are paid first. In the event that payment is insufficient to cover all charges invoiced in a month, payments will be allocated to natural gas commodity charges first. Late payment charges as outlined in Section 6.4.3 will be calculated on any balance that remains outstanding past the bill due date.

6.7 Discontinuance of Gas Delivery - Customer Initiated

6.7.1 Temporary Discontinuance of Service

Customers may request a temporary disconnection of their gas service. Customers must continue to pay the monthly fixed charge during the period service is temporarily disconnected, as well as the reconnection fee as described in Schedule 1.

6.7.2 Discontinuance of Service

Customers are bound by these Conditions of Service and are obligated to pay for all charges on their EPCOR bill, including late payment charges, until EPCOR has processed and accepted the Customer's request for discontinuance of service and the supply of gas has been terminated by EPCOR. Customers shall provide EPCOR with 15 days' notice for any requested discontinuance.

6.8 Discontinuance of Service for Non-payment

Bills are due when rendered and if any charges remain unpaid after the due date shown on the bill, EPCOR has the right to discontinue delivery of gas service. Customers who are not able to make full payment by the due date shown on their bill should contact EPCOR to make alternative payment arrangements. If a Customer does not contact EPCOR and establish alternative payment arrangements or fails to make a payment required by their negotiated payment arrangement, EPCOR has the right to discontinue service upon providing two (2) days' notice in writing to the Customer.

While the amount of time prior to the discontinuance of service that notice is given may vary depending on the circumstances, a disconnection notice is typically mailed out 14 days in advance of the disconnection. An EPCOR representative will attempt to contact the Customer two (2) days before disconnection, and a hand-delivered notice is provided to the Customer at the time of disconnection.

Customers can avoid discontinuance of service by providing EPCOR with verification that the balance due on their account has been paid in full prior to service disconnection.

If you are seeking payment assistance through a registered charity, government agency, social service agency or a third party, see Section 6.11 for information on EPCOR's customer service rules for eligible low-income customers.

Prior to reconnection of service, Customers disconnected for non-payment will be charged the reconnection fee as described in Schedule 1. Once payment in full is received by EPCOR, including reconnection charges, security deposits and arrears amounts, EPCOR will arrange a suitable time within

48 hours for EPCOR to visit the home or business to reconnect the gas service and relight and inspect all gas appliances.

An increase in the security deposit amount may also be required for Customers who have been disconnected for non-payment.

6.9 Discontinuance of Service for Causes Other than Non-payment

In addition to service interruptions for maintenance and other reasons outlined in Section 2.1, EPCOR may discontinue natural gas service to a Customer at any time for emergency or safety reasons including:

- a) the presence of a gas leak or potential safety issue;
- b) when there is evidence of fraudulent use of gas;
- c) where EPCOR has reason to believe a hazardous condition exists on the premises or may develop;
- d) for use of gas for any purpose other than that described in the service application, contract, Rate Schedule or these Conditions of Service;
- e) when a gas installation contravenes the provisions of the *Technical Standards and Safety Act*, its associated regulations or any other applicable legislation;
- f) where EPCOR is refused lawful access to the premises; and,
- g) when a Customer has tampered with, damaged or destroyed EPCOR's property.

Except for discontinuance for the presence of a gas leak or a potential safety issue, a reconnection fee will be charged to the Customer(s) upon reconnection of gas service for the above reasons in this Section 6.9.

6.10 Arrears Management Programs

EPCOR will work with Customers who are unable to pay their entire bill to find mutually agreeable payment arrangements, taking into consideration the Customer's specific circumstances. Customers requesting payment assistance can call an EPCOR customer service representative at 1-519-773-5321 to discuss options.

EPCOR will contact Customers when a payment required by their negotiated payment arrangements has been missed and EPCOR has not received prior notification. If a Customer fails to make an agreed upon payment, their negotiated payment arrangement may be cancelled.

Additional financial assistance is also available to eligible low-income Customers who are having difficulty paying their bill or meeting their negotiated payment arrangement in place with EPCOR. Section 6.11 below provides information on additional support available for EPCOR's eligible low-income Customers.

6.11 Customer Service for Eligible Low-Income Customers

The Low-Income Energy Assistance Program (“LEAP”) developed by the OEB provides assistance for payment of natural gas bills by eligible low-income Customers. The program includes emergency financial assistance and the application of special customer service practices and standards. To qualify for LEAP, Customers must meet the income eligibility criteria as defined by the OEB. LEAP emergency financial assistance is administered through a social service agency, and EPCOR has partnered with The Salvation Army - St Thomas Branch for this service. More information on the LEAP program is available on the OEB’s website at www.oeb.ca.

The following customer service practices and standards are available to Customers who are eligible low-income Customers as determined by The Salvation Army - St Thomas Branch:

- a) The security deposit requirement will be waived, provided the Customer:
 - i. is enrolled in the budget billing plan; and,
 - ii. has not had gas service disconnected due to non-payment within the past two (2) years.
- b) If a Customer is actively working with the social service agency to secure emergency financial assistance, EPCOR will suspend collection action for non-payment of account, including discontinuance of service, for 21 days before additional collection action will be taken for non-payment.
- c) If a Customer requires a negotiated payment arrangement to manage payment of their account balance, EPCOR will waive their late payment charges on the payment arrangement balance for the duration of the arrangement, provided that the terms of the arrangement are kept. If the Customer fails to make an agreed upon payment under the negotiated payment arrangement, the Customer may not be entitled to have late payment charges waived on any future arrears payment arrangements.

For the purposes of the customer service practices and standards for eligible low-income Customers, a Customer’s eligible low-income Customer status will remain on their account for two (2) years from the date EPCOR was notified that the Customer qualified.

To determine if you qualify for LEAP, please contact:

Salvation Army St.Thomas at 519-631-6202 or 519-631-9208

6.12 Management of Customer Accounts

Conducting business with a high degree of integrity and in an ethical manner is important to EPCOR. These values are applied to EPCOR’s interactions with its Customers and to the standards of protection of their personal information. EPCOR is committed to respecting your privacy and complying with applicable legislation. EPCOR treats all Customer information as strictly confidential. EPCOR will not disclose, sell, lease or trade your information unless you authorize us to do so, or it is required or permitted by law.

Your account with EPCOR contains private information about you including your address, phone number, current balance and payment details. Prior to discussing any account specific information, EPCOR will verify the identity of a Customer and to do so, Customers will be required to correctly answer confirmatory questions. In accordance with applicable privacy laws, any personal information related to the account will only be shared with the Customer(s) named on the account, unless written consent has been provided by the Customer named as the primary on the account. To provide consent allowing another person or a third party to discuss your account details with EPCOR, a completed EPCOR Customer Information Consent form must be provided to EPCOR. The EPCOR Customer Information Consent form is attached at Schedule 2 of these Conditions of Service or on the EPCOR website www.epcor.com under "Privacy Policy", in person at EPCOR's office or by contacting an EPCOR customer service representative at 1-519-773-5321 to request a form.

EPCOR may provide the Landlord of a rented property with notice of a pending disconnection if the service to the premises is to be discontinued for any reason.

More information on EPCOR's Privacy Policy is available on EPCOR's website at www.epcor.com under "Privacy Policy".

6.13 Management of Landlord/Tenant Accounts

EPCOR records directions received from Landlords on how to manage accounts at rented properties in between tenants. In the absence of any specific direction, EPCOR will continue to supply gas to the premises and will send the bills to the service address in a generic name. In the event of non-payment, regular non-payment, collection and discontinuance of supply processes will be followed.

If you are a Landlord, please contact an EPCOR customer service representative at 1-519-773-5321 to provide EPCOR with direction on how to manage the accounts for your rental properties. The following two options are available:

Option 1: Continued Service

The Landlord authorizes EPCOR to bill the service to the Landlord in between tenants. This means the Landlord pays for continued service until a new tenant assumes responsibility for the natural gas account.

Option 2: No Service

The Landlord authorizes EPCOR to disconnect the gas service when there is no active account holder. With this option, the Landlord is responsible for any reconnection fees and assumes all responsibility and liability for any damages which may occur as a result of the service being disconnected.

If the Landlord for the premises changes, the incoming Landlord is responsible for notifying EPCOR of the change and updating the direction on how to manage the account. If EPCOR is not contacted by the new Landlord, the direction received from the previous Landlord will continue to remain in force.

6.14 Customer Service

6.14.1 Customer Service Process

Step 1: Contact EPCOR

Call EPCOR's office at 1-519-773-5321 Monday through Friday between 8:00 a.m. and 4:00 p.m. EST and speak with a customer service representative. A trained EPCOR customer service representative will be available to help answer your questions.

You may also send your question or concern by email to gas@epcor.com.

Step 2: Escalating your Concern

If you feel that your questions are not being fully addressed or you have a problem or concern that has not been satisfactorily resolved by EPCOR's customer service representative, please ask to speak with a supervisor. You may be required to leave your name and a phone number where you can be contacted in order for someone to return your call. An EPCOR representative will get back to you within two (2) business days.

Step 3: Submit your Complaint in Writing

Unless otherwise agreed to by the customer, EPCOR will respond to all written customer complaints in writing within ten (10) business days of receipt. Written complaints can be mailed to:

EPCOR
39 Beech Street East
Aylmer, Ontario N5H 3J6

6.14.2 Social Media and Media Questions

EPCOR is committed to respecting your privacy while complying with applicable legislation and treats all Customer information as strictly confidential. Without a signed privacy waiver, EPCOR cannot publicly provide your account information to media (or anyone else) regardless of the issue or media attention.

If you post a question or comment about your EPCOR account on social media, EPCOR cannot publicly provide information about your situation unless you have provided a signed waiver allowing EPCOR to do so. In this situation, EPCOR may not publicly respond to your social media post, but may instead attempt to contact you via other means.

Appendix A - Definition of Terms

The following meanings for the specified terms shall apply in this document regardless of whether the term is capitalized in the document:

Contract Rate Customer – A Customer that has entered into a specific contract with EPCOR for the provision of their natural gas distribution services.

Commercial Customer – A Customer who is engaged in selling, warehousing or distributing a commodity, in some business activity or in some other form of economic or social activity (also includes professions).

Customer – An individual, group of individuals, corporation responsible for the receipt and payment of goods and/or services provided by EPCOR.

EPCOR Rate Schedules – Are the OEB-approved schedules in effect at any given time, that specify the eligibility criteria for each class of Customer, the rates charged for gas supplied to EPCOR’s various Customer classes, and the terms under which gas service is provided.

Force Majeure – means any event that wholly or partly prevents or delays performance or affects any obligations under these Conditions of Service to the extent such event is beyond the reasonable control of EPCOR, including but not limited to the following:

- a) acts of God such as fires, explosions, floods, tornadoes, lightning and storms or wind of sufficient intensity to prevent safe performance;
- b) severe weather;
- c) strikes and other labour disputes (including collective bargaining disputes and lockouts);
- d) war (declared or undeclared), terrorism or other armed conflict;
- e) sabotage or vandalism;
- f) changes in applicable law;
- g) actions of any relevant federal, provincial, regional, municipal government or other regulatory authority;
- h) damage, breakdown, accident, breakage or loss of any kind to the pipeline, equipment or property;
- i) the necessity for maintaining, making repairs to or alterations of the pipeline or equipment;
- j) interruption and/or curtailment by an upstream gas transporter;
- k) riot or similar civil disturbance or commotion;
- l) depletion or shortage of gas supply; and,
- m) order of any legislative body or duly constituted authority.

Gas Appliance - A device that consumes or is intended to consume gas and is certified or approved as acceptable for use by the applicable governmental authority.

General Service Customer – A Commercial Customer or Industrial Customer who does not meet the minimum volume criteria to qualify for special rates. General service Customers, along with Residential Customers, fall into EPCOR’s Rate 1 class in EPCOR’s Rate Schedules.

Industrial Customer – A Customer who is engaged in a process which creates or changes raw or unfinished materials into another form or product, or who change or complete a semi-finished material into a finished form.

Landlord – The owner, landlord or property management company of a rented property.

Main – The pipe that is used to carry natural gas to a service.

Main Extension – The addition of pipe to an existing Main to serve new Customers.

Meter – A device owned by EPCOR and approved by the appropriate governmental authority and installed to measure the volume of gas delivered to the customer.

Month or Monthly – For the purposes of calculating Customers' accounts, is a period of approximately 30 days.

Residential Customer – A Customer who is supplied for residential purposes in a single-family dwelling or building, or in an individual flat or apartment within a multiple family dwelling or building or a portion of a building occupied as the home, residence, or sleeping place of one or more persons. Included in this customer class are multi-residential services which supply buildings used for residential purposes that supply two or more families served as a single Customer under one account.

Service Lateral – Piping and associated fittings that convey gas from a Main to the Meter. Where gas pressure regulation is necessary, the service regulator shall form part of the service.

Schedule 1 – Description of Service Charges and Miscellaneous Charges

EPCOR's fees and rates related to Service and Miscellaneous charges are subject to amendment from time to time as approved by the OEB. These fees and rate can be found in the Schedule of Miscellaneous and Service Charges included in EPCOR's current Rate Schedules. All rates, fees, and service charges are subject to HST or other sales tax as applicable. To find the most recent Rate Schedule, please visit www.oeb.com, call our customer service representative at 519- 519-773-5321 or email at gas@epcor.com.

Service Charges

Service work performed by EPCOR will be charged on a time and materials basis. A minimum labour charge will be applied to all service work of up to 60 minutes. Each additional hour (or part thereof) is charged additional fees. The minimum labour charge and hourly rates differ for work performed during EPCOR's normal working and outside of normal working hours.

Emergency Repairs

In the case of emergency repairs, the Customer or at-fault party will be charged time and materials at the approved service rates described above. In addition, such emergency repairs may also be subject to additional charges for work performed by contractors and other EPCOR staff including management/supervisory staff. Note that if repairs are required as a result of illegal excavation practices by a contractor, the associated service charges will be billed to the Customer for whom the contractor was performing the work.

Miscellaneous Charges

Charges for the following miscellaneous items are currently in effect:

- Returned Cheque/Payment - each instance that a cheque or pre-authorized payment request is returned as not payable for any reason will attract a returned cheque/payment charge.
- Replies to a request for account information from authorized party
- Bill Reprint/Statement Print Requests
- Consumption Summary Requests
- Customer Transfer/Connection Charge

Reconnection Charges

Each instance of reconnection of service for the following reasons are subject to a reconnection fee:

- discontinuance of service for non-payment;
- temporary discontinuance of service;
- discontinuance/reconnection for the purpose of Meter testing at the Customer's request where it is determined that the Meter meets regulated accuracy requirements; and,
- any discontinuance listed in Section 6.9 other than if the discontinuance is the result of the presence of a gas leak or potential safety issue in your neighborhood.

Inactive Account Charge

If a Customer does not have any natural gas consumption within 12 months of installation of a new gas service, they will be required to reimburse EPCOR for any service line installation costs not covered by

the Service Lateral installation fee charged at the time of installation. The inactive account charge may be based on the costs EPCOR actually incurred for the service or on EPCOR's average installation cost for the service type.

Schedule 2 – Forms

Attached to this Schedule are the following forms:

- Application for Natural Gas Service
- Meter Size and Location Request Form
- Automatic Withdrawal Plan Authorization Form
- EPCOR Customer Information Consent

Account # _____



Application for Natural Gas Service

EPCOR Natural Gas Limited Partnership

The Application for Natural Gas Service must be completed in full for all new accounts with EPCOR Natural Gas Limited Partnership (“EPCOR” or “the Company”). If the installation of a new service lateral or meter is required in order for EPCOR to provide natural gas service to the Premises, the Meter Size and Location Request Form attached as Appendix A must be completed and signed by the owner of the Premises, and returned to EPCOR along with the completed Application for Natural Gas Service.

Date of Application: _____ Required Service Date: _____ 20_____

Residential Commercial Industrial Seasonal

Service Information					
Service Address for New Account (Premises)					
Civic #:	Street Name:	Apt.Unit #:	Lot #:	Concession #:	
Municipality, Town or City:	Province:	Postal Code:	Telephone Number:	Fax Number:	
Service Type					
<input type="checkbox"/> New Service Line* <input type="checkbox"/> Meter Only* <input type="checkbox"/> New Construction* <input type="checkbox"/> Service Reactivation (new account on existing service)					
* Please complete the Meter Size and Location Request Form in Appendix A and return to EPCOR with the completed Application for Natural Gas Service.					
Account Holder (Customer) Information					
Primary Account Holder					
Name (last name, first name or company name):			Email Address:		Date of Birth:
Cell Phone #:	Home Phone #:	Daytime Phone #	<input type="checkbox"/> Owner <input type="checkbox"/> Tenant*		* Please Complete Landlord Information section below
Previous Address:					
Secondary Account Holder					
Name (last name, first name or company name):			Email Address:		Date of Birth:
Cell Phone #:	Home Phone #:	Daytime Phone #	Relationship to Primary Acct Holder:		
Emergency Contact Information - Nearest Relative Not Living with the Customer					
Name (last name, first name):		Relationship:	Address:		Telephone Number:
Name (last name, first name):		Relationship:	Address:		Telephone Number:
Billing Address (If Different from Premises Address Above)					
Billing Address:					
Apt.Unit #:	Municipality, Town or City:	Province:	Postal Code:		
Landlord Information					
Name (last name, first name or company name):			Address:		Telephone Number:

Terms and Conditions for Natural Gas Service

The following terms and conditions apply to the natural gas service with EPCOR and therefore the applicant, account holder or owner as applicable ("Customer"), in applying to EPCOR for natural gas service at the Premises acknowledges and agrees:

1. To pay all rates, fees or charges due to the Company by the dates indicated for payment on EPCOR's monthly bills including any late payment charges (monthly bills are due when rendered and a late payment penalty will be charged when a monthly bill is left unpaid after the due date indicated on the bills) from the date of this application until either:
 - a) the written notice to discontinue the supply of natural gas to the Premises is received by EPCOR and a reasonable opportunity has been given to EPCOR to enter the Premises for the purpose of discontinuing the supply; or,
 - b) confirmation has been received by EPCOR that a new account holder assumes the benefits and responsibilities for payment of the account;
2. That a meter connection will be established immediately after the installation of the service line at the Premises and will be subject to the monthly fixed charge from that date;
3. That natural gas supplied to the Premises is to be drawn through a meter installed by the Company. The Customer is responsible for the protection of all metering equipment necessary for the supply of gas and for keeping it accessible at all times. If the meter should fail to register the quantity of gas consumed or if EPCOR is not able to gain access to read the meter, the Company will estimate a reading for the purposes of updating the Customer's account and issuing bills;
4. That EPCOR, before supplying, or as a condition of continuing to supply, natural gas to the Premises, may require the Customer to give reasonable security for the payment of the proper charges;
5. That the Company, upon providing the Customer with 48 hours notice may discontinue service of natural gas, or lock or remove the meter for non-payment of bills (including late penalty charges) when due;
6. To immediately notify EPCOR of any leakage or escape of natural gas on the Premises by calling the 24 hour emergency number at 1-519-773-5321. EPCOR shall not be liable to the Customer for any damages and the Customer shall indemnify EPCOR from and against all loss, cost, damages, injury, or expense associated with any injury or damage to persons or property arising, either directly or indirectly, from or incidental to the escape of gas or products of combustion of gas from piping, controls, appliances or appliances that are on the outlet side of the meter at the Premises;
7. That EPCOR and/or its authorized agents shall have access to the customer's premises at all reasonable times and upon reasonable notice, unless in case of an emergency, as determined by EPCOR in its sole discretion, EPCOR is unable to provide reasonable notice, for the purposes of inspecting, repairing, testing, replacing, altering or disconnecting any meter, service pipe, appliance or equipment used in connection with gas service within or outside the premises;

Application for Natural Gas Service

EPCOR Natural Gas Limited Partnership

8. That the Company, its directors, officers, agents, employees and representatives (“EPCOR Parties”) shall not be liable to the Customer, its directors, officers, agents, employees and representatives (“Customer Parties”) for any loss, injury, damage, expense, charge, cost or liability of any kind suffered or incurred by the Customer Parties, or any of them, whether of a direct, indirect, special or consequential nature, howsoever or whensoever caused, and whether in any way caused by or resulting from the acts or omissions of the EPCOR Parties, or any of them, except for direct property damages incurred by the Customer as a direct result of a breach of the terms and conditions outlined in this Application for Natural Gas Service, EPCOR’s Conditions of Service or the applicable agreement between EPCOR and the Customer, or other act or omission by an EPCOR Party, which breach or other act or omission is caused by the negligence or wilful act or omission of harm of such EPCOR Party. Any liability under this section will be limited to an amount in proportion to the degree to which the EPCOR Party acting negligently or wilfully is determined to be at fault. For the purpose of the foregoing and without otherwise restricting the generality thereof, “direct property damage” shall not include loss of revenue, loss of profits, loss of earnings, loss of production, loss of contract, cost of capital, and loss of use of any facilities or property, or any other similar damage or loss whatsoever.
9. That in addition to any other liability provisions set out the terms and conditions of this Application for Natural Gas Service, EPCOR’s Conditions of Service or the applicable agreement between EPCOR and the Customer, a Customer Party shall be liable for any damages, costs, expenses, injuries, losses, or liabilities suffered or incurred by EPCOR Parties, whether of a direct or indirect nature, caused by or arising from any acts or omissions of an Customer Party that result in a breach of the terms and conditions outlined in this Application for Natural Gas Service, EPCOR’s Conditions of Service or the applicable agreement between EPCOR and the Customer, or any negligent or wilful acts or omissions of harm of a Customer Party. Any liability under this section will be limited to an amount in proportion to the degree to which the Customer Party is at fault.
10. The Customer shall not install or allow to be installed on property owned or controlled by the Customer any temporary or permanent structures that could interfere with the proper and safe operation of EPCOR’s gas pipeline system or result in non-compliance with applicable statutes, regulations, standards and codes. EPCOR shall not be liable for any damage to any structure or improvement erected, installed or placed in contravention of this Application for Natural Gas Service resulting from the maintenance of such gas line or service line.
11. That the current transfer/connection charge in effect at the time of this Application for Natural Gas Service will be charged to the Customer’s account on the first billing;
12. That in the event the Customer does not have any natural gas consumption within 12 months of installation of a new gas service, the Customer will be required to reimburse EPCOR for any service line installation costs not covered by the service lateral installation fee charged at the time of installation. The inactive account charge may be based on the costs EPCOR actually incurred for the service or on EPCOR’s average installation cost for the service type;

Application for Natural Gas Service

EPCOR Natural Gas Limited Partnership

- 13. That the Company will use any personal information provided in this Application for Natural Gas Service in strict accordance with EPCOR’s Privacy Policy and the processes outlined in EPCOR’s Conditions of Service; and,
- 14. To comply with and be bound by the foregoing as well as the terms outlined in EPCOR’s Conditions of Service, and any other applicable rules and regulations of the Company as established from time to time.

I, the undersigned, am applying to EPCOR for natural gas service to be supplied to the Service/Premises address described above. I request to have an account set up with EPCOR in my name. I understand that EPCOR may perform a reference or background check based on the information provided in this form and I warrant that all of the information entered above is correct. I acknowledge that I have read, understand and agree to comply with the terms and conditions set out in this Application for Natural Gas Service.

Customer’s Name (print) _____ Customer’s Signature _____ Date _____

Customer’s Name (print) _____ Customer’s Signature _____ Date _____

** Wherever I/my/me is used it is inferred we/our/us if there is more than one signature.*

If attaching a Meter Size and Location Request Form , the Premises owner(s) is required to provide their initials in this box acknowledging the terms and conditions of this Application for Natural Gas Service as applying to the Premises and the owner.

Owner(s) Initials

For Office Use Only:
 Deposit received: \$ _____ Deposit received by _____



Meter Size and Location Request Form

Required for New Service Line or Meter Installations only

This form must be completed and returned to EPCOR along with the completed Application for Natural Gas Service. Please ensure the form is signed on page 2 by the owner of the Premises and the owner's initials are provided on page 3 of the Application for Natural Gas Service.

Date: _____

EPCOR Account #: _____

Service/Premises Information

Civic #: _____ Street Name: _____ Apt/Unit #: _____
 Municipality, Town or City: _____ Postal Code: _____

Premises Owner

Name: _____ Email: _____
 Home Phone: _____ Cell Phone: _____

Builder / Contractor / Installer

Company Name: _____ Contact: _____
 Phone: _____ Fax: _____ Email: _____

Service Installation

Residential Commercial Industrial

Required Date: _____ Occupancy Date: _____ Building Square Footage: _____

Single Row Housing Duplex/4 Plex Multi-Meter Set, # of Meters _____

Natural Gas Equipment & Total BTU Input Required

Equipment	Quantity	New BTU	Future BTU	Notes
Heating				
Water Heating				
Cooking				
Fireplace				
In Floor Heating				
BBQ				
Pool Heater				
Generator				
Construction Heat				
Industrial Process				
Total Load:				

Gas Pressure: 7" w.c (1.75kpa) is the standard delivery pressure 14 kpa 35 kpa 70 kpa Other _____ kpa

Service Length & Location (required)

Length from property line to meter location (m): _____
 Meter location is on what wall as viewed from the street?
 Front Right Left Other _____
 Distance from nearest front corner (m): _____
**** For residential applications the meter location must be provided above or marked on the foundation or EPCOR will set the meter, 2 meters back from the front corner of the dwelling.**
 Time to complete: _____

Include north arrow & meter location(s)



Identify:

- Hydro Lines
- Propane/Oil Tanks
- Septic
- Water Wells
- Irrigation
- Comm. Cables
- Drains
- Other _____

Meter Size and Location Request Form

EPCOR Natural Gas Limited Partnership

Service Line and Meter Location Costs

EPCOR shall complete a construction estimate for the work required to install the natural gas service lateral extending from the property line to the meter location selected by the Company. The minimum fee for installation of a natural gas Service Lateral is outlined in EPCOR's Schedule of Miscellaneous and Service Charges included in its Rate Schedules and includes up to 20 meters of pipe. Additional fees may be charged if the length of pipe required to bring the Service Lateral to the Meter location exceeds the 20 meter length EPCOR uses to set this fee.

EPCOR will determine the location at which the service will enter a building with the normal point of entry being through the wall nearest to the gas manifold. The Company may, at its sole discretion, accommodate requests made by an applicant regarding the location of the service or other specific requirements and in such cases the applicant will be responsible for any additional costs associated with the request.

All fees for the service lateral installation must be paid in full before EPCOR will commence work on the installation. If the customer at the premises does not have any natural gas consumption within 12 months of installation of a new gas service, the owner will be required to reimburse EPCOR for any service line installation costs not covered by the service lateral installation fee charged at the time of installation.

Owner Acknowledgement

I, the undersigned, am the owner of the property at the Service/Premises address described above and on the attached Application for Natural Gas Service (the "Premises") and hereby request EPCOR to install a service line and meter for the supply of natural gas to the Premises. I warrant that all of the information entered above is correct and that all persons whose signature(s) are required or have ownership of the Premises have signed this application. I acknowledge that I have read, understand and agree to comply with the terms and conditions set out in this Meter Size and Location Request Form and in the Application for Natural Gas Service to which this form has been attached.

Owner's Name (print) _____ Owner's Signature _____ Date _____

Owner's Name (print) _____ Owner's Signature _____ Date _____

In addition to this acknowledgement, the owner(s) must initial page 3 of the Application for Natural Gas Service.

** Wherever I/my/me is used it is inferred we/our/us if there is more than one signature.*

AUTOMATIC WITHDRAWAL PLAN

EPCOR Natural Gas Limited Partnership



A CONVENIENT WAY TO PAY YOUR EPCOR BILL AND MANAGE YOUR MONTHLY PAYMENT

With the **Automatic Withdrawal Plan**, your monthly natural gas bill payment is withdrawn from your bank account on the due date on your bill. This amount is then credited to your EPCOR account. You never have to worry about waiting in payment lines, forgetting to pay your bill on time or making payment arrangements when you're away from home.

HOW DO I APPLY?

Complete and sign the EPCOR Payment Plan Application form. Attach a blank, personalized cheque marked "VOID". If you do not have a cheque, you can have your bank complete and verify the required account information on the application form. Mail the application and void cheque to the location noted at the bottom of this page.

Ensure your current utility bill is paid in full at the time you enroll. Continue to make payments in your usual manner until the "AUTO PAYMENT, DO NOT PAY" message appears on the remittance portion of your bill.

WHEN IS PAYMENT WITHDRAWN FROM MY BANK ACCOUNT?

You will continue to receive a utility bill each month. Payment withdrawal will occur on the due date of your utility bill as displayed on your bill. You should ensure these funds are available in your bank account at least two working days prior to and after the scheduled withdrawal date.

Please Note: Sufficient funds or bank approved overdraft protection must be available when payment is due to avoid not sufficient funds and/or late payment charges. Dishonored payment withdrawals may result in termination of this payment option.

WHAT IF MY BANK ACCOUNT CHANGES?

Simply advise us in writing at least five (5) working days **prior** to your next payment withdrawal date and include your "voided" personalized cheque or a form certified by your bank displaying your new account number. We'll do the rest!

WHO CAN I CONTACT FOR MORE INFORMATION?

CONTACT EPCOR

Mail to: EPCOR
39 Beech Street E
Aylmer, Ontario N5H 3J6

Online: www.epcor.com

By Phone: 1-519-773-5321

Email to: gas@epcor.com

AUTOMATIC WITHDRAWAL PLAN TERMS AND CONDITIONS

I* authorize EPCOR Natural Gas Limited Partnership (EPCOR) and the financial institution designated (or any other financial institution I may authorize at any time) to begin deductions as per my instructions for monthly recurring variable payments and/or one-time payments from time to time, for payment of all charges arising under my EPCOR account(s). I hereby authorize EPCOR to debit my bank account as indicated on the attached "void" cheque included with my application or my savings account as indicated on the application form.

Regular monthly payments for the full amount of services delivered will be debited to my account on the due date of each EPCOR statement. EPCOR will provide 10 days written notice of the amount of each regular debit. EPCOR will obtain my authorization for any other one-time or sporadic debits.

I will notify EPCOR of any changes in the account information in writing at least five (5) business days prior to the next due date of the automatic withdrawal.

This authority is to remain in effect until EPCOR has received written notification from me of its change or termination. This notification must be received at least five (5) business days before the next debit is scheduled at the address provided below. I may obtain a sample cancellation form or more information on my right to cancel an Automatic Withdrawal Agreement at my financial institution or by visiting www.payments.ca.

Cancellation of this authorization does not terminate my EPCOR service but only affects my method of payment. EPCOR may terminate this authorization at any time verbally or by written notice to me at the phone number or address listed on the utility account shown on my application form. I acknowledge that EPCOR may charge my utility account with a not sufficient funds and/or late payment charges for each dishonored payment as it occurs, and that it may also result in termination of my participation in the Automatic Withdrawal Plan.

I have certain recourse rights if any debit does not comply with this Agreement. For example, I have the right to receive reimbursement for any debit that is not authorized or is not consistent with this Automatic Withdrawal Agreement. To obtain a form for a Reimbursement Claim, or for more information on my recourse rights, I may contact our financial institution or visit www.payments.ca.

I acknowledge that provision and delivery of this authorization to EPCOR constitutes delivery by me to my financial institution.

An Automatic Withdrawal adjustment will be made only under the following conditions:

1. Authorization was not provided to EPCOR.
2. Payment withdrawal was not processed in accordance with my authorization agreement.
3. Authorization has been cancelled/revoked and I have chosen another method of payment.
4. Any payment withdrawal dispute must be made within 90 days of the disputed debit being posted to my account.

I understand I will continue to make payments on my account in my usual manner until the automatic withdrawal message appears on my bill.

I consent to EPCOR collecting, using and disclosing this information for the purpose of establishing automatic payment withdrawals, which will be applied against my EPCOR account.

* Wherever I/my/me is used it is inferred we/our/us if there is more than one signature.

AUTOMATIC WITHDRAWAL PLAN AUTHORIZATION FORM

Name on EPCOR Account _____

EPCOR Service Address: _____

Phone (home): _____ Phone (work): _____

Mailing Address: _____
(If different from service address)

Contact Person: _____ Phone: _____
(If different from account holder)

EPCOR Account Number: _____ Category Personal Business

Transit # _____ Bank # _____ Account # _____

Automatic Withdrawal Agreement:

I, the undersigned, authorize EPCOR to withdraw funds from the bank account indicated on the attached "void" cheque or from the bank account information supplied above to cover payments due by me to EPCOR for outstanding charges for utility services provided to me. I acknowledge that I have read and understood all provisions contained in the Terms and Conditions and that I have received a copy. I warrant that all persons whose signature(s) are required or authorized to sign on this bank account have signed this application. I consent to EPCOR collecting, using and disclosing this information for the purpose of establishing automatic withdrawals, which will be applied against my EPCOR account.

Authorized Signature(s): (as you would sign your cheque)

Name _____ Signature _____ Date _____

Name _____ Signature _____ Date _____

Please remember to include:

- Your completed application form
- A personalized cheque marked "void" (if chequing account selected)
- **Continue to make payments on your account in your usual manner until the automatic withdrawal message appears on your utility bill.**

Note that at least one name on the cheque must be the same as the name on your EPCOR bill so the bank can ensure this agreement is valid.

** Wherever I/my/me is used it is inferred we/our/us if there is more than one signature.*

**CONTACT
EPCOR**

Mail to: EPCOR
39 Beech Street E
Aylmer, Ontario N5H 3J6

To learn more visit: www.epcor.com

Email to: gas@epcor.com

For Office Use Only:

DPAC

Change in Banking Information

New EPCOR PAC Customer

EPCOR Customer Information Consent

EPCOR is committed to protecting your personal information. For this reason, we require your consent prior to disclosing your EPCOR account details to any third party. To ensure your request is processed efficiently, please provide the following information and sign the authorization below (please print clearly).

EPCOR Account Number:	
Account holder Name(s):	
Individual(s) or organization(s) authorized to receive information: <i>and/or</i> Energy Retailer(s) authorized to receive information (please be specific):	
Information you would like EPCOR to provide (please be specific):	
This consent is valid until (please specify date):	

AUTHORIZATION

I/we, the undersigned, hereby authorize and direct EPCOR to release the information identified above to the party or parties specified in this form. I/we acknowledge and agree that EPCOR has no control over, and shall bear no responsibility or liability for, the actions of a third party with respect to personal information released by EPCOR in accordance with this consent form.

DATE:

Account holder #1 Name:

Signature:

Account holder #2 Name:

(If applicable)

Signature:

PLEASE NOTE: Where there is more than one account holder, EPCOR may be unable to fully provide all information authorized by this consent, unless all persons named on the account have signed this consent form.

Delivery instructions for release of personal information:

Name of Individual,
Organization or Company:

Mailing Address:

Phone Number:

Fax Number:

Email Address:

Please indicate how your personal information may be transmitted by EPCOR to third parties (check all that apply):

Mail

Phone

Fax

E-mail



APPENDIX C

EPCOR NATURAL GAS LIMITED PARTNERSHIP

Accounting Order

Loss on Disposal of Meters Deferral Account

The Loss on Disposal of Meters Deferral Account (“LDMDA”) is to record the loss on disposal of residential (AC-250) meters resulting from the change in the useful life in 2020 for its Aylmer operations. A change in depreciation rate is necessitated by the fact that a new residential meter has a seal life of ten years and the full replacement of the meter at the end of the seal life is more economical than refurbishment. The change in the depreciation rate for these meters from 3.62% to 10% in 2020 will result in a loss on disposal equal to the net book value of the meters that have been in service for ten years or more.

The balance in this account, together with any carrying charges, will be brought forward for approval for disposition at a future date once the balance has been audited. As these meters are currently used only for customers in Rate Class 1, when the account is brought forward for disposal a fixed-rate rate rider will be only be applied to Rate Class 1.

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

Accounting Entries³

To record the amount of the loss from the disposal of residential meters:

Debit Account No. 105 Accumulated Depreciation
Debit Account No. 179-70 Loss on Disposal of Meters Deferral Account (LDMDA)
Credit Account No. 100 Property Plant and Equipment

To record simple interest on the opening monthly balance of the LDMDA:

Debit Account No. 179-71 Interest on Disposal of Meters Deferral Account
Credit Account No. 323 Other Interest Expense

³ Account numbers are in accordance with the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the *Ontario Energy Board Act*.

APPENDIX D

EPCOR NATURAL GAS LIMITED PARTNERSHIP

Accounting Order

Purchased Gas Transportation Variance Account from Rates 1-5

As the transportation costs are a flow-through to customers, EPCOR Natural Gas Limited Partnership (“ENGLP”) has an established Purchased Gas Transportation Variance Account Rates 1-5 (“PGTVA 1-5”) to record differences between forecasted transportation costs included in ENGLP’s approved rates via the PGTVA reference price, and the actual transportation costs incurred by ENGLP. The PGTVA also records amounts related to deferral account dispositions received or invoiced from ENGLP’s transportation suppliers.

Effective January 1, 2020 ENGLP is authorized to re-set the reference price for the PGTVA 1-5. The reference price of \$0.023724/m³ will be applicable to all customers in rate classes 1 through 5.

Simple interest will be computed monthly on the opening balance in PGTVA 1-5 in accordance with the methodology approved by the Board in EB-2006-0017.

Accounting Entries⁴

To record the monthly difference between the PGTVA reference price, and the actual transportation costs incurred by ENGLP under its M9 and Bundled T contracts with Enbridge Gas Inc. for the volumes required to serve the customers in rate classes 1-5:

Debit/Credit Account No. 179-45 Purchased Gas Transportation Variance Account Rates 1 -5 (PGTVA 1-5)

Credit/Debit Account No. 623 Cost of Gas

To record simple interest on the opening monthly balance in the PGTVA 1-5:

⁴Account numbers are in accordance with the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the *Ontario Energy Board Act*.

Debit/Credit Account No- 179-46 Interest on PGTVA 1-5

Credit/Debit Account No. 323 Other Interest Expense

APPENDIX E

EPCOR NATURAL GAS LIMITED PARTNERSHIP

Accounting Order

Unaccounted for Gas Variance Account

The Unaccounted For Gas Variance Account (“UFGVA”) is to record the cost of gas for EPCOR Natural Gas Limited Partnership’s Aylmer operations for Rates 1-5 that is associated with volumetric variances between the actual volume of Unaccounted for Gas (“UFG”) and the Board approved UFG forecast included in the determination of rates.

The gas costs associated with the UFG variance will be calculated at the end of each year based on the estimated volumetric variance between the applicable Board approved level of UFG and an estimate of the actual UFG. The UFG annual variance will be allocated on a monthly basis in proportion to actual sales and costed at the monthly PGCVA reference price. If required, an adjustment will be made in the subsequent year to record any differences between the estimated UFG and actual UFG. Where there are recoveries of gas loss amounts invoiced as part of third party damages, the gas loss amounts will be removed from the gas cost associated with UFG for the purposes of determining and recording a UFGVA balance.

The materiality threshold for this account is \$25,000. Accordingly, the annual gas costs associated with the UFG as calculated in the manner described above which are equal to or greater than \$25,000 (debit or credit) will be recorded in the UFGVA.

The audited balances in this account, together with any carrying charges, will be brought forward for approval for disposition from/to Rates 1-5 on an annual basis.

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

Accounting Entries⁵

To record the costs associated with unaccounted for gas based on the estimated volumetric variance between the actual UAG and the Board approved level:

Debit/Credit Account No. 179.13 Unaccounted For Gas Variance Account (UFGVA)
Credit/Debit Account No. 623 Cost of Gas

To record the recovery of gas loss amounts invoiced to third parties:

Debit Account No. 140 Sundry Accounts Receivable
Credit Account No. 179.13 Unaccounted For Gas Variance Account (UFGVA)

To record simple interest on the opening monthly balance of the UFGVA:

Debit/Credit Account No. 179.14 Interest on Unaccounted For Gas Variance Account
Credit/Debit Account No. 323 Other Interest Expense

⁵ Account numbers are in accordance with the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the *Ontario Energy Board Act*.

APPENDIX F

EPCOR NATURAL GAS LIMITED PARTNERSHIP

Accounting Order

Accelerated CCA Income Taxes Variance Account

The Accelerated CCA Income Taxes Variance Account (“ACITVA”) is to record the income tax impact from the difference between the capital cost allowance (“CCA”) rates used in the income taxes payable calculation included in the 2020 revenue requirement (EB-2018-0336) and the accelerated CCA rates as enacted under Bill C-97, should EPCOR Natural Gas Limited Partnership (“ENGLP”) claim accelerated CCA for its Aylmer operations during the Price Cap IR Term. In the calculation of income taxes payable included in the 2020 revenue requirement, ENGLP has not claimed the accelerated CCA on eligible capital property. Therefore, this account is required to record the impact associated with changes to income taxes payable should ENGLP claim accelerated CCA during the Price Cap IR Term.

In the event that ENGLP claims accelerated CCA, the annual amount recorded in the ACITVA will be the tax impact at the approved income tax rate in EB-2018-0036, on the difference between accelerated CCA calculated on the rate base approved in the same proceeding and CCA included in income taxes payable approved in the same proceeding.

The entire audited balance in this account, together with any carrying charges, will be brought forward for approval for disposition on an annual basis.

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

Accounting Entries⁶

To record the income tax impact on the difference between accelerated CCA (if claimed by ENGLP) and CCA included in income taxes payable of the approved revenue requirement:

Debit/Credit Account No. 179.72 Accelerated CCA Income Taxes Variance Account
 (“ACITVA”)

⁶ Account numbers are in accordance with the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the *Ontario Energy Board Act*.

Credit/Debit Account No. 306 Income Tax Expense

To record simple interest on the opening monthly balance of the ACITVA:

Debit/Credit Account No. 179.73 Interest on Accelerated CCA Income Taxes Variance
Account

Credit/Debit Account No. 323 Other Interest Expense

APPENDIX G

Accounting Order

2016-2017 System Integrity Capital Deferral Account

The 2016-2017 System Integrity Capital Deferral Account (“SICDA”) is to record monthly, in accordance with the Settlement Proposal for EB-2018-0336, as of January 1, 2020 one twelfth of the revenue requirement associated with the 2020 net book value of the four capital projects incurred by Natural Resource Gas Limited in 2016 and 2017 to address specified system integrity issues. The specific capital projects (“the Capital Projects”) and their 2020 net book value are as follows:

1. \$402,639 for the Enbridge Gas (formerly Union Gas) Bradley Station Project.
2. \$748,383 for the pipeline from the Bradley Station to the Wilson Line project.
3. \$498,922 for the pipeline from the existing Putnam Station to Colloden Line project.
4. \$265,015 for the extension of the Springwater Road pipeline from south of Orwell to John Wise Line project.

The Parties to the Settlement Proposal in proceeding EB-2018-0336 agreed that pending the provision of further information to support these expenditures the above noted amounts for the Capital Projects were to be included in the 2020 Test Year rate base for the purposes of determining the revenue requirement and setting rates for 2020 through 2024 in EPCOR Natural Gas Limited Partnership’s (“ENGLP”) rate application EB-2018-0336. Accordingly, one-twelfth of the associated 2020 Test Year revenue requirement shall be recorded monthly in the SICDA pending the review of evidence in support of establishing prudence of the Capital Projects by the Board in a future proceeding.

The balance in the SCIDA will be addressed through a separate proceeding wherein the Board will determine the prudence of the Capital Projects, establish a methodology for the disposition or discontinuation of the deferral account and if deemed imprudent determine the appropriate mechanism for ENGLP to refund to ratepayers the revenue requirement for the Capital Projects for the remaining term of the 2020-2024 application.

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

Accounting Entries⁷

To record effective January 1, 2020 the monthly revenue requirement associated with the 2020 net book value of the Capital Projects incurred by Natural Resource Gas Limited in 2016 and 2017 to address system integrity issues:

Debit Account No. 300 Operating Revenue

Credit Account No. 179.78 2016-2017 System Integrity Capital Projects Deferral Account (“SICDA”)

To record simple interest on the opening monthly balance of the SICDA:

Debit Account No. 323 Other Interest Expense

Credit Account No. 179.79 Interest on 2016-2017 System Integrity Capital Deferral Account

⁷ Account numbers are in accordance with the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the *Ontario Energy Board Act*.

APPENDIX H

EPCOR NATURAL GAS LIMITED PARTNERSHIP

Accounting Order Earnings Share Mechanism Deferral Account

The Earnings Share Mechanism Deferral Account (“ESMDA”) is to record the annual earnings sharing mechanism (ESM) impact over the Price Cap IR Term as implemented as part of EPCOR Natural Gas Limited Partnership’s (“ENGLP”) 2020-2024 distribution rate application EB-2018-0336. In the event that the utility’s cumulative ROE from 2020 to 2024 exceeds the Board-approved ROE in EB-2018-0336 by more than 150 basis points, the utility is required to share with ratepayers 50% of the earnings that are in excess of the 150 basis points threshold. For clarity, the cumulative ROE will be calculated as the sum of actual regulated net income over the term, taking into account any necessary adjustments, divided by the sum of the actual regulated equity balances for the same term (i.e. considers rate base growth)

An entry will be made annually to record the balance of the ESMDA that is equal to the cumulative earnings to be shared, as if the balance were to be settled on the date it was recorded. The balance in this account will be reflective of the ratepayers’ share of utility earnings (i.e. recorded at 50% of earnings eligible to be shared). As the ESM is asymmetrical the ESMDA balance will be either a credit balance or zero.

For the purposes of calculating the utility’s regulated net income for assessment under the ESM, ENGLP’s annual Affiliate and Corporate Shared Services costs included in O&M costs as described in the original application for EB-2018-0336 shall be capped at the lower of a) actual costs incurred annually or b) the Affiliate and Corporate Shared Services costs included in the 2020 Test Year Board-approved revenue requirement per EB-2018-0336 as inflated annually by the inflation factors approved for use in ENGLP’s annual IRM applications.

The audited balance in this account will be brought forward for approval for disposition after the end of the Price Cap IR Term, once cumulative earnings over the 2020-2024 term have been assessed and the actual ESM amount has been determined.

As any balance in this account is not owing until earnings over the entire 2020-2024 term are assessed as over-earned under the ESM, interest will not be computed on the balance in the ESMDA.

Accounting Entries⁸

To record the annual change in the cumulative ESM:

Debit/Credit Account No. 300 Operating Revenue

Credit/Debit Account No. 179.76 Earnings Share Mechanism Deferral Account
("ESMDA")

⁸ Account numbers are in accordance with the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the *Ontario Energy Board Act*.

APPENDIX I

EPCOR NATURAL GAS LIMITED PARTNERSHIP

Accounting Order

Approved Deferral/Variance Disposal Variance Account

The Approved Deferral/Variance Disposal Variance Account (“ADVADA”) is to record all deferral and variance account balances which have been approved for disposition/recovery. EPCOR Natural Gas Limited Partnership (“ENGLP”) will account for this balance in the same manner as Account 1595 (Disposition and Recovery/Refund of Regulatory Balances Control Account) as per the Uniform Chart of Accounts for Electricity Distributors by recording a debit/credit in an appropriate sub-account (principal balances, carrying charges or carrying charges for net principal). Deferral and variance account balances which have been approved for disposition by the Board, will be transferred into the ADVADA and appropriate sub-account (categorized based on the year of disposition). Amounts recovered from or refunded to ratepayers through the associated approved rate rider(s) will be recorded against the balance in the ADVADA.

Once the approved period for recovery/refund has ended, balances resulting from over or under collection/refund, together with any carrying charges, will be brought forward for disposition at a future proceeding.

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

Accounting Entries⁹

To transfer the balance of deferral and variance accounts upon receipt of approval for disposition:

Debit/Credit Account No. 179.90 Approved Deferral/Variance Disposal Variance Account (“ADVADA”)

Credit/Debit Account No. 179.XX Deferral/variance account

⁹ Account numbers are in accordance with the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the *Ontario Energy Board Act*.

To transfer the balance of deferral and variance interest accounts upon receipt of approval for disposition:

Debit/Credit Account No. 179.91 Approved Deferral/Variance Disposal Variance
Account Interest Sub-Account
Credit/Debit Account No. 179.XX Deferral/variance account interest

To record amounts recovered from /refunded to ratepayers through the approved rate rider(s) over the period for which the rate rider(s) are in effect:

Debit/Credit Account Account No. 300 Operating Revenue
Credit/Debit Account No. 179.90 Approved Deferral/Variance Disposal Variance
Account (“ADVADA”)
Credit/Debit Account No. 179.91 Approved Deferral/Variance Disposal Variance
Account Interest Sub-Account

To record simple interest on the opening monthly balance of the ADVADA:

Debit/Credit Account No. 179.92 Interest on Net Principal of Approved
Deferral/Variance Disposal Variance Account
Credit/Debit Account No. 323 Other Interest Expense

**APPENDIX J
SCORECARD 2020-2024
ENGLP Aylmer Operations**

Performance Outcomes	Performance Categories	Measures	
Customer Focus	Service Quality	Reconnection response time (# of days to reconnect a customer)	<i># of reconnections completed within 2 business days/# of reconnections completed</i>
		Scheduled appointments met on time (appointments met within designated time period)	<i># of appointments met within 4hrs of the scheduled date / # of appointments scheduled in the month</i>
		Telephone calls answered on time (call answering service level)	<i># of calls answered within 30 seconds / # of calls received</i>
	Customer Satisfaction	Customer Complaint Written Response (# of days to provide a written response)	<i># of complaints requiring response within 10 days / # of complaints requiring a written response</i>
		Billing accuracy	<i>Number of manual checks done as per quality assurance program, for excessively high or low usage.</i>
		Abandon Rate (# of calls abandon rate)	<i># of calls abandoned while waiting for a live agent / # of calls requesting to speak to a live agent</i>
		Time to reschedule missed appointments	<i>% of rescheduled work within 2 hours of the end of the original appointment time</i>
Operational Effectiveness	Safety, system reliability and asset management	Meter Reading Performance	<i># of meters with no read for 4 consecutive months / # of active meters to be read</i>
		% of Emergency Calls Responded within One Hour	<i># of emergency calls responded within 60 minutes / # of emergency calls</i>
		Damages	<i>Third party line breaks per 1,000 locate requests</i>
Public Policy Responsiveness	Extending natural gas	New communities that have access to natural gas distribution system	<i># of communities serviced by system</i>

Performance Outcomes	Performance Categories	Measures	
	distribution to new communities	\$/m3 cost to deliver natural gas	<i>Actual average \$/m3</i>
		Customer years	<i>Average customer years</i>
		Cumulative volume	<i>Actual cumulative volume</i>
Financial Performance	Financial Ratios	Current Ratio	
		Debt Ratio	
		Debt to Equity Ratio	
		Interest Coverage	
		Financial Statement Return on Assets	
		Financial Statement Return on Equity	
		Total Cost per Customer per year	
		Total Cost per km of distribution pipe per year	

APPENDIX K

EPCOR NATURAL GAS LIMITED PARTNERSHIP

RATE 1 - General Service Rate

Rate Availability

The entire service area of the Company.

Eligibility

A customer that requires delivery of natural gas to any residential building served through one meter and containing no more than three dwelling units.

Rate

a)	Monthly Fixed Charge	\$16.50
	Rate Rider for REDA Recovery – effective for 12 months ending December 31, 2020	\$0.59
b)	Delivery Charge	
	First 1,000 m ³ per month	13.6301 cents per m ³
	All over 1,000 m ³ per month	10.9546 cents per m ³
	Rate Rider for PGTVA recovery – effective for 12 months ending December 31, 2020	0.1280 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, 2020

Implementation: All bills rendered on or after January 1, 2020

EB-2018-0336

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	\$20.00	\$20.00
Rate Rider for REDA Recovery – effective for 12 months ending December 31, 2020	\$0.59	\$0.59
b) Delivery Charge		
First 1,000 m ³ per month	16.7582 cents per m ³	21.1234 cents per m ³
Next 24,000 m ³ per month	8.7056 cents per m ³	14.4099 cents per m ³
All over 25,000 m ³ per month	6.7868 cents per m ³	15.2899 cents per m ³
Rate Rider for PGTVA recovery – effective for 12 months ending December 31, 2020	0.1280 cents per m ³	0.1280 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, 2020

Implementation: All bills rendered on or after January 1, 2020

EB-2018-0336

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 \$200.00 for firm or interruptible customers; or
A Monthly Customer Charge of \$222.00 for combined (firm and interruptible) customers.

Rate Rider for REDA Recovery \$0.59
– effective for 12 months ending December 31, 2020

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 3.8403 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 10.5118 cents per m³ and not to be less than 7.6156 per m³.

Rate Rider for PGTVA recovery 0.1280 cents per m³
– effective for 12 months ending December 31, 2020

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, 2020

Implementation: All bills rendered on or after January 1, 2020

EB-2018-0336

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	\$20.00	\$20.00
Rate Rider for REDA Recovery – effective for 12 months ending December 31, 2020	\$0.59	\$0.59
b) Delivery Charge		
First 1,000 m ³ per month	18.5840 cents per m ³	23.7081 cents per m ³
All over 1,000 m ³ per month	11.4025 cents per m ³	18.3202 cents per m ³
Rate Rider for PGTVA recovery – effective for 12 months ending December 31, 2020	0.1280 cents per m ³	0.1280 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, 2020

Implementation: All bills rendered on or after January 1, 2020

EB-2018-0336

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 \$190.00

Rate Rider for REDA Recovery \$0.59
– effective for 12 months ending December 31, 2020

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 9.2650 cents per m³ and not to be less than 5.9800 per m³.

Rate Rider for PGTVA recovery 0.1280 cents per m³
– effective for 12 months ending December 31, 2020

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 8.2908 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, 2020

Implementation: All bills rendered on or after January 1, 2020

EB-2018-0336

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 \$61,229.92 for firm services

Rate Rider for REDA Recovery \$0.56
– effective for 12 months ending December 31, 2020

Rate Rider for PGTVA recovery \$15,413.33
– effective for 12 months ending December 31, 2020

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

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, 2020

Implementation: All bills rendered on or after January 1, 2020

EB-2018-0336

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-2019-0102)	17.4859 cents per m ³
GPRA Recovery Rate	(EB-2019-0102)	(0.0856) cents per m ³
System Gas Fee	(EB-2018-0336)	<u>0.0435</u> cents per m ³
Total Gas Supply Charge		<u>17.4438</u> cents per m ³

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: January 1, 2020

Implementation: All bills rendered on or after January 1, 2020
EB-2018-0336

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, 2020

Implementation: All bills rendered on or after January 1, 2020

EB-2018-0336

EPCOR NATURAL GAS LIMITED PARTNERSHIP

Transmission Service

Availability

Transmission Service charges shall be applied to all natural gas producers that sell gas into Enbridge Gas' Union South system via ENGLP's distribution system.

Eligibility

All natural gas producers, transporting gas through ENGLP's system for sale into Enbridge Gas' Union South system shall be charged the Transmission Service Rate and associated Administrative Charge. Rates and Charges will be applied only in those months that a natural gas producer delivers gas to a delivery point on ENGLP's system for sale into Enbridge Gas' Union South system.

Rate

Administrative Charge	\$250/month
Transmission Service Rate	\$0.95/mcf

Effective: January 1, 2020

Implementation: All bills rendered on or after January 1, 2020

EB-2018-0336

EPCOR NATURAL GAS LIMITED PARTNERSHIP

Schedule of Miscellaneous and Service Charges

A		B
Service		Fee
1	Service Work	
2	During normal working hours	
3	Minimum charge (up to 60 minutes)	\$100.00
4	Each additional hour (or part thereof)	\$100.00
5	Outside normal working hours	
6	Minimum charge (up to 60 minutes)	\$130.00
7	Each additional hour (or part thereof)	\$105.00
8		
9	Miscellaneous Charges	
10	Returned Cheque / Payment	\$20.00
11	Replies to a request for account information	\$25.00
12	Bill Reprint / Statement Print Requests	\$20.00
13	Consumption Summary Requests	\$20.00
14	Customer Transfer / Connection Charge	\$35.00
15		
16	Reconnection Charge	\$85.00
17		
18	Inactive Account Charge	ENGLP's cost to install service
19		
20	Late Payment Charge	1.5% / month, 19.56% / year (effective rate of 0.04896% compounded daily)
21		
22	Meter Tested at Customer Request Found to be Accurate	Charge based on actual costs
23		
24	Installation of Service Lateral	\$100 for the first 20 meters. Additional if pipe length exceeds 20 meters.

Note: Applicable taxes will be added to the above charges

Effective: January 1, 2020
 Implementation: All bills rendered on or after January 1, 2020
 EB-2018-0336