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November 18, 2020

Sent by Electronic Mail and RESS Electronic Filing

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

Dear Ms. Long:

EB- 2019-0255: EPCOR Natural Gas Limited Partnership ("ENGLP") Re-Submitted Re: (Public) Project Information - Potential Project to Expand Access to Natural Gas Distribution

Please find enclosed EPCOR's re-submitted project information for the above-noted proceeding.

The project information has been reviewed and redacted to comply with the Ontario Energy Board's ("Board") letter dated October 28, 2020, which sets out the Board's determination on a request for confidential treatment of project information received from Enbridge Gas Inc. We understand the resubmitted project information will be filed on the Board's website in due course.

If you have any questions, please contact the undersigned.

Sincerely,

Susannah Robinson

Senior Vice-President, Ontario Region EPCOR Ontario Utilities Inc. SRobinson@epcor.com 647-730-0010

Enclosure

CC: All parties to EB-2019-0255

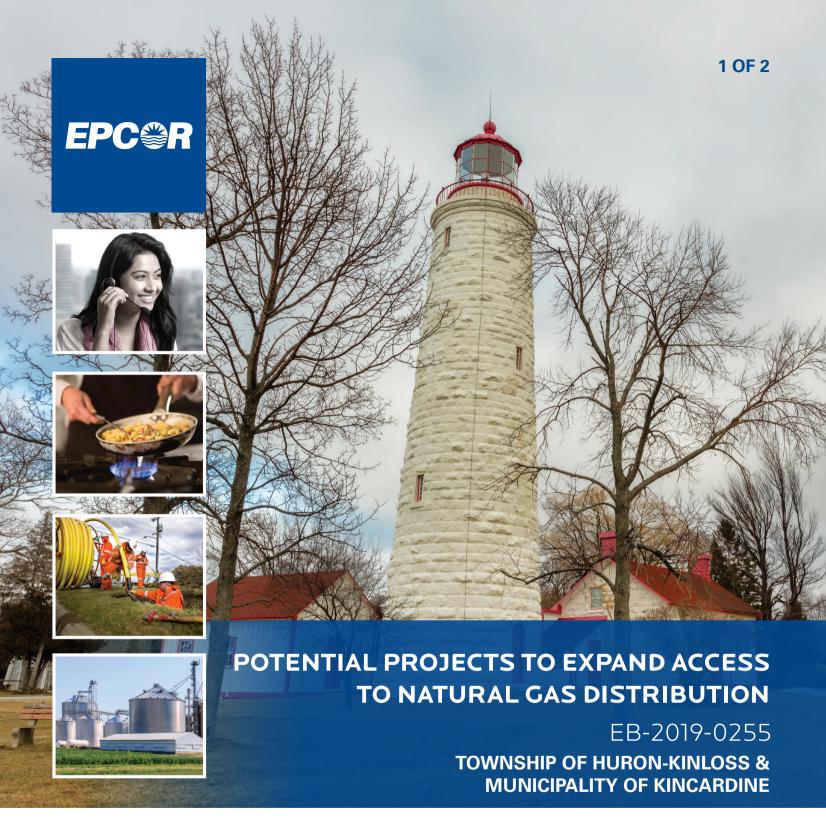
CERTIFICATION OF EVIDENCE

The undersigned, Susannah Robinson, being the Vice President of EPCOR Ontario Utilities Inc., hereby certifies for and on behalf of EPCOR Natural Gas Limited Partnership ("EPCOR"), that:

- 1. I am a senior officer of EPCOR Ontario Utilities Inc., which is the general partner of EPCOR;
- 2. This certificate is given pursuant to the Ontario Energy Board's (the "Board") letter dated October 28, 2020, regarding proceeding EB-2019-0255 (Potential Projects to Expand Access to Natural Gas Distribution), which sets out the Board's determination on a request for confidential treatment of project information filed by proponents in the context of the request made to the Board under section 35 of the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, Sched. B., (the "Decision Letter"); and
- 3. I confirm, to the best of my knowledge, that the project information filed by EPCOR in response to the Decision Letter contains (a) no personal information as defined in the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. F.31 and (b) complies with the Board's determination regarding confidentiality as set out in the Decision Letter.

DATED this 18th day of November 2020.

Susannah Robinson Senior Vice-President, Ontario Region EPCOR Ontario Utilities Inc.







August 4, 2020

Submitted by EPCOR Natural Gas Limited Partnership 39 Beech St E Aylmer, Ontario N5H 3J6



2000 – 10423 101 St NW, Edmonton, Alberta T5H 0E8 Canada epcor.com

August 4, 2020

DELIVERED VIA RESS & COURIER

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

Dear Ms. Long:

Re: Potential Projects to Expand Access to Natural Gas Distribution EB-2019-0255

EPCOR submits the Southern Bruce Expansion, in the Municipality of Kincardine and Township of Huron-Kinloss ("SB") Potential Project to Expand Access to Natural Gas Distribution. This submission has been filed through the Board's Regulatory Electronic Submission System and two paper copies filed at the OEB's address. The following highlights some key background information on this submission:

- 1. Through the development of EPCOR's competitive South Bruce Expansion Application EB-2016-0137/0138/0139, it was evident there were areas within the communities which would benefit from natural gas service, but were beyond the scope of the Common Infrastructure Plan application. EPCOR through submission of this project is looking to provide service to targeted agricultural, commercial and residential customers situated within the South Bruce natural gas system, currently in construction by EPCOR.
- 2. EPCOR on an ongoing basis has engaged with many customers who had previously requested natural gas service but could not be served in the Phase 1 plan. Also, EPCOR was requested by the local Municipalities to extend service to the community of Underwood, as well areas east on Hwy 9 out of Kincardine to Millarton and Bervie specifically to serve critical agricultural enterprises including dairy, hog and grain drying operations. In addition, servicing further agro industry based customers east on Concession 12 in Huron-Kinloss to connect Parrish & Heimbecker's Kincardine grain operation and a large Poultry operation north of Ripley, amongst the many residential, small farm and small commercial customers. Customers on these expansion plans will immensely benefit from reduced heating cost, improved fuel reliability, and most of all for the agro-industry to enjoy the economic benefits that are in par with their competitors and other industry counterparts who are slated to receive cost effective natural gas service.
- 3. EPCOR service offering in the Phase 2 expansion of natural gas proposed by the Government of Ontario also envisages leveraging its natural gas servicing to individual properties to meet Ontario's goal of communications connectivity. EPCOR plans giving access to all its connected customers with fiber optic broadband services inside their homes and offices with affordable and unlimited data capability in these remote and rural reaches of Ontario. To this effect EPCOR has now obtained TSSA

approval (see Schedule 8) for running a conduit containing fiber optic communication lines alongside with the natural gas service through which it expects to provide the highest level of service to these residents. To date, many customers have been underserved and will benefit from such service in the post-Covid-19 period by network connectivity that is equal or better than currently experienced by their urban counterparts in large cities and towns across the province. Note that our application is strictly related to the provision of natural gas service only and any broadband related business will be addressed as a stand alone and independent business separate from the natural gas service provisions of this application.

- 4. The Municipalities of Kincardine and Huron-Kinloss will extend to EPCOR the same support it extended to EPCOR under the Phase 1 Southern Bruce project which encompasses an exemption of pipe taxes for up to 10 years, and support from Bruce County and member local governments. These expansions are withn EPCOR's existing CPCN areas and Municipal Franchise Agreements. The service EPCOR intends to expand will effectively offer an affordable natural gas heating option to this geography and municipal residents and busineses. The synergistic value and growth of these expansions is economically vital for the agricultural, residential and commercial customers in this region.
- 5. The Table below captures the critical metrics on the Project to demonstrate its Project worthiness for grant funding:

Description	Proposed EBO 188 Plan				
Project Capex (\$M)					
Grant Funding (\$M)	\$7.5 M				
Percent Grant Funding (%)					
Target 10 Year Connections (#)	115				
Cumulative 10 year Volume (m³)	7.31 M				
Residential 10 year Volume (m³)	1.74 M				
Comm./Ind./Agri. 10 year Volume (m³)	5.31 M				

Should you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

[Original signed by]

Susannah Robinson Vice President, Ontario Region EPCOR Natural Gas Limited Partnership SRobinson@epcor.com 647-730-0010

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Part 1 - NAME OF PROPONENT

NAME:	EPCOR Natural Gas Limited Partnership
FILE NO:	EB-2019-0255
PROJECT NAME:	Township of Huron-Kinloss & Municipality of Kincardine
Address of Head Office:	39 Beech St E, Aylmer, ON N5H 3J6
TELEPHONE NUMBER:	(519) 773-5321
Name of Individual to Contact:	Susannah Robinson
Office Telephone Number:	1 (647) 730-0010
CELL PHONE NUMBER:	1 (416) 722-6565
EMAIL ADDRESS:	srobinson@epcor.com

Part 2 - Description of Proponent's Technical Expertise and Financial Capability

Natural gas distributors that are currently rate-regulated by the OEB are not required to complete this Part.

A proponent that is not currently rate-regulated as a natural gas distributor by the OEB and that has multiple proposed projects is only required to provide the information in this Part once, unless the proponent has different organizational or financial structure approaches for its projects. In that case, the information in this Part must be provided for each different organizational or financing structure.

EPCOR Natural Gas Limited Partnership ("ENGLP"), a subsidiary of EPCOR Utilities Inc., and is a Ontario Energy Board rate-regulated natural gas utility currently operating in Aylmer, Ontario and the region of Southern Bruce (Township of Arran-Elderslie, Municipality of Kincardine, and Township of Huron-Kinloss). See Figure 2-1 below for current EPCOR Ontario operations locations.

Part II of the application is not applicable to ENGLP.



Figure 2-1: EPCOR Operations in Ontario

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2.1 Describe the proponent's technical expertise to develop, construct, operate and maintain a natural gas distribution system.

Not applicable.

- 2.2 Describe the proponent's financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:
- Current credit rating of the proponent, its parent or associated companies.
- Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual.
- If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent's ability to access the debt and equity markets.

New entrants that cannot provide the information identified in this section should explain why that is the case and provide the best information that they have available.

Not applicable.

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Part 3 - Description of and Support for Project

3.1 Provide a general overview of the project which is to include the following: communities to be connected, including whether the project would serve any on-reserve Indigenous communities; existing population of each community by residential, commercial/institutional and industrial sectors; routing; length of pipeline; and nominal pipe size.

For a proponent that is not rate-regulated as a natural gas distributor by the OEB, provide a high-level description of sources of the commodity, upstream transportation, and any other relevant gas supply considerations. For all proponents proposing projects using CNG and/or LNG, provide a high-level description of the approach to procuring supply, including the infrastructure that will be required.

The Southern Bruce Expansion Project as part of this Phase 2 grant funding intends to connect customers in the Municipality of Kincardine and Township of Huron-Kinloss which were out of reach on the previous Southern Bruce project. Service is intend to connect agricultural customers on 3 segments within the region. Natural gas would be supplied from the Southern Bruce system in order to reach these customers. In addition to serving the agricultural community a number of residential and commercial customers would also be connected. The system is to be constructed with polyethylene in 4-inch and 2-inch nominal sizes (NPS 4 MDPE, NPS 2 MDPE) with a total length of 32km.

A letter of support has been provided from the Municipality of Kincardine as well Township of Huron-Kinloss, Schedule 4.

Communities to be connected

The proposed Project intends to provide service to rural customers along the supply laterals which are to be installed throughout Brockton, as well as the following communities:

- Underwood
- Millarton
- Bervie
- Concession 12 east (Huron-Kinloss)

The Project does not support any on-reserve Indigenous communities at this time.

Market Population and Target Customers

The proposed Project area has an estimated market population of 171 customers. An applied market conversion rate of 66% assumes a 10 year forecasted customer attachment totaling 115 customers.

Residential Population Cx: 142

Commercial/Institutional/Industrial Cx: 9

Agricultural Cx: 20

This system expansion is strategically designed to connect a significant number of agricultural customers in the region who are currently seeking natural gas supply. Customers including: Parrish & Heimbecker,

are eager for service to be provided in order for

their operations to connect.

System Description

The proposed natural gas system consists of polyethylene ("PE") 4-inch and 2-inch nominal sizes ("NPS 4", and "NPS 2") with a total length of approximately 31.8km. The following is an approximate breakdown of the supply laterals by material, size and length.

Pipe Material	Diameter (NPS)	Length (meters)
Polyethylene	4	15,000
Polyethylene	2	16,800
	Total System Length (m)	31,800

Figure 3-1, outlines the proposed system to serve areas in Kincardine and Huron-Kinloss. A larger image of the system is available in Schedule 1 of this application.

All lines will be constructed on public road right of ways on County and municipal road allowances. Each of these expansion areas will be crossing or following HWY 21, highways under jurisdiction of the MTO. The system lines are small in diameter and do not follow the HWY 21 for any significant length. A line heading east out of Kincardine will follow HWY 9, also a provincial highway. Further consultation with the MTO will be required in order to proceed.

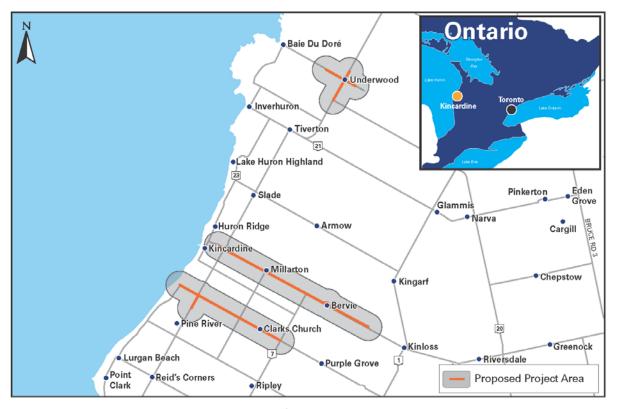


Figure 3-1: Map of Proposed Project Area

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Underwood Line

Underwood will receive piped natural gas supplied from the existing South Bruce system and will be made up of NPS 2 PE An NPS 2 PE lateral is to extend off of the existing South Bruce system at the intersection of Highway 4 and Highway 21. The line will run north to Underwood at the intersection of Highway 21 and ON- 6. From this intersection the laterals will be provided to the west, north and south as well as a distribution system within Underwood. A station will be required at the mainline in order to provide low pressure service to Underwood.

Bervie Line

Millarton and Bervie will receive natural gas service via an NPS 4 PE line connecting to the existing South Bruce system on Broadway Street, approximately 350m west of Highway 21. The NPS 4 PE will run east along Broadway Street/ ON-9 east of County Road 7. At this point it will transition to NPS 2 PE and will continue east until the Kincardine-Kinloss Boundary Road.

Concession 12

Agricultural customers on Concession 12 in Huron-Kinloss will connect via an NPS 4 PE line connecting to the existing South Bruce system at the intersection of Concession Road 12 and Lake Range Drive. The NPS 4 PE will run east along Concession Road 12 to County Road 7, just north of Ripley. An NPS 2 MDPE lateral will extend south from where the mainline crosses Highway 21 for approximately 1230m

System Supply

All three Southern Bruce expansion lines will be served from the Southern Bruce system mainline. Underwood is the only community requiring a station to step pressure down for local distribution. Bervie line and Concession 12 are supplied off of the PE system stepped down in pressure at the Kincardine Station.

Support and Synergistic Approach

EPCOR has received significant support for its proposed project, in order to connect a vast number of customers throughout Kincardine and Huron-Kinloss. EPCOR would seek to leverage existing systems and interconnects to supply these communities, as well the ongoing construction projects related to Southern Bruce in order to promote the development of the natural gas system. In addition to these synergistic approaches, EPCOR is currently working to further its deployment of fibre optic communications along with its natural gas installations. EPCOR has recently received approval from the TSSA (see Schedule 8) on its approach to purse this application for co-installing the two services simultaneously in order to provide the most cost effective and prudent approach to spreading high-speed broadband internet service to as many customers in Ontario as possible. Although, more work needs to be completed to continue with this approach, but the TSSA's approval already allows EPCOR to proceed. During this Covid-19 period, EPCOR has spoken with many communities, and now more than ever has there been a demand for high speed internet services, as many are forced to work from their homes. EPCOR will work with any community in order to support the development of the co-installed services and improve this vital service offering to customers.

Note: EPCOR's application is strictly related to the provision of natural gas service only and any broadband related business will be addressed as a stand alone and independent business separate from the natural gas service provisions of this application.

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3.2 Provide the annual and cumulative forecast of the number of customer attachments over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. Indicate for each customer type whether the service to be provided would be firm or interruptible.

Refer to Schedule 2, Table 3.2 – Annual and Cumulative Customer Attachments.

3.3 Provide the annual and cumulative forecast of volumes (in m3) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.

For the residential segment, the default value for the average consumption level is 2,200 m3 per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.

Refer to Schedule 2, Table 3.3 – Annual and Cumulative Forecast Volumes.

3.4 Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.

Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal Greenhouse Gas Pollution Pricing Act and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g. conversion factors) used in the calculations must also be provided.

Refer to Schedule 3, Table 3.4 – Estimated Conversion Costs.

Table 3.4 provides the following:

- Estimated conversion costs to convert each of the existing heating and water heating systems for residential customers on the system;
- Estimated annual costs of the existing alternative fuels relative to natural gas, including annual savings with natural gas;
- Calculation of household energy costs for natural gas including system conversion costs, commodity costs, and associated upstream costs, costs associated with the *Greenhouse Gas Pollution Pricing Act*, and distribution costs.
- Assessment of household energy costs impacts including GHG emission estimates related to converting existing heating and water heater systems to natural gas.
- All major assumption and references are provided.

3.5 Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.

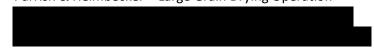
The following Table 8.2 is provided in conjunction with the response requested in the Application Guideline Part 8-8.2. Please refer to Table 8.2 and the associated comments later in this response in order to understand the timing and rationale through Section 36.2 award to system in-service, taking into account associated construction schedule timing and dates.

Table 8.2 – OEB Approval, System Construction and In-Service Date

3.6 Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.

Refer to Schedule 4 for letters of support from:

- Township of Huron-Kinloss
- Municipality of Kincardine
- Ontario Federation of Agriculture (OFA)
- Parrish & Heimbecker Large Grain Drying Operation



3.7 Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.

Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.

EPCOR currently holds the necessary Certificate of Public Convenience and Necessity ("CPCN") for the proposed Project in the municipalities of Kincardine and Huron-Kinloss including the necessary Municipal Franchise Agreements.

EPCOR through the award of this application would be seeking funding to extend service to vital areas of the community, including:

- Underwood (Kincardine)
- Millarton (Kincardine)
- Bervie (Kincardine)

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• East Concession 12 (Huron-Kinloss)

Refer to Schedule 5 for EPCOR's existing CPCN's for the Municipality of Kincardine and the Township of Huron-Kinloss.

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Part 4 - Cost of Project

4.1 Confirm that the proposed project includes a ten-year rate stability period.

The proposed project includes a ten-year (10 yr.) rate stability period.

4.2 Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e. year ten).

Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).

For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.

Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.

Refer to Schedule 6, Table 4.2.

4.3 Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&A costs) and rate base amount at the end of year ten. Complete the tables below:

Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).

Refer to Schedule 6, Table 4.3.

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Part 5 - Section 36.2 Funding

5.1 Provide the total amount of section 36.2 funding needed to support the project.

Refer to Schedule 6, Table 5.1, for compiled Section 36.2 funding required.

5.2 Provide the section 36.2 funding amount per customer number served in year ten of the project.

Refer to Schedule 6, Table 5.2, for compiled Section 36.2 funding required.

5.3 Provide the section 36.2 funding amount per volume (m3) in year ten of the project.

Refer to Schedule 6, Table 5.3, for compiled Section 36.2 funding required.

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Part 6 - DISTRIBUTION CHARGE

6.1 Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.

Provide a confirmation that there would be no material cross-subsidization between rate classes.

Refer to Schedule 6, Table 6.1 for the distribution charge inclusive of fixed and variable charges over the ten year (10 yr.) rate stability period.

EPCOR confirms that there is no material cross-subsidization between rate classes.

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Part 7 - Profitability Index / Benefit to Cost Ratio

7.1 Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.

The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e. not a "portfolio" of projects).

Refer to Schedule 7, Table 7.1 for the expected Profitability Index ("PI") for the project inclusive of Section 36.2 funding. Assumptions for this calculation are:

- For this Project EPCOR has assumed a 10 year municipal tax holiday as part of the property tax on pipelines for this calculation.
- 7.2 Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.

Refer to Schedule 7, Table 7.2 for the expected Profitability Index ("PI") for the project without Section 36.2 funding. Assumptions for this calculation are:

• For this Project EPCOR has assumed a 10 year municipal tax holiday as part of the property tax on pipelines for this calculation.

Part 8 - OEB APPROVALS

8.1 Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order)

In order to complete this project EPCOR requires the following OEB approvals in order to begin distributing natural gas to the identified customers.

OEB Approvals:

- Leave to Construct application.
- 8.2 For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process.

Upon award of Section 36.2 funding for this Project, EPCOR would continue its process of consultation with the Municipality of Kincardine. EPCOR would look to initiate the Environmental Assessment ("EA") process as soon as possible in Q4 of 2020 in order to complete the LTC as soon as possible. The current and ongoing construction of the South Bruce system could be determined to be significantly strategic in completing this expansion project in the region. Construction crews and other natural gas experts already mobilized in the region could present advantageous on many project development fronts. Regardless initiating the EA process along with further project development and consultation with communities and first nations will be critical. EPCOR would look to have submitted to the OEB its Leave to Construct and request at the latest by the start of Q3 2021. EPCOR would plan to have its rate order submitted in conjunction with the LTC for simultaneous approval. An early/mid Q1 2022 OEB LTC approval would mean EPCOR could begin expansion of the system and begin connecting customers as soon as possible. Rate order approved alongside the LTC could mean customer connections could occur earlier then identified by the proposed in-service date, mid-to-late Q3 2022. Construction for this project would only require a single year and EPCOR would be looking to expedite the process in order to make use of any potential synergies existing while contractors are working on finalizing the South Bruce natural gas system. EPCOR believes the conservative timeline, if tightened could realize many synergistic processes not currently considered, based on the stand-alone requirements of the natural gas grant application guidelines. EPCOR consulted the performance standards for processing applications for developing the proposed schedule and has aligned the schedule for a realistic approval OEB approval dates, construction start and system in-service dates. The proposed timeline is conservative and realistic.

Table 8.2 - OEB Approval, System Construction and In-Service Date

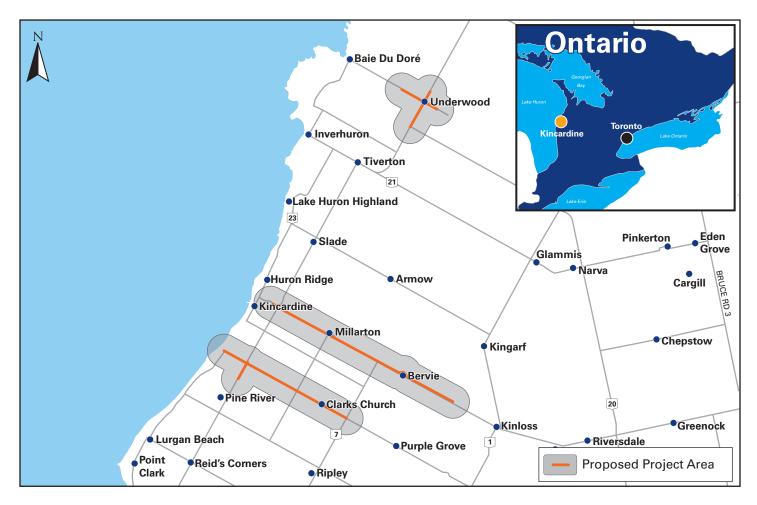


Table 3.2 - Annual and Cumulative Customer Attachments

Customer Type	Service	Project Year							Total			
customer Type	Service	1	2	3	4	5	6	7	8	9	10	TOTAL
Residential	Firm	31	33	13	9	11	-	-	-	-	-	97
Commercial/Agricultural/Institutional	Firm	5	3	3	2	1	1	1	-	1	-	17
Industrial	Firm	-	-	-	-	-	-	-	-	-	-	-
Agricultural - Seasonal	Interruptible	1	-	-	-	-	-	-	-	-	-	1
Total Customer Attachments		37	36	16	11	12	1	1	-	1	-	115
Total Cumulative Customer Attachments		37	73	89	100	112	113	114	114	115	115	

Table 3.3 - Annual and Cumulative Forecast Volumes

Customer Type	Unit	Project Year									Total	
Customer Type	Oilit	1	2	3	4	5	6	7	8	9	10	TOLAI
Residential	m3	34,100	104,500	155,100	179,300	201,300	213,400	213,400	213,400	213,400	213,400	1,741,300
Commercial/Agricultural/Institutional	m3	75,203	170,112	210,645	247,298	265,484	270,204	274,924	277,284	279,644	282,004	2,352,800
Industrial	m3	-	-	-	-	-	-	-	-	-	-	-
Agricultural - Seasonal	m3	169,166	338,332	338,332	338,332	338,332	338,332	338,332	338,332	338,332	338,332	3,214,154
Total Annual Volume	m3	278,469	612,944	704,077	764,930	805,116	821,936	826,656	829,016	831,376	833,736	7,308,254

Customer Attachments are assumed to occur mid-year for the purposes of calculated Forecast Volumes

Customer Type	Unit	Project Year									
customer Type	Oille	1	2	3	4	5	6	7	8	9	10
Residential	m3	34,100	138,600	293,700	473,000	674,300	887,700	1,101,100	1,314,500	1,527,900	1,741,300
Commercial/Agricultural/Institutional	m3	75,203	245,314	455,959	703,256	968,740	1,238,944	1,513,868	1,791,152	2,070,796	2,352,800
Industrial	m3	-	-	-	-	-	-	-	-	-	-
Agricultural - Seasonal	m3	169,166	507,498	845,830	1,184,162	1,522,494	1,860,826	2,199,158	2,537,490	2,875,822	3,214,154
Cumulative Volume	m3	278,469	891,412	1,595,489	2,360,418	3,165,534	3,987,470	4,814,126	5,643,142	6,474,518	7,308,254

Table 3.4 - Estimated Conversion Costs

Existing Fuel / Heating Type	Users		Conversion Cost to Natural Gas	Annual Costs for Existing Fuel (Inclu. HST)	Annual Costs Natural Gas (Inclu. HST)	Annual Savings per User	Annual Savings per Community	Annual GHG per User- Existing Fuel (tCO2e)	Annual GHG Increase(+)/ Decrease(-) per User on switching to Natural Gas (tCO2e)	Annual GHG per Community- Existing Fuel (tCO2e)	Decrease(+)/ Community on
Oil	16	16%	\$ 6,500	\$ 2,891	\$ 1,547	\$ 1,344	\$ 20,861	6.5	-2.4	102	-38
Electricity F/A	9	9%	\$ 6,000	\$ 2,974	\$ 1,547	\$ 1,427	\$ 12,462	1.3	2.9	11	25
Electricity											
Baseboard	20	21%	\$ 12,500	\$ 2,974	\$ 1,547	\$ 1,427	\$ 29,077	1.3	2.9	26	5 58
Propane	30	31%	\$ 1,200	\$ 2,053	\$ 1,547	\$ 506	\$ 15,211	5.0	-0.9	151	-27
Wood	10	10%	\$ 3,500								
Other	13	13%	\$ 5,000								
Total	97	100%					\$ 77,611	14.1	2.4	289	19

Conversion costs include installation and water heater.

All costs and emission values are an estimation.

Due to availability of information calculations provided above are for residential customers only. Actual GHG savings will be greater when accounting for all Customer Types

Fuel Type	Emission Metrics								
ruer rype	CO2	CH4	N2O	CO2e	Units				
Natural Gas	1,863 g/m3	0.037 g/m3	0.035 g/m3	0.00187	tonnes/m3				
Heating Oil	2,725 g/L	0.006 g/L	0.031 g/L	0.00274	tonnes/L				
Propane	1,510 g/L	0.027 g/L	0.108 g/L	0.00154	tonnes/L				
Electricity	56 g/kWh	-		0.00006	tonnes/kWh				
Wood	-	-	-	-	-				

Emission Factor Sources:

Natural gas CO2, CH4, N2O, heating oil and propane CO2, CH4, N2O, CO2e factors: Guideline for Quantification, Reporting and Verification of GHG Emissions - Ontario Ministry of Environment, Conservation and Parks

Filed: 2020-08-04, EB-2019-0255, Exhibit 1, Schedule 3, Page 2 of 2

Electricity: Sourced from IESO (Independent Electricity Systems Operator), Ontario, July 20th

Consu	mption Equiva	lent	Price per Unit				
Fuel Type	Unit	Volume (m3)	Price per Unit				
Gas	m3	2,200	Gas (incl. Fixed)	\$/m3	0.62		
Heating Oil	L	2,395	Heating oil	\$/L	1.07		
Electricity	kWh	22,375	Electricity	\$/kWh	0.12		
Propane	L	3,249	Propane	\$/L	0.50		

Notes:

Gas prices- Rate 1 Filing, December Rate Order, EPCOR

Heating Oil Prices correspond to the pre-pandemic Toronto prices (StatCan), January 2020

Electricity prices correspond to Hydro One distribution rates and includes the new Ontario Electricity Rebate (OER)

Propane prices correspond to the latest EDPRO residential rates for Zone 1 (July 9th 2020)2

All costs exclude HST.



The Corporation of the Township of Huron-Kinloss

21 Queen Street519-395-3735 ext. 123 P.O. Box 130 Fax: 519-395-4107 Ripley, Ontario info@huronkinloss.com NOG 2R0 www.huronkinloss.com

July 20, 2020

EPCOR Natural Gas LP Suite 710 – 55 University Avenue Toronto ON M5J 2H7

Attention: Susannah Robinson - Vice President Ontario Region

Dear Ms. Robinson,

RE: TOWNSHIP OF HURON-KINLOSS SUPPORT OF NATURAL GAS EXPANSION UNDER THE MENDM PHASE 2 GRANT

On behalf of the Township of Huron-Kinloss we are very pleased to provide this letter of support to EPCOR on their plan to expand the current natural gas system to provide natural gas to additional businesses and residents in some areas of our Township that were not covered by the OEB Common Infrastructure Plan application areas.

In the planning stages of the original Southern Bruce project, some of our community members attended open houses and were disappointed that the initial phase and route of the project wouldn't provide service to their specific area within the Township. We are happy that EPCOR has chosen to submit an application to extend the system that will provide access to natural gas to additional residential, small agricultural and commercial customers along Concession 12.

Along with the original Southern Bruce project, this proposed project is significant to our community's economic wellbeing and will generate the much-needed economic activity and savings for our residents and businesses.

The Township of Huron-Kinloss in its support of EPCOR's application is willing to extend the same support extended to EPCOR in the original Southern Bruce project with respect to an exemption of pipe taxes for up to 10 years, consistent with the support provided to the original Southern Bruce Natural Gas Project and seek similar support from the County and member local governments, and any necessary support extended in the development of this project for the neighbouring communities.

We appreciate all the work EPCOR has invested on Southern Bruce project since 2015 and look forward to a successful expansion of this system to provide access to additional businesses and residents in Huron-Kinloss. We are very enthusiastic on this initiative and are convinced this Project will continue to boost the Township economically as this project is completed.

Sincerely

On Behalf of the Mayor and Council of the Township of Huron-Kinloss

Mitch Twolan

Mayor of the Township of Huron-Kinloss

July 31, 2020

EPCOR Natural Gas LP Suite 710 – 55 University Avenue Toronto ON M5J 2H7

Attention: Susannah Robinson – Vice President Ontario Region

Dear Ms. Robinson,

RE: MUNCIPALITY OF KINCARDINE SUPPORT OF NATURAL GAS EXPANSION UNDER THE MENDM PHASE 2 GRANT

On behalf of the Municipality of Kincardine we are very pleased to provide this letter of support to EPCOR on their plan to expand the current natural gas system to provide natural gas to additional businesses and residents in some areas of our Municipality that were not covered by the OEB Common Infrastructure Plan application areas.

In the planning stages of the original Southern Bruce project, some of our community members attended open houses and were disappointed that the initial phase and route of the project wouldn't provide service to their specific area within the Municipality. We are happy that EPCOR has chosen to submit an application to extend the system that will provide access to natural gas to the following areas:

- 1) the Hamlet of Underwood, north of the current system; and
- 2) East along Hwy 9 from Kincardine to Millarton and Bervie.

Along with the original Southern Bruce project, this proposed project is significant to our community's economic wellbeing and will generate the much needed economic activity and savings for our residents and businesses.

The Municipality of Kincardine in its support of EPCOR's application is willing to extend the same support extended to EPCOR in the original Southern Bruce project with respect to an exemption of pipe taxes for up to 10 years, and seek similar support from the County and member local governments, and any necessary support extended in the development of this project for the neighbouring communities.

We appreciate all the work EPCOR has invested on Southern Bruce project since 2015 and look forward to a successful expansion of this system to provide access to additional businesses and residents in Kincardine. We are very enthusiastic on this initiative and are convinced this Project will continue to boost the Municipality economically as this project is completed.

Sincerely,

Anne Eadie

Mayor of Municipality of Kincardine

Anne Zadie

July 29, 2020

Thomas Stachowski, Customer Care Specialist EPCOR Southern Bruce Gas Inc. 735 Queen St. Kincardine, ON N2Z 1Z9 Email: southernbruce@epcor.com

Mr. Stachowski:

The Ontario Federation of Agriculture (OFA) is Canada's largest voluntary general farm organization, representing more than 38,000 farm family businesses across Ontario. These farm businesses form the backbone of a robust food system and rural communities with the potential to drive the Ontario economy forward.

Secure, reliable, and reasonably priced energy is important to help sustain Ontario's farm sector. For Ontario's food chain to remain competitive, farms need natural gas to heat, cool and ventilate storage and livestock facilities, elevator companies need natural gas to dry grains and oilseeds, and local food processors need gas to remain local.

OFA welcomes the opportunity to provide its perspective on the natural gas project EPCOR has proposed to construct in Huron-Kinloss and Kincardine. OFA encourages natural gas access proposals to consider farm opportunities along multiple routes.

This proposal has the chance for agriculture to drive access to rural residential customers. New rural residential customers will also benefit from access to natural gas as larger volume agricultural users are served under this proposal. In addition to residential connections, the proposed gas line will bring service east out of Kincardine to connect several dairy operations, one poultry farm, a small grain drying operation, numerous small farms, and residential connections.

The Ontario Federation of Agriculture strongly supports the proposed expansion in the Huron-Kinloss area.

Sincerely

Keith Currie President

KC/in



July 30, 2020

EPCOR Natural Gas LP Suite 710 – 55 University Avenue Toronto ON M5J 2H7

Attention: Susannah Robinson – Vice President Ontario Region

Dear Ms. Robinson,

SUBJECT: Parrish and Heimbecker – Kincardine Elevator SUPPORT OF NATURAL GAS EXPANSION UNDER THE MENDM PHASE 2 GRANT

On behalf of Parrish and Heimbecker I would like to provide this letter of support to EPCOR. We were pleased to learn of your plans to expand the current natural gas system in Southern Bruce. We have been monitoring EPCOR's development in our area and are encouraged by the prospect of connecting to this new natural gas infrastructure.

Parrish and Heimbecker's Kincardine Elevator is located just south of Kincardine, Ontario. This facility is equipped with two commercial grain dryers that use an average of 350,000 litres of fuel annually to dry grain delivered to the elevator. We fully expect that as our business grows, we will require additional fuel.

Grain drying is an energy intensive process. We currently use propane to fuel our grain dryer, which is more expensive than natural gas. This puts us at a disadvantage. We would be very interested in converting our dryer operations to help us reduce our operational costs should natural gas become available. This would allow us to become more competitive and economically sustainable in our marketplace. The agricultural community in this area would benefit from the proposed expansion to the Southern Bruce system.

Sincerely.

Bruce Humphries General Manager

Parrish and Heimbecker - Kincardine Elevator

Kincardine, ON

KNJ Farms Ltd 5620 Highway 9 Kincardine, On N2Z 2X5

July 30, 2020

EPCOR Natural Gas LP Suite 710 – 55 University Avenue Toronto ON M5J 2H7

Attention: Susannah Robinson – Vice President Ontario Region

Dear Ms. Robinson,

SUBJECT: KNJ Farms Ltd. SUPPORT OF NATURAL GAS EXPANSION UNDER THE MENDM PHASE 2 GRANT

On behalf of KNJ Farms I am pleased to provide this letter of support to EPCOR on their plan to expand the current natural gas system in Southern Bruce to provide access to natural gas to additional customers not covered by the original Southern Bruce project. We have observed as EPCOR has worked to get natural gas into the Southern Bruce area and are excited at the prospect of getting access to natural gas.

I, alongside my brother and parents operate a mixed, family farm consisting of dairy and cash crops.

Energy is one of the largest inputs on farms, and a significant cost to rural residents and local business owners. Expanding affordable, accessible natural gas to farms in rural Ontario will dramatically boost business opportunities by significantly lowering our energy costs. The agricultural community in this area would benefit from the development of the proposed expansion to the Southern Bruce system and we are in support of this project.

Sincerely,

Paul Stewart

KNJ Farms Ltd.

July 31, 2020

EPCOR Natural Gas LP Suite 710 – 55 University Avenue Toronto ON M5J 2H7

Attention: Susannah Robinson - Vice President Ontario Region

Dear Ms. Robinson,

SUBJECT: Don Jones SUPPORT OF NATURAL GAS EXPANSION UNDER THE MENDM PHASE 2 GRANT

On behalf of Don Jones Partnership I am pleased to provide this letter of support to EPCOR on their plan to expand the current natural gas system in Southern Bruce to provide access to natural gas to additional customers not covered by the original Southern Bruce project. We have observed as EPCOR has worked to get natural gas into the Southern Bruce area and are excited at the prospect of getting access to natural gas.

Don Jones Partnership is located in Southern Bruce County Municipality of Kincardine. We operate 200 acres of cash crop which requires drying. Future plans include in bin drying systems and natural gas would be an asset.

Energy is one of the largest inputs on farms, and a significant cost to rural residents and local business owners. Expanding affordable, accessible natural gas to farms in rural Ontario will dramatically boost business opportunities by significantly lowering our energy costs. The agricultural community in this area would benefit from the development of the proposed expansion to the Southern Bruce system and we are in support of this project.

Sincerely,

Don Jones

Don Jones Partnership

SCHEDULE C

EB-2016-0137 | EB-2016-0138 | EB-2016-0139

DATED: April 12, 2018

Certificate of Public Convenience and Necessity for the Municipality of Kincardine

EB-2016-0138

Certificate of Public Convenience and Necessity

The Ontario Energy Board grants

EPCOR Southern Bruce Gas Inc.

approval under section 8 of the *Municipal Franchises Act,* R.S.O. 1990, c. M.55, as amended, to construct works to supply gas to the

Municipality of Kincardine

as it is constituted on the date of this Decision and Order.

DATED at Toronto, April 12, 2018

ONTARIO ENERGY BOARD

Original Signed By

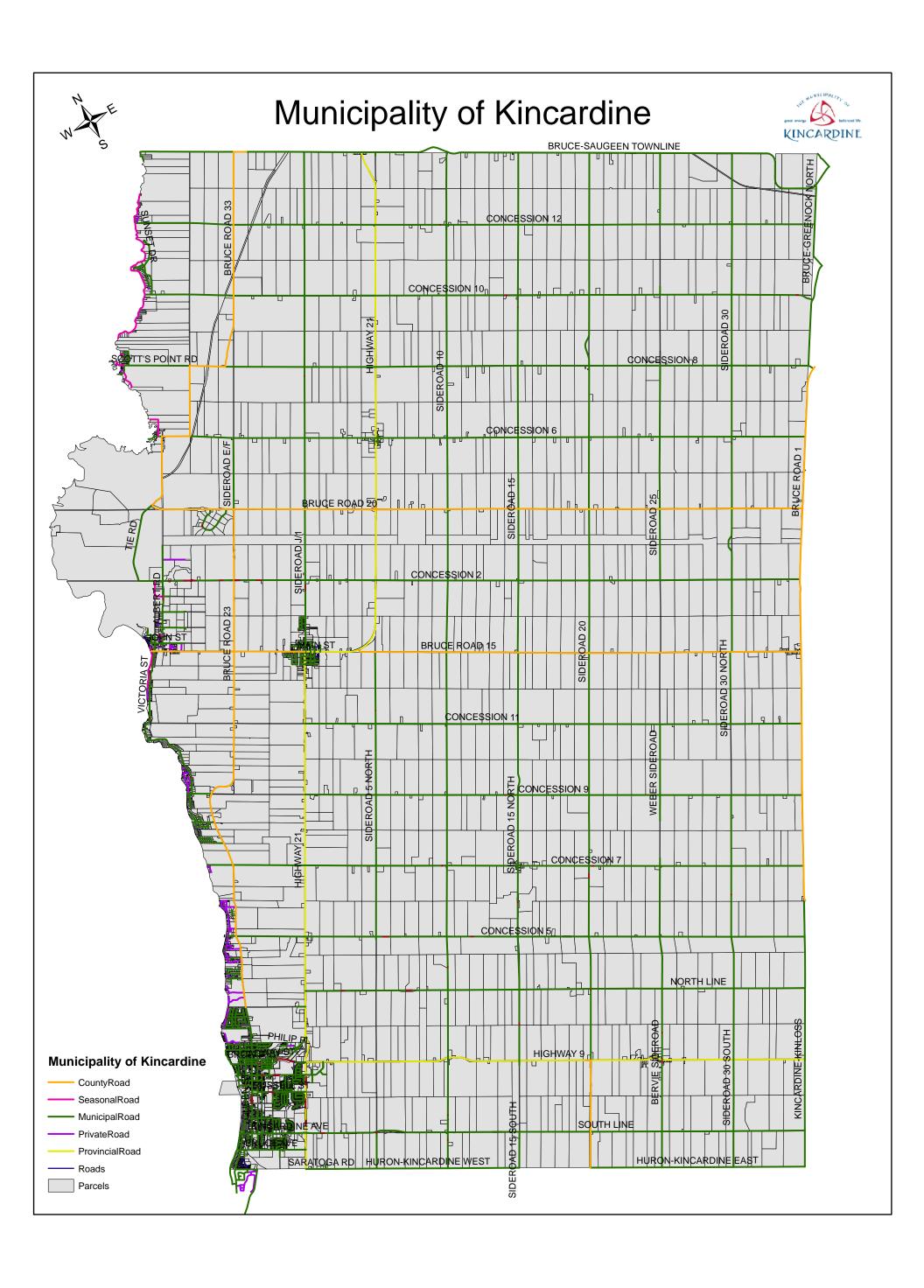
Kirsten Walli Board Secretary

SCHEDULE D

EB-2016-0137 | EB-2016-0138 | EB-2016-0139

DATED: April 12, 2018

Map of the Municipality of Kincardine



SCHEDULE E

EB-2016-0137 | EB-2016-0138 | EB-2016-0139

DATED: April 12, 2018

Certificate of Public Convenience and Necessity for the Township of Huron-Kinloss

EB-2016-0139

Certificate of Public Convenience and Necessity

The Ontario Energy Board grants

EPCOR Southern Bruce Gas Inc.

approval under section 8 of the *Municipal Franchises Act,* R.S.O. 1990, c. M.55, as amended, to construct works to supply gas to the

Township of Huron-Kinloss

as it is constituted on the date of this Decision and Order.

DATED at Toronto, April 12, 2018

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli Board Secretary

SCHEDULE F

EB-2016-0137 | EB-2016-0138 | EB-2016-0139

DATED: April 12, 2018

Map of the Township of Huron-Kinloss

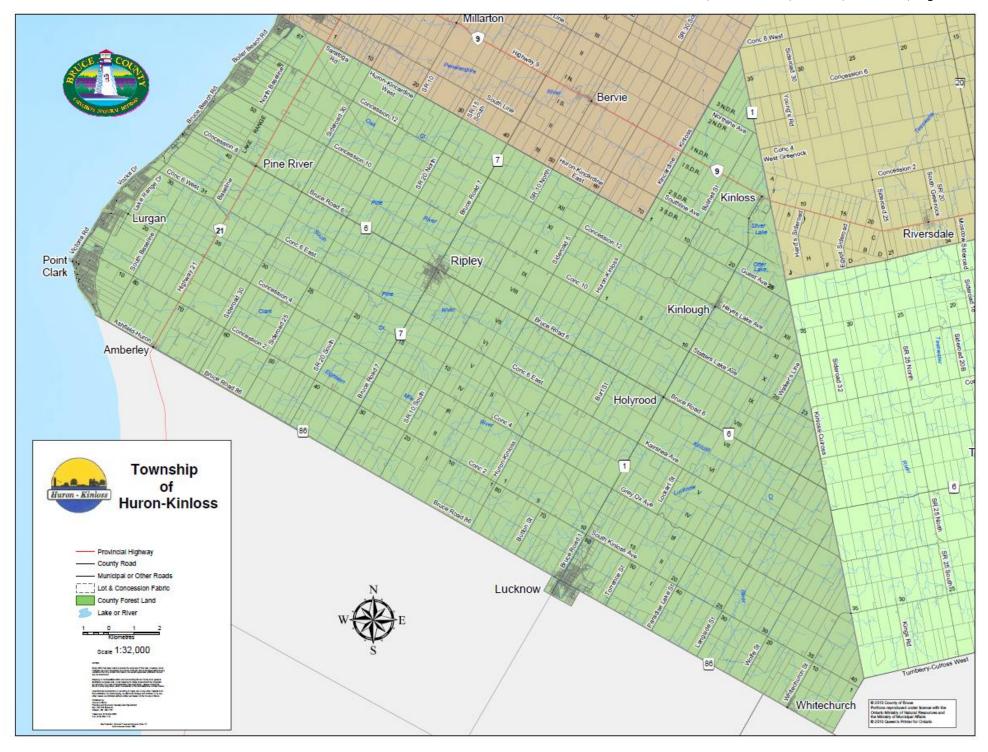


Table 4.2 – Total Forecast of Capital Cost

Total Capital Costs at the End of the Rate Stability Period	\$000s	
Inflation Rate Based on GDP IPI FDD	%	2.08%
OEB Prescribed Interest Rate for CWIP	%	2.48%

Table 4.3 – Total Annual Forecast Revenue Requirement

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue Requirement (\$000s)										
	_									

Description	Year 10
Closing Rate Base (\$000s)	

Table 5.1 - Total Amount of Section 36.2 Funding Required

Total Section 36.2 Funding Needed	\$000s	\$ 7,509
Table 5.2 - Section 36.2 Funding Per Customer		
Section 36.2 Funding per Customer in Year 10	\$ / cx	\$ 65,293

Table 5.3 - Section 36.2 Funding Per Volume (m3)

Section 36.2 Funding per Volume in Year 10	\$ / m3	\$	9.01
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Table 6.1 - Distribution Charge

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Distribution Revenue (\$000s)										

Table 7.1 - Profitability	Index with Section 3	36.2 Funding
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	_	
PI with Section 36.2 Funding		1.00

Table 7.2 - Profitability Index without Section 36.2 Funding PI without Section 36.2 Funding



345 Carlingview Drive Toronto, Ontario M9W 6N9 Tel.: 416.734.3300 Fax: 416.231.1626 Toll Free: 1.877.682.8772

www.tssa.org

July 27, 2020

Mr. Thomas Stachowski Epcor Natural Gas Limited Partnership (ENGLP) 39 Beech St E, Aylmer ON, N5H 3J6

FS Variance

Service Request No.: 2886740

Re: Variance Request from Claus 4.11.3 of CSA Z662-15, for 39 Beech St, Aylmer

Dear Mr. Stachowski,

This is in response to your variance application involving the following request:

• Use of fiber optic lines provided by CIAO Internet to be used as dual function of providing internet to the customers and Fiber Optic Sensing (FOS) in vicinity of the natural gas lines in which the clearance between the fiber optic lines and natural gas lines do not meet table 4.9 as required by section 4.11.3.

Your variance requests are to:

1. Clause 4.11.3 of CSA Z662-15
Clearance between the gas lines and other utility lines should be at least 300mm according to table 4.9.

In support of your requests, the following was proposed:

- 1. Clause 4.11.3 of CSA Z662-15
 - There is an agreement between Epcor as natural gas utility company and CIOA Internet as internet provider that the fiber optic lines to be used for dual function of providing internet and also Fiber Optic Sensing device for the natural gas pipeline. Using fiber optic lines as sensing device gives advantage to Epcor to sense the ground disturbance in real time and react to the situation if required. Following points are also mentioned by CIAO Internet to support the request for this variance.
 - Adjacent telecommunication cable does not affect construction, maintenance and repair activities. The cable is inert and can assist by potentially identifying areas of instability.
 Repairs to the telecommunications cable can be easily performed following any required maintenance or line repair necessary.
 - b) Installation of the telecommunication cable will synergize construction activity while utilizing similar corridors, including trenchless corridors.
 - c) Pipe movement during operation does not affect the close proximity of the fiber optic lines with gas lines.
 - d) Co-installation can minimize the number of utility intersections and improves likelihood of as built information for both telecommunications and natural gas utilities. In many cases telecommunication cable installation information is not available in communities leading to many fibre optic strikes when other utilities are being installed. Should repairs or service be required to natural gas infrastructure co-located with telecommunication cable, locating of lines is conducted through identification of tracer wire adjacent with both utilities. During excavation, following a standard procedure hand excavation would uncover the telecommunication cable followed by natural gas line. Repairs would be made to the natural gas pipeline followed by any repairs necessary to the telecommunication cable necessary.
 - e) The telecommunications cable is inert and does not interfere with cathodic protection and other grounding systems associated with the pipeline or distribution system.

f) The telecommunications cable is not conductive or a source of heat affecting operating temperatures of the pipeline or distribution system.

This variance is allowed under the authority of subsection 36 (3) (c) of the Technical Standards and Safety Act, 2000 and subject to such conditions as may be specified herein, being that:

- The installation shall comply with the drawings and information submitted to TSSA, as amended and accepted during the review;
- The system shall be inspected by TSSA prior to operation of the system. Please contact Mr. Kourosh Manouchehri at kmanouchehri@tssa.org or 416-734-3539 to arrange for the inspection.
- Non-conformity with the conditions specified shall thereby cause the allowed variance to lapse;
- The applicant accepts full responsibility for all damages resulting from the use of the thing to which
 the regulation under the Technical Standards and Safety Act applies or to the health or safety of
 any person in consequence of allowance of the variance or non-conformity with the conditions
 specified, to the complete exclusion of Technical Standards and Safety Authority;
- In the event of third-party claims against the Technical Standards and Safety Authority arising from allowance of the variance or non-conformity with the conditions specified, the applicant accepts on demand to indemnify the Technical Standards and Safety Authority and to hold it harmless from such claims and attendant costs;
- The variance process is subject to public access under the <u>TSSA Access and Privacy Code</u>
 (available upon request). The fact that a variance has been granted, and information about any
 public conditions, such as a requirement to post a sign, could be released on request. Proprietary
 and/or competitive information would not be subject to release;
- A copy of the variance letter shall be kept by both Epcor and CIAO Internet for the file of pipeline;
- The applicant shall pay the fee associated with the review of the variance;

Please note that this variance only relates to the Technical Standards and Safety Act and Regulations made thereunder and does not exempt you from compliance with other applicable jurisdictional requirements. The installation may be subject to an inspection at any time to ensure compliance with the terms of the variance.

If you have any further questions, please call Mr. Kourosh Manouchehri at 416-734-3539.

Sincerely,

John R. Marshall

Statutory Director - Fuels Safety

John Marshall