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September 10, 2020

Sent by EMAIL, RESS e-filing

Ms. Christine E. Long
Registrar and Board Secretary
Ontario Energy Board
27-2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Long:

**Re: EB-2020-0206: Quarterly Rate Adjustment Mechanism (“QRAM”) Application
EPCOR Natural Gas LP (“ENGLP”) South Bruce for rates effective October 1, 2020**

Please find attached ENGLP Aylmer’s QRAM Application to the Ontario Energy Board for orders effective October 1, 2020.

Please feel free to contact me if you have any questions regarding this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. Hesselink", with a stylized flourish at the end.

Tim Hesselink
Senior Manager, Regulatory Affairs
EPCOR Natural Gas Limited Partnership
(705) 445-1800 ext. 2247
THesselink@epcor.com

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an Application by EPCOR Natural Gas Limited Partnership (“ENGLP”) pursuant to Section 36(1) of the Act, for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas as of October 1, 2020.

AND IN THE MATTER OF the Quarterly Rate Adjustment Mechanism (“GRAM”).

APPLICATION

1. As part of the EB-2018-0264 Rate Order dated January 9, 2020 (the “Rate Order”), the Ontario Energy Board (“Board”) approved a Purchased Gas Commodity Variance Account (“PGCVA”), a Gas Purchase Rebalancing Account (“GPRA”) and a gas supply charge of \$0.115114 cents per m³, effective January 1, 2020, for ENGLP’s Southern Bruce operations.
2. Pursuant to Section 36(1) of the Act, and the GRAM approved by the Board, ENGLP hereby applies to the Board for further orders effective October 1, 2020, as follows:
 - a) an Order setting the reference price of \$0.115114 per m³, for amounts to be recorded in the PGCVA;
 - b) an Order changing the rates and other charges from those authorized by the Rate Order and subsequently updated by the Board’s Decision and Rate Order dated June 4, 2020 in proceeding EB-2019-0264, to reflect a projected \$0.001465 per m³ change in the gas supply charge from the Board approved level of \$0.115114 per m³ to a projected cost of \$ 0.135296 per m³. This change is the sum of the change in the PGCVA reference price, and the change required to prospectively clear the balance of the GPRA.
 - c) an Order confirming that ENGLP may track and apply to clear in a future Incentive Rate-Setting Mechanism application, the costs of administering the procurement of system gas supply, including (a) the fee to nominate gas on the M17 rate to the Southern Bruce Franchise area and (b) costs internal to ENGLP to manage the procurement of system gas supply, in the existing Storage & Transportation Variance Account for Rates 1, 6, and 11.

(d) such further Order or Orders as ENGLP may request and the Board may deem appropriate or necessary.

Regulatory Framework

3. This application is supported by written evidence that has been pre-filed with the Board and intervenors of record in proceeding EB-2018-0264 and EB-2019-0264.
4. Pursuant to the criteria established in the Board's EB-2008-0106 Decision, below is the Board's direction with respect to the timeline for processing the application
 - Any responsive comments from interested parties are filed with the Board, and served on ENGLP and other interest parties, on or before 4:45 p.m. five calendar days following the filing of the QRAM application.
 - Any reply comments from ENGLP are filed with the Board, and served on all interested parties, on or before 4:45 p.m. three calendar days following receipt of comments.
5. ENGLP respectfully requests the Board issue its Decision and Order by September 30, 2020 for implementation effective October 1, 2020.
6. The following procedures are prescribed for cost claims relating to QRAM applications, as directed by the Board:
 - Parties that meet the eligibility criteria contained in the Board's Practice Direction on Cost Awards may submit costs with supporting rationale as to how their participation contributed to the Board's ability to decide on this matter.
 - Any party eligible for an award of costs must file a claim with the Board and ENGLP no later than ten days from the date of the Board's decision and order. Should ENGLP have any comments concerning any of the claims, these concerns shall be forwarded to the Board and to the claimant within seven days of receiving the claims. Any response to ENGLP's comments must be filed with the Board and ENGLP within seven days of receiving the comments.

Address for Service

7. ENGLP requests that all documents in relation to the Application and its supporting evidence, including responsive comments of any interested party, be served on ENGLP and its counsel as follows:

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DATED this 10th day of September, 2020.

EPCOR Natural Gas Limited Partnership



Tim Hesselink
Senior Manager, Regulatory Commercial Services

EPCOR NATURAL GAS LIMITED PARTNERSHIP**INTRODUCTION**

As part of the EB-2018-0264 Rate Order dated January 9, 2020 the Ontario Energy Board (“Board”) approved a Purchased Gas Commodity Variance Account (“PGCVA”) effective January 1, 2020 for EPCOR Natural Gas Limited Partnership Southern Bruce (“ENGLP”) and a gas supply charge of \$0.115114 cents per m³, effective January 1, 2020, for ENGLP’s Southern Bruce operations.

In EB-2018-0264 (Rate Order dated January 9, 2020), the Board approved a Gas Purchase Rebalancing Account (“GPRA”) to record the increase (decrease) in the value of the gas inventory available for sale to sales service customers due to changes in ENGLP’s cost of gas supply.

ENGLP is proposing to set the gas supply charge, the GPRA rate and the PGCVA reference price effective October 1, 2020 to reflect an updated forecast of gas costs, the projected balance in the PGCVA and the projected balance in the GPRA.

While completing this application, ENGLP had also intended to include a system gas supply cost to recover the costs of administering the procurement of system gas supply, which includes the fee to nominate gas on the M17 to the Southern Bruce Franchise area, as well as costs internal to ENGLP to manage various aspects of gas supply and procurement. Given the current economic uncertainty as a result of the COVID-19 pandemic, ENGLP is proposing to record these costs in the existing Storage & Transportation Variance Acct for Rates 1, 6, 11 (S&TVA Rates 1, 6 & 11) and clear the variance in a future IRM application. Details of these costs are included further in this application and summary.

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

Updated Forecasts

The current forecast is based on natural gas prices over the relevant period. These gas prices reflect current contracts and market conditions, including alternative energy prices, demand for natural gas, the weather outlook and the impact of current storage levels. The forecasts reflect the actual and planned procurement activities, and the actual and forecasted demand profile of the franchise area as per the most recent Southern Bruce Gas Supply Plan EB-2020-0106, filed June 15, 2020 (“Gas Supply Plan”).

The PGCVA balance has been calculated using the most recent information available, including actual volumes and costs through August 2020. The remaining months in the twelve-month period ending September 2020 are calculated using estimated prices and volumes based on the best information available at the time of filing.

Forecast prices have been used for the period of September 2020 to October 2021, except where actual contracted prices are available.

Gas Supply Portfolio

The gas supply portfolio reflects the current and forecasted mix of delivery points utilized by ENGLP for system gas purchases. The composition of the gas supply portfolio volumes from October 2020 to September 2021 can be referenced on Schedule 3. This schedule shows the monthly volume of gas purchased, or forecast to be purchased from various delivery points and different pricing structures (including fixed, index, spot). Similarly, the composition of the gas supply portfolio volumes from October 2020 to September 2021 is shown on the top of Schedule 6.

1 In particular, the gas supply portfolio reflected in this QRAM application reflects the
2 detailed Supply/Demand forecast found in the Gas Supply Plan. The structure of the
3 purchases are as highlighted, where:

- 4
- 5 • A percentage of average forecasted consumption for the period from December 1 to
6 March 31 of the following year will be purchased as a fixed price gas landed at
7 Dawn.
 - 8
 - 9 • A percentage of average forecasted consumption for the period from April 1 to
10 September 30 will be purchased at an AECO index plus fixed basis.
 - 11
 - 12 • For forecasted demand not met by baseload purchase or firm storage withdrawal
13 rights, month to month Dawn index purchases will be made to meet expected
14 demand.
 - 15
 - 16 • Day-to-day spot purchases and sales at Dawn will be made if storage injection or
17 withdrawal adjustments are not appropriate or cannot meet higher or lower than
18 forecasted demand and to minimize risk of triggering fees from the M17 Limited
19 Balancing Agreement (“LBA”).
 - 20

21 A number of adjustments have been made to the forecast to include additional information
22 not available at the time of filing:

- 23
- 24 • Due to a delay in construction, all system gas customers except one are not
25 scheduled to connect to the distribution system until October. The single system
26 gas customer connected to the distribution system mid-August and is not forecasted
27 to consume gas in September. As such, no system gas consumption is forecasted
28 for September 2020.
 - 29

- 1 • In the submitted Gas Supply Plan, ENGLP expected to only use firm injection right
2 to fill storage from mid-May (the start of the storage contract) to the end of
3 September, at which point injection rights are interruptible. On August 7, ENGLP
4 procured an additional 9,850 GJ (plus fuel) to be injected into storage via
5 interruptible overrun injection (a one-day spot transaction). The purchase enables
6 ENGLP to fill storage to 99.94% by September 30, the end of the injection season.
7 As a result, forecasted winter purchases in this QRAM have been reduced compared
8 to procurement volumes forecasted in the Gas Supply Plan to allow for full
9 withdrawal of storage gas volume (9,994 GJ) by March 31.
- 10
- 11 • A fixed priced Dawn purchase from December 2020 to March 2021 is forecasted
12 in this QRAM, which was not modeled in the Gas Supply Plan. Further, this QRAM
13 models a 30% winter baseload at Dawn (rather than at 65% of the forecasted
14 demand for the period as described in the Gas Supply Plan) to mitigate the risk of
15 over-procurement. This reduction in baseload procurement allows for maximum
16 use of firm storage withdrawal rights and bring storage inventory levels close to
17 zero by March 31, 2020.

18

19 Gas Costs

20

21 ENGLP's actual and forecast gas costs from October 2020 to September 2021 are shown
22 in Schedule 4 in \$/GJ by source of supply. These prices are also shown in the middle section
23 of Schedule 3 in \$/m³. The bottom section of Schedule 3 shows the composition of the
24 total system gas costs. The conversion factor used is based on the heat values used by
25 Enbridge in their administration of the M17 service contracted by ENGLP to transport
26 natural gas from Dawn to the Southern Bruce franchise through the Dornoch Interconnect.
27 These conversion factors are shown in Schedule 4. All prices and costs shown are actual
28 prices paid from May 2020 to August 2020. Prices for the remaining months in this period
29 are based on estimates to be paid in those months. The costs shown for the remaining

1 months are based on both the estimated prices to be paid and the estimated volumes to be
2 purchased.

3

4 Forecast gas prices for each of the sources of supply from October 2020 to September 2021
5 are described below.

6

7 Actual Cost

8

9 *Dawn Fixed Price Transactions:* ENGLP transacted two Dawn Fixed Priced deals between
10 May and September of 2020, with volume procured from both transactions nominated
11 directly into ENGLP's seasonal storage asset to be consumed by system gas customers in
12 the upcoming winter (December 2020 to March 2021). Dawn fixed priced deals were
13 procured for June 1, 2020 to July 31, 2020 at 750 GJ per day. The volume procured matches
14 ENGLP's firm storage injection rights for the 100,000 GJ of seasonal storage service
15 ENGLP contracted with Enbridge when storage levels are below 75%. A second Dawn
16 fixed priced deal was procured for August 1, 2020 to September 30, 2020 at 500 GJ per
17 day to match ENGLP's firm storage injection rights when storage levels for ENGLP's
18 seasonal storage service are above 75%. Fixed priced deals were transacted instead of index
19 price deals per advice of ECNG to protect ENGLP's gas portfolio against a rising market.

20

21 *Dawn Spot Price Purchase Transactions:* A number of spot purchases at Dawn were made
22 between May and September. In May, spot transactions were made to start procuring gas
23 to inject into storage utilizing firm injection capacity. Spot deals were made rather than an
24 index or a term price deal due to the fact that ENGLP entered into the storage contract with
25 Enbridge mid-month, meaning that prompt-month index or fixed priced contract was not
26 available to ENGLP for the month of May. Each transaction were made to maximize the
27 use of firm injection storage rights.

28

1 In August, five spot purchase transactions were made – four to utilize injection rights to
2 fill storage for the upcoming winter, and one deal to procure gas for ENGLP’s first system
3 gas customer (connected August 14).

4
5 For the 4 storage specific spot transactions, three were made at 250 GJ per day to maximize
6 the use of firm injection rights for August 5, 6, 11, and 12th. This is to supplement the fixed
7 price term transactions of 500 GJ per day for this period, as storage levels have not reached
8 75% in this time period. One transaction of 10,000 GJ for a single-day delivery (plus 102
9 GJ in fuel) was made to top up storage so that by the end of the injection season storage
10 levels reach 99.94% full. 250 GJ of that was to maximize the use of firm injection rights
11 for August 7th, and the remaining 9,750 GJ were injected into storage via authorized
12 interruptible overrun. ENGLP felt it was prudent to transact and utilize the interruptible
13 overrun early in August, as Enbridge has indicated that overall storage levels in Ontario
14 are very high. ENGLP feels it may run the risk of overrun injection being rejected by
15 Enbridge if injections were to be spread out throughout the month of August, impeding the
16 ability to fill storage prior by the end of injection season.

17
18 Last spot transaction was made to procure gas for ENGLP’s first system gas customer
19 which connected August 14th. With no actual consumption history for the customer,
20 ENGLP felt it was prudent to procure the gas proactively in order to minimize the
21 imbalance in the M17 LBA.

22
23 *Dawn Index Price Transactions:* ENGLP has not entered into any Dawn Index Price
24 Transactions as of September, 2020.

25
26 *AECO Index Price Transactions:* ENGLP has not entered into any AECO Index Price
27 Transactions as of September, 2020.

28
29 *Dawn Spot Price Sales Transactions:* ENGLP has not entered into any Dawn Spot Price
30 Sales Transactions as of September, 2020.

1 Forecast Pricing

2

3 As noted earlier, ENGLP purchases gas from the market at Dawn. The structure of the
4 purchases are as highlighted in the Gas Supply Plan, where:

5

6 • A percentage of average forecasted consumption for the period between December
7 1 and March 31 of the following year will be purchased as a fixed price gas landed
8 at Dawn.

9

10 • A percentage of average forecasted consumption for the period between April 1 and
11 September 30 will be purchased at an AECO index plus fixed basis.

12

13 • For forecasted demand not met by baseload purchase or firm storage withdrawal
14 rights, month to month Dawn index purchases will be made to meet expected
15 demand.

16

17 • Day-to-day spot purchases and sales at Dawn will be made if storage injection or
18 withdrawal adjustments are not appropriate or cannot meet higher or lower than
19 forecasted demand and to minimize risk of triggering fees from the M17 LBA.

20

21 The price forecast for this gas reflects the 21 trading day average of the two hubs relevant
22 21 to the Gas Supply Plan – Dawn and AECO. Forecast prices for all 12 forward months
23 are taken as the arithmetic average of Daily Closing Forward Price for 21 days of each
24 forward month. Noon day average foreign exchange rate of each trading day is used to
25 convert Dawn settlement prices in USD to CAD. Dawn settlement prices were also
26 converted from mmBtu to GJ. These monthly prices are applied to the forecast volume of
27 gas purchases in the Gas Supply Plan. Forecasted price for the fixed priced Dawn purchase
28 for December 2020 to March 2021 is calculated as the 21 trading day average for those
29 future delivery periods at Dawn. Forecasted price for the AECO index purchase from April
30 2021 to September 2021 is calculated as the 21 trading day average for those future delivery

1 periods at AECO, plus a fixed basis calculated as the average of the monthly spread
2 between the average Dawn and AECO prices for those months.

3
4 Other Forecast Assumptions

5
6 The heat value used to convert GJ to m³ is 39.28 GJ/10³ m³ for gas delivered from Enbridge.
7 This is consistent with the figure used by Enbridge for gas nominated into the M17 and for
8 managing the M17 LBA, which tracks total consumption for the Southern Bruce franchise
9 on a per GJ basis. ENGLP uses this conversion factor to calculate the cost in \$/GJ and for
10 the pricing of system gas volumes. This is an annual average heat rate that will be adjusted
11 annually on April 1st.

12
13 PGCVA Balance

14
15 The projected October, 2020 balance in the PGCVA is a credit of \$ 62,278.53 including a
16 debit of \$ 71.68 in accumulated interest, based on the Board's prescribed interest rate. This
17 estimate is based on actual and forecasted purchases starting May, 2020. As residential
18 customers are not expected to connect to the system until October, the PGCVA debit
19 amounts' impact for a typical residential customer is not reviewed.

20
21 Proposed PGCVA Rate Changes

22 ENGLP proposes to adjust the reference price effective October 1, 2020 based on the
23 projected accumulated balance in the PGCVA as of the end of September, 2020 and the
24 forecasted cost of gas over the twelve-month period. The reference price is set such that
25 the projected PGCVA balance at the end of September, 2021 is close to zero.

26
27 ENGLP's proposal will clear the PGCVA balance on a prospective basis, eliminating the
28 need for retroactive adjustments. This is consistent with ENGLP Aylmer's past proposals
29 in QRAM applications, which have been accepted by the Board.

30

1 ENGLP proposes to increase the reference price by \$ 0.030397 per m³ effective October
2 1, 2020, (from \$ 0.115114 per m³ to \$ 0.145511 per m³.) The derivation of this rate is
3 shown in Schedule 5. This is the reference price required to bring the PGCVA balance
4 close to zero on a twelve-month forecast basis. This change will also be reflected in the
5 gas commodity charge.

6

7 **GAS PURCHASE REBALANCING ACCOUNT**

8

9 The impact on the GPRA of the proposed October 1, 2020 PGCVA reference price change
10 from \$ 0.115114 per m³ to \$ 0.145511 per m³ is a credit of \$76,837.91, as shown on
11 Schedule 8. This figure is shown in column (K) of Schedule 8 on the September, 2020
12 line. It is calculated as the change in the PGCVA reference price between September, 2020
13 and October, 2020, multiplied by the cumulative inventory balance at the end of
14 September, 2020. This cumulative inventory balance is the sum of the actual monthly
15 inventory balances for August, 2020 and forecasts for the subsequent months. These
16 forecasts will be replaced with actual balances for these months in subsequent QRAM
17 applications as this information becomes available. As well, the monthly inventory
18 balances are based on a deemed level of unaccounted for gas (“UFG”) of the total
19 throughput volume, as shown in column (F) of Schedule 8. The 0.0% is the Board
20 approved level of UFG from EB-2018-0264.

21

22 ENGLP proposes to adjust the gas commodity charge effective October 1, 2020 based on
23 the projected accumulated balance in the GPRA. The adjustment to the gas commodity
24 charge will be set such that the projected GPRA balance at the end of September, 2021 will
25 be close to zero. The rate required to achieve this is shown in column (L) on Schedule 8.
26 Column (Q) shows the reduction of the inventory revaluation balance based on this rate of
27 -\$ 0.010215 per m³ over the October, 2020 through September, 2021 period.

28

29 ENGLP’s proposal will clear the GPRA balance on a prospective basis, eliminating the
30 need for retroactive adjustments. This is consistent with ENGLP Aylmer’s proposal for

1 the continued prospective clearance of the PGCVA. This change will also be reflected in
2 the gas commodity charge.

4 **GAS COMMODITY CHARGE**

5
6 When preparing the franchise area's first QRAM application, ENGLP initially considered
7 recovering the cost of administering gas supply procurement as part of the gas commodity
8 charge. This gas supply administration cost represents the incremental costs over and above
9 the commodity cost that form the PGCVA reference price to the gas supply function. These
10 incremental costs are portions of administrative and general expenses associated with
11 procurement and nomination of gas supply for franchise area.

12
13 ENGLP has identified the following annual costs required to administer the procurement
14 of natural gas supply for the franchise area under the M17 rate.

16 **Annual Gas Supply Administration Cost**

17	<i>Staff Costs (1.25 FTE)</i>	\$185,000
18	<i>ECNG Annual Retainer Gas Strategy Services</i>	\$36,000
	<i><u>ECNG nomination fee (based on 2020 volume)</u></i>	<u>\$12,000</u>
	Total Annual Gas Supply Administration Cost	\$233,000

19
20 With the exception of the ECNG nomination fee, these costs were not included as part of
21 the Upstream Recovery charge as the decision on whether ENGLP is to operate under the
22 M17 was not approved by the Board until April 2020. M17 is a point-to-point
23 transportation only agreement – meaning that ENGLP will need to administer gas supply
24 procurement under the agreement.

25
26 The Gas Supply Administration Cost will be relatively fixed on an annual basis, and
27 independent of the volume of gas consumed that would be consumed by system gas
28 customers in any given year. In reviewing these costs, and in consideration with the current

1 economic conditions as a result of the COVID-19 pandemic, ENGLP is instead proposing
 2 to track these costs in the existing Storage & Transportation Variance Acct for Rates 1, 6,
 3 11 (S&TVA Rates 1, 6 & 11). In particular, a portion of the ECNG nomination fee is
 4 already considered in the S&TVA Rates 1, 6 & 11. ENGLP is seeking permission to track
 5 these costs in the S&TVA Rates 1, 6 & 11 and will seek to clear the variance in this account
 6 in a future IRM application.

7

8 The change in the gas commodity charge proposed for October 1, 2020 is summarized
 9 below. The change in the gas commodity charge reflects both the change in the PGCVA
 10 reference price and the change in the recovery of the inventory revaluation amount in the
 11 GPRA. It does not reflect the approved change in the system gas supply cost. The
 12 change in the gas commodity charge is as follows:

13

	EB-2018-0264 January 1, 2020	Proposed Oct 1, 2020	Difference
PGCVA Reference Price	\$0.115114	\$0.145511	\$0.030397
GPRA Recovery	\$0.000000	-\$0.010215	-\$0.010215
Gas Commodity Charge	\$0.115114	\$0.135296	\$0.020182

19

20 **SUMMARY**

21

22 In summary, ENGLP proposes to change the reference price for amounts to be recorded in
 23 the Purchased Gas Commodity Variance Account from \$0.115114 by \$0.030397 to
 24 \$0.145511 per m³ effective October 1, 2020. Appendix B contains the accounting entries
 25 related to the PGCVA.

26

27 ENGLP also proposes to change the gas supply charge from \$0.115114 to \$0.135296 per
 28 m³ effective October 1, 2020. This change reflects the change in the PGCVA reference
 29 price, as described above, the change related to the recovery of the GPRA balance, also as
 30 described above. These changes apply to all system gas customers served under Rates 1,
 31 6, and 11.

1 The proposed rate schedules are attached as Appendix A. The proposed rate schedules in
2 Appendix A reflect the changes effective October 1, 2020 related to this QRAM
3 application.

4

5 The proposed rate schedules also reflect the Federal Carbon Charge and the Facility Carbon
6 Charge as approved in the March 26, 2020 Interim Decision and Order in EB-2020-0076,
7 excluding any rate riders for deferral and variance account clearances.

8

9 Schedule 9 provides a bill comparison showing the impact of the changes in the proposed
10 gas commodity charge on a year over year basis for the appropriate quarter as well as the
11 annual bill impact of the most recent quarterly change for an average residential customer.
12 The annual bill impact related to the change in the commodity charges on a customer
13 consuming approximately 2,149.0 m³ is an increase of \$43.37. This average use figure of
14 2,149.0 m³ is consistent with the bill impacts presented in ENGLP's 2020 Incentive Rate-
15 setting Mechanism application (EB-2019-0264) and reflects the Board's expectation that
16 QRAM applications would provide bill impacts based on this level for a typical residential
17 customer.

18

19 ENGLP is planning on sending a notice to customers to notify of the rate changes to be
20 included with bills issued during October 2020.

EPCOR NATURAL GAS LIMITED PARTNERSHIP

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

HISTORICAL TWELVE MONTH PERIOD - October, 2019 TO September, 2020

<u>Act/Fcst</u>	<u>Month</u>	<u>Purchase Cost (\$'s)</u>	<u>M*3</u>	<u>Actual/Forecast Price (\$/M*3)</u>	<u>Reference Price (\$/M*3)</u>	<u>Unit Rate Difference (\$/M*3)</u>	<u>Monthly PGCVA (\$'s)</u>	<u>Y-T-D PGCVA (\$'s)</u>	<u>Monthly Interest (\$'s)</u>	<u>Y-T-D Interest (\$'s)</u>	<u>Total PGCVA (\$'s)</u>	<u>Total Y-T-D PGCVA (\$'s)</u>	<u>Average Residential Consumption (M*3)</u>	<u>Monthly Interest Rate</u>
Actual	October	0	0	0.000000	0.115114	0.115114	0.00	0.00	0.00	0.00	0.00	0.00	0.0	2.18%
Actual	November	0	0	0.000000	0.115114	0.115114	0.00	0.00	0.00	0.00	0.00	0.00	0.0	2.18%
Actual	December	0	0	0.000000	0.115114	0.115114	0.00	0.00	0.00	0.00	0.00	0.00	0.0	2.18%
Actual	January	0	0	0.000000	0.115114	0.115114	0.00	0.00	0.00	0.00	0.00	0.00	0.0	2.18%
Actual	February	0	0	0.000000	0.115114	0.115114	0.00	0.00	0.00	0.00	0.00	0.00	0.0	2.18%
Actual	March	0	0	0.000000	0.115114	0.115114	0.00	0.00	0.00	0.00	0.00	0.00	0.0	2.18%
Actual	April	0	0	0.000000	0.115114	0.115114	0.00	0.00	0.00	0.00	0.00	0.00	0.0	2.18%
Actual	May	26,085	303,870	0.085844	0.115114	0.029270	8,894.26	8,894.26	0.00	0.00	8,894.26	8,894.26	0.0	2.18%
Actual	June	51,075	572,811	0.089166	0.115114	0.025948	14,863.29	23,757.55	16.16	16.16	14,879.45	23,773.71	0.0	2.18%
Actual	July	52,778	591,904	0.089166	0.115114	0.025948	15,358.73	39,116.28	11.28	27.44	15,370.01	39,143.72	0.0	0.57%
Actual	August	63,635	682,281	0.093268	0.115114	0.021846	14,905.11	54,021.39	18.58	46.02	14,923.69	54,067.41	0.0	0.57%
<u>Forecast</u>	<u>September</u>	<u>35,774</u>	<u>381,874</u>	<u>0.093679</u>	0.115114	0.021435	<u>8,185.46</u>	<u>62,206.85</u>	<u>25.66</u>	<u>71.68</u>	<u>8,211.12</u>	<u>62,278.53</u>	<u>0.0</u>	<u>0.57%</u>
	Total	229,346	2,532,739	0.090553			62,206.85	62,206.85	71.68	71.68	62,278.53	62,278.53	0.0	

PGCVA Balance per M*3 Purchased (\$/M*3) \$0.024589
 Forecast Average Residential Consumption per Customer 0.0 M*3
 Estimated Impact on Average Residential Customer \$0.00 Customer Rebate

(1) No residential consumption expected until October 2020

EPCOR NATURAL GAS LIMITED PARTNERSHIP

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - October, 2019 TO September, 2020

	<u>Oct-19</u>	<u>Nov-19</u>	<u>Dec-19</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20</u>	<u>Jul-20</u>	<u>Aug-20</u>	<u>Sep-20</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Dawn Day Ahead Index	0	0	0	0	0	0	0	0	0	0	0	0	0
AECO 5A	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Fixed Price	0	0	0	0	0	0	0	0	572,811	591,904	394,603	381,874	1,941,191
Spot purchase	0	0	0	0	0	0	0	303,870	0	0	287,678	0	591,548
Spot sale	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	303,870	572,811	591,904	682,281	381,874	2,532,739
<u>Price (\$/m3)</u>													
Dawn Day Ahead Index	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
AECO 5A	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Dawn Fixed Price	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.089166	0.089166	0.093679	0.093679	0.093679
Spot purchase	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.085844	0.000000	0.000000	0.092704	0.000000	0.000000
Spot sale	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
<u>Total Gas Cost (\$)</u>													
Dawn Day Ahead Index	0	0	0	0	0	0	0	0	0	0	0	0	0
AECO 5A	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Fixed Price	0	0	0	0	0	0	0	0	51,075	52,778	36,966	35,774	176,592
Spot purchase	0	0	0	0	0	0	0	26,085	0	0	26,669	0	52,754
Spot sale	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	26,085	51,075	52,778	63,635	35,774	229,346

EPCOR NATURAL GAS LIMITED PARTNERSHIP

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - October, 2020 TO September, 2021
(WITH CHANGE IN REFERENCE PRICE)

Month	Purchase Cost (\$'s)	M*3	Forecast Price (\$/M*3)	Reference Price (\$/M*3)	Unit Rate Difference (\$/M*3)	Monthly PGCVA (\$'s)	Y-T-D PGCVA (\$'s)	Monthly Interest (\$'s)	Y-T-D Interest (\$'s)	Total PGCVA (\$'s)	Total Y-T-D PGCVA (\$'s)	Average Residential Consumption (M*3)	Monthly Interest Rate
October	43,642	383,554	0.113782	0.145511	0.031729	12,169.78	12,169.78	0.00	0.00	12,169.78	12,169.78	145.9	0.57%
November	90,836	612,525	0.148298	0.145511	(0.002787)	(1,707.11)	10,462.67	5.78	5.78	(1,701.33)	10,468.45	212.9	0.57%
December	98,794	583,223	0.169393	0.145511	(0.023882)	(13,928.53)	(3,465.86)	4.97	10.75	(13,923.56)	(3,455.11)	278.0	0.57%
January	60,683	355,143	0.170868	0.145511	(0.025357)	(9,005.36)	(12,471.22)	(1.65)	9.10	(9,007.01)	(12,462.12)	316.3	0.57%
February	74,046	431,976	0.171413	0.145511	(0.025902)	(11,189.04)	(23,660.26)	(5.92)	3.18	(11,194.96)	(23,657.08)	317.4	0.57%
March	61,622	360,667	0.170856	0.145511	(0.025345)	(9,141.11)	(32,801.37)	(11.24)	(8.06)	(9,152.35)	(32,809.43)	268.8	0.57%
April	104,847	726,324	0.144353	0.145511	0.001158	841.08	(31,960.29)	(15.58)	(23.64)	825.50	(31,983.93)	195.5	0.57%
May	144,584	1,051,222	0.137539	0.145511	0.007972	8,380.34	(23,579.95)	(15.18)	(38.82)	8,365.16	(23,618.77)	125.6	0.57%
June	115,993	846,996	0.136947	0.145511	0.008564	7,253.67	(16,326.28)	(11.20)	(50.02)	7,242.47	(16,376.30)	77.0	0.57%
July	111,458	806,568	0.138189	0.145511	0.007322	5,905.69	(10,420.59)	(7.75)	(57.77)	5,897.94	(10,478.36)	61.7	0.57%
August	93,403	672,403	0.138909	0.145511	0.006602	4,439.20	(5,981.39)	(4.95)	(62.72)	4,434.25	(6,044.11)	63.0	0.57%
September	<u>114,868</u>	<u>830,957</u>	<u>0.138236</u>	0.145511	0.007275	<u>6,045.21</u>	<u>63.82</u>	<u>(2.84)</u>	<u>(65.56)</u>	<u>6,042.37</u>	<u>(1.74)</u>	<u>86.9</u>	0.57%
Total	1,114,776	7,661,558	0.145502			63.82	63.82	(65.56)	(65.56)	(1.74)	(1.74)	2,149.0	

PGCVA Balance per M*3 Purchased (\$/M*3) (\$0.000000)
Forecast Average Residential Consumption per Customer 2,149.0 M*3
Estimated Impact on Average Residential Customer \$0.00 Customer Charge

EPCOR NATURAL GAS LIMITED PARTNERSHIP

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - October, 2020 TO September, 2021

	<u>Oct-20</u>	<u>Nov-20</u>	<u>Dec-20</u>	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Dawn Day Ahead Index	383,554	612,525	228,080	0	111,202	5,524	468,941	785,260	589,613	540,606	406,441	573,574	4,705,320
AECO 5A	0	0	0	0	0	0	257,383	265,962	257,383	265,962	265,962	257,383	1,570,035
Dawn Fixed Price	0	0	355,143	355,143	320,774	355,143	0	0	0	0	0	0	1,386,203
Spot purchase	0	0	0	0	0	0	0	0	0	0	0	0	0
Spot sale	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	383,554	612,525	583,223	355,143	431,976	360,667	726,324	1,051,222	846,996	806,568	672,403	830,957	7,661,558
<u>Price (\$/m3)</u>													
Dawn Day Ahead Index	0.113782	0.148298	0.167097	0.000000	0.172985	0.170072	0.146397	0.137185	0.136718	0.137885	0.138446	0.137763	
AECO 5A	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.140629	0.138583	0.137471	0.138807	0.139616	0.139289	
Dawn Fixed Price	0.000000	0.000000	0.170868	0.170868	0.170868	0.170868	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Spot purchase	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Spot sale	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
<u>Total Gas Cost (\$)</u>													
Dawn Day Ahead Index	43,642	90,836	38,112	0	19,236	939	68,651	107,726	80,611	74,541	56,270	79,017	659,582
AECO 5A	0	0	0	0	0	0	36,195	36,858	35,383	36,917	37,132	35,851	218,336
Dawn Fixed Price	0	0	60,683	60,683	54,810	60,683	0	0	0	0	0	0	236,858
Spot purchase	0	0	0	0	0	0	0	0	0	0	0	0	0
Spot sale	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	43,642	90,836	98,794	60,683	74,046	61,622	104,847	144,584	115,993	111,458	93,403	114,868	1,114,776

EPCOR NATURAL GAS LIMITED PARTNERSHIP

GAS PURCHASE REBALANCING ACCOUNT

APRI, 2019 THROUGH MARCH, 2021

Month	Purchase Volume (M ³) A	Throughput Volume (M ³) B	Direct Purchase Volume (M ³) C	System Sales Volume (M ³) D=B-C	Deemed U.F.G. (M ³) E	System Sales + U.F.G. (M ³) F=D+E	Monthly Inventory Balance (M ³) G=A-F	Cumulative Inventory (M ³) H	Reference Price (\$/M ³) I	Inventory Revaluation (\$/s) J	Inventory Rate (\$/M ³) K	Inventory Recovery (\$/s) L=KxJ	Y-T-D GPRA Balance (\$/s) M	Monthly Interest (\$/s) N	Y-T-D Interest (\$/s) O	Total Y-T-D GPRA (\$/s) P=M+O	Monthly Interest Rate
October	0	0	0	0	0	0	0	0	0.115114	0.00	0.000000	0.00	0.00	0.00	0.00	0.00	2.18%
November	0	0	0	0	0	0	0	0	0.115114	0.00	0.000000	0.00	0.00	0.00	0.00	0.00	2.18%
December	0	0	0	0	0	0	0	0	0.115114	0.00	0.000000	0.00	0.00	0.00	0.00	0.00	2.18%
January	0	0	0	0	0	0	0	0	0.115114	0.00	0.000000	0.00	0.00	0.00	0.00	0.00	2.18%
February	0	0	0	0	0	0	0	0	0.115114	0.00	0.000000	0.00	0.00	0.00	0.00	0.00	2.18%
March	0	0	0	0	0	0	0	0	0.115114	0.00	0.000000	0.00	0.00	0.00	0.00	0.00	2.18%
April	0	0	0	0	0	0	0	0	0.115114	0.00	0.000000	0.00	0.00	0.00	0.00	0.00	2.18%
May	303,870	0	0	0	0	0	303,870	303,870	0.115114	0.00	0.000000	0.00	0.00	0.00	0.00	0.00	2.18%
June	572,811	0	0	0	0	0	572,811	876,680	0.115114	0.00	0.000000	0.00	0.00	0.00	0.00	0.00	2.18%
July	591,904	0	0	0	0	0	591,904	1,468,585	0.115114	0.00	0.000000	0.00	0.00	0.00	0.00	0.00	0.57%
August	682,281	4,927	0	4,927	0	4,927	677,354	2,145,939	0.115114	0.00	0.000000	0.00	0.00	0.00	0.00	0.00	0.57%
September	381,874	0	0	0	0	0	381,874	2,527,812	0.115114	76,837.91	0.000000	0.00	76,837.91	0.00	0.00	76,837.91	0.57%
October	383,554	383,019	0	383,019	0	383,019	535	2,528,347	0.145511	0.00	(0.010215)	(3,912.54)	72,925.37	36.50	36.50	72,961.87	0.57%
November	612,525	611,912	0	611,912	0	611,912	613	2,528,960	0.145511	0.00	(0.010215)	(6,250.68)	66,674.69	34.64	71.14	66,745.83	0.57%
December	583,223	947,670	0	947,670	0	947,670	(364,447)	2,164,513	0.145511	0.00	(0.010215)	(9,680.45)	56,994.24	31.67	102.81	57,097.05	0.57%
January	355,143	1,069,448	0	1,069,448	0	1,069,448	(714,305)	1,450,208	0.145511	0.00	(0.010215)	(10,924.41)	46,069.83	27.07	129.88	46,199.71	0.57%
February	431,976	1,119,787	0	1,119,787	0	1,119,787	(687,811)	762,397	0.145511	0.00	(0.010215)	(11,438.62)	34,631.21	21.88	151.76	34,782.97	0.57%
March	360,667	983,860	0	983,860	0	983,860	(623,193)	139,205	0.145511	0.00	(0.010215)	(10,050.13)	24,581.08	16.45	168.21	24,749.29	0.57%
April	726,324	726,285	0	726,285	0	726,285	39	139,244	0.145511	0.00	(0.010215)	(7,419.00)	17,162.08	11.68	179.89	17,341.97	0.57%
May	1,051,222	455,207	0	455,207	0	455,207	596,015	735,259	0.145511	0.00	(0.010215)	(4,649.94)	12,512.14	8.15	188.04	12,700.18	0.57%
June	846,996	269,760	0	269,760	0	269,760	577,236	1,312,496	0.145511	0.00	(0.010215)	(2,755.59)	9,756.55	5.94	193.98	9,950.53	0.57%
July	806,568	210,082	0	210,082	0	210,082	596,486	1,908,982	0.145511	0.00	(0.010215)	(2,145.99)	7,610.56	4.63	198.61	7,809.17	0.57%
August	672,403	276,967	0	276,967	0	276,967	395,436	2,304,418	0.145511	0.00	(0.010215)	(2,829.22)	4,781.34	3.62	202.23	4,983.57	0.57%
September	830,957	467,969	0	467,969	0	467,969	362,988	2,667,405	0.145511	0.00	(0.010215)	(4,780.31)	1.03	2.27	204.50	205.53	0.57%

EPCOR NATURAL GAS LIMITED PARTNERSHIP

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Oct-19 <u>EB-2019-0264</u>	Quarter Starting 01-Oct-20 <u>EB-2020-0206</u>	\$ Change	Percent Change
Average Residential Consumption for Quarter	636.8007783	636.8007783		
Monthly Charges	\$79.14	\$79.14	\$0.00	0.0%
Delivery Charges	\$171.38	\$171.38	\$0.00	0.0%
Total Commodity Charges	<u>\$73.30</u>	<u>\$86.16</u>	<u>\$12.85</u>	<u>17.5%</u>
Total Customer Charges	\$323.83	\$336.68	\$12.85	4.0%

ANNUAL BILL IMPACT

	01-Oct-19 <u>EB-2019-0264</u>	01-Oct-20 <u>EB-2020-0206</u>	\$ Change	Percent Change
Average Residential Consumption	2,149.0	2,149.0		
Monthly Charges	\$316.56	\$316.56	\$0.00	0.0%
Delivery Charges	\$578.78	\$578.78	\$0.00	0.0%
Upstream Charges	\$89.66	\$89.66	\$0.00	0.0%
Total Commodity Charges	<u>\$247.38</u>	<u>\$290.75</u>	<u>\$43.37</u>	<u>17.5%</u>
Total Customer Charges	\$1,232.38	\$1,275.75	\$43.37	3.5%

RATES USED (1)

	01-Oct-19 <u>EB-2019-0264</u>	(2) 01-Oct-20 <u>EB-2020-0206</u>
Monthly Charge	26.38	26.38
Delivery Charge - first 100 m3	0.271967	0.271967
Delivery Charge - next 400 m3	0.266610	0.266610
Delivery Charge - after 500 m3	0.258735	0.258735
Upstream Charges - Recovery	0.014740	0.014740
Upstream Charges - Tport Storage	0.026982	0.026982
Rate Rider for Delay in Rev Recovery	0.016330	0.016330
Gas Supply Charge	0.115114	0.135296

(1) Rates shown do not include any rate riders or carbon charges.

**APPENDIX "A" TO
DECISION AND RATE ORDER
OEB File No: EB-2020-0206
Dated: September XX, 2020**



EPCOR NATURAL GAS LIMITED PARTNERSHIP

RATE 1 - General Firm Service

Applicability

Any customer in EPCOR's Southern Bruce Natural Gas System who is an end user and whose total gas requirements are equal to or less than 10,000 m³ per year.

Rate

Rates per m³ assume an energy content of 38.89MJ/m³.

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

Monthly Fixed Charge⁽¹⁾	\$26.38
Delivery Charge	
First 100 m ³ per month	27.1967 ¢ per m ³
Next 400 m ³ per month	26.6610 ¢ per m ³
Over 500 m ³ per month	25.8735 ¢ per m ³
Upstream Charges	
Upstream Recovery charge	1.4740 ¢ per m ³
Transportation and Storage charge	2.6982 ¢ per m ³
Rate Rider for Delay in Revenue Recovery - effective for 10 years ending December 31, 2028	1.6330 ¢ per m ³
Federal Carbon Charge (if applicable)	5.8700 ¢ per m ³
Gas Supply Charge	13.5296 ¢ per m ³

⁽¹⁾Aggregated within Monthly Fixed Charge is the amount of one dollar per month in accordance with Bill 32 and Ontario Regulation 24/19.

Direct Purchase Delivery

Where a customer elects under this Rate Schedule to directly purchase its gas from a supplier other than EPCOR, the supplier must qualify as a "gas marketer" under the *Ontario Energy Board Act, 1998*, and must enter into a T-Service Receipt Contract with EPCOR for delivery of gas to EPCOR at a receipt point listed on the upstream transportation contract that EPCOR has with the Upstream Service Provider ("**Ontario Delivery Point**"). T-Service Receipt Contract rates are described in Rate Schedule T1. Transportation and Storage charges may vary depending on the Ontario Delivery Point. Gas Supply Charges in this Rate Schedule are not applicable for Rate T1 customers.

Terms and Conditions of Service

The provisions in the "EPCOR Natural Gas Limited Partnership Southern Bruce Natural Gas Operations Conditions of Service" apply, as contemplated therein, to service under this Rate Schedule.

Federal Carbon Charge (if applicable):

Effective: June 1, 2020

Implementation: all bills rendered on or after June 1, 2020

All other distribution charges:

Effective: January 1, 2020

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

Replacing Rate Effective: January 1, 2019

EB-2019-0264



EPCOR NATURAL GAS LIMITED PARTNERSHIP

RATE 6 – Large Volume General Firm Service

Applicability

Any customer in EPCOR's Southern Bruce Natural Gas System who is an end user and whose total gas requirements are greater than 10,000 m³ per year.

Rate

Rates per m³ assume an energy content of 38.89MJ/m³.

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

Monthly Fixed Charge⁽¹⁾	\$104.53
Delivery Charge	
First 1,000 m ³ per month	25.0897 ¢ per m ³
Next 6,000 m ³ per month	22.5807 ¢ per m ³
Over 7,000 m ³ per month	21.4516 ¢ per m ³
Upstream Charges	
Upstream Recovery charge	2.9200 ¢ per m ³
Transportation and Storage charge	5.6413 ¢ per m ³
Rate Rider for Delay in Revenue Recovery	0.9090 ¢ per m ³
- effective for 10 years ending December 31, 2028	
Federal Carbon Charge (if applicable)	5.8700 ¢ per m ³
Gas Supply Charge	13.5296 ¢ per m ³

⁽¹⁾Aggregated within Monthly Fixed Charge is the amount of one dollar per month in accordance with Bill 32 and Ontario Regulation 24/19.

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 T-Service Receipt Contract with EPCOR for delivery of gas to EPCOR at a receipt point listed on the upstream transportation contract that EPCOR has with the Upstream Service Provider (“**Ontario Delivery Point**”). T-Service Receipt Contract rates are described in Rate Schedule T1. Transportation and Storage charges may vary depending on the Ontario Delivery Point. Gas Supply Charges in this Rate Schedule are not applicable for Rate T1 customers.

Terms and Conditions of Service

The provisions in the “EPCOR Natural Gas Limited Partnership Southern Bruce Natural Gas Operations Conditions of Service” apply, as contemplated therein, to service under this Rate Schedule.

Federal Carbon Charge (if applicable):

Effective: June 1, 2020

Implementation: all bills rendered on or after June 1, 2020

All other distribution charges:

Effective: January 1, 2020

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

Replacing Rate Effective: January 1, 2019

EB-2019-0264



EPCOR NATURAL GAS LIMITED PARTNERSHIP

RATE 11 - Large Volume Seasonal Service

Applicability

Any customer in EPCOR's Southern Bruce Natural Gas System who is an end user and whose gas requirements are only during the period of May 1 through December 15 inclusive and are greater than 10,000 m³.

Rate

Rates per m³ assume an energy content of 38.89MJ/m³.

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

	May 1 through December 15
Monthly Fixed Charge⁽¹⁾	\$208.06
Delivery Charge	
All volumes delivered	15.5849 ¢ per m ³
Upstream Charges	
Upstream Recovery charge	0.0352 ¢ per m ³
Transportation and Storage charge	1.8166 ¢ per m ³
Rate Rider for Delay in Revenue Recovery - effective for 10 years ending December 31, 2028	0.5524 ¢ per m ³
Federal Carbon Charge (if applicable)	5.8700 ¢ per m ³
Gas Supply Charge	13.5296 ¢ per m ³

⁽¹⁾Aggregated within Monthly Fixed Charge is the amount of one dollar per month in accordance with Bill 32 and Ontario Regulation 24/19.

Unaccounted for Gas (UFG):

Forecasted UFG is applied to all volumes of gas delivered to the customer.

Forecasted Unaccounted for Gas Percentage	0.00 %
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Overrun Charges:

Any volume of gas taken during the period of December 16 through April 30 inclusive shall constitute "Overrun Gas" and must be authorized in advance by EPCOR. Delivery of these volumes is available at the Authorized Overrun Charge in addition to applicable Upstream Charges and Gas Supply Charges. EPCOR will not unreasonably withhold authorization.

Authorized Overrun Charge	16.2400 ¢ per m ³
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Any volume of gas taken during the period of December 16 through April 30 inclusive without EPCOR's approval in advance shall constitute "Unauthorized Overrun Gas". Delivery of these volumes will be paid for at the Unauthorized Overrun Charge in addition to applicable Upstream Charges and Gas Supply Charges.



Unauthorized Overrun Charge

388.9000 ¢ per m³

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

Nominations:

Union Gas Limited will be the “Upstream Service Provider” to facilitate delivery and balancing of gas supplies to the EPCOR Southern Bruce Natural Gas System. For service under this Rate Schedule, the customer shall nominate for transportation of gas volumes for ultimate delivery to the customer. The customer agrees to nominate its daily gas volumetric requirement to EPCOR, or its designated agent, consistent with industry nomination standards including those nomination requirements of the Upstream Service Provider.

The customer shall nominate gas delivery daily based on its daily gas requirements plus the Forecasted UFG rate as set out in this Rate Schedule.

The nomination calculation shall equal:

*[(Daily volume of gas to be delivered) * (1 + Forecasted UFG)]*

Customers may change daily nominations based on the nomination windows within a day as defined by EPCOR’s agreement with the Upstream Service Provider.

In the event nominations under this Rate Schedule do not match upstream nominations, the nomination will be confirmed at the upstream value.

Customers with multiple connections under this Rate Schedule may combine nominations at the sole discretion of EPCOR. For combined nominations the customer shall specify the quantity of gas to each meter installation (“Terminal Location”) and the order in which the gas is to be delivered to each Terminal Location.

Load Balancing:

Daily nominations provided by the customer shall be used for the purposes of day-to-day balancing as required under EPCOR’s arrangement with the Upstream Service Provider.

When a customer’s metered consumption on any day is different than the gas nominated for consumption by the customer on any day, this constitutes a “Daily Load Imbalance”. A “Cumulative Load Imbalance” occurs when the ongoing absolute value of Daily Load Imbalances are greater than zero.

To the extent that EPCOR incurs daily or cumulative load balancing charges, the customer will be responsible for its proportionate share of such charges. Charges related to these imbalances are as defined in EPCOR’s agreement with the Upstream Service Provider.

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 T-Service Receipt Contract with EPCOR for delivery of gas to EPCOR at a receipt point listed on the upstream transportation contract that EPCOR has with the Upstream Service Provider (“**Ontario Delivery Point**”). T-Service Receipt Contract rates are described in Rate Schedule T1. Transportation and Storage charges may vary depending on the Ontario Delivery Point. Gas Supply Charges in this Rate Schedule are not applicable for Rate T1 customers.

Terms and Conditions of Service

1. In any year, during the period of May 1 through December 15 inclusive, the customers shall receive continuous (“**Firm**”) service from EPCOR, except where impacted by events as specified in EPCOR Natural Gas Limited Partnership Southern Bruce Natural Gas Operations Conditions of Service including force majeure. During the



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period of December 16 through April 30 inclusive, any authorized overrun service shall be interruptible at the sole discretion of EPCOR. All service during the period December 16 through April 30 inclusive shall be subject to EPCOR's prior authorization under the daily nomination procedures outlined in this Rate Schedule and shall constitute Overrun Gas.

2. To the extent that EPCOR's Upstream Service Provider provides any seasonal or day-to-day balancing rights for EPCOR, the customer shall be entitled to a reasonable proportion of such balancing rights as determined by EPCOR from time to time. If the customer utilizes any of EPCOR's seasonal or day-to-day balancing services or any other services available from the Upstream Service Provider, the customer agrees to comply with all balancing requirements imposed by the Upstream Service Provider. The customer also agrees to be liable for its share of any such usage limitations or restrictions, fees, costs or penalties associated with the usage of such services, including but not limited to any associated storage fees, daily or cumulative balancing fees or penalties, and gas commodity costs as determined by EPCOR, acting reasonably.
3. EPCOR receives upstream services under the Union Gas Limited M17 Rate Schedule. Details of this upstream arrangement and associated nomination standards and Load Balancing Arrangement are available at www.uniongas.com.
4. The provisions in the "EPCOR Natural Gas Limited Partnership Southern Bruce Natural Gas Operations Conditions of Service" apply, as contemplated therein, to service under this Rate Schedule.

Federal Carbon Charge (if applicable):

Effective: June 1, 2020

Implementation: all bills rendered on or after June 1, 2020

All other distribution charges:

Effective: January 1, 2020

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

Replacing Rate Effective: January 1, 2019

EB-2019-0264

**APPENDIX "B" TO
DECISION AND RATE ORDER
OEB File No: EB-2020-0206
Dated: September XX, 2020**

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Accounting Entries for the Purchased Gas Commodity Variance Account

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

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

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

Credit/Debit Account No. 623 Cost of Gas

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

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

Credit/Debit Account No. 323 Other Interest Expense

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