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February 4, 2021

Sent by EMAIL, RESS e-filing

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

Dear Ms. Long:

**Re: EB-2020-0234: EPCOR Natural Gas Limited Partnership's ("ENGLP") 2021
Incentive Rate Adjustment Application - Aylmer**

In response to the OEB Decision and Order of January 28, 2021, please find attached a draft rate order, along with supporting documentation in anticipation of an April 1, 2021 effective date.

The response is separated in two categories:

- Disposal of Deferral and Variance Accounts
- Foregone Revenue Recovery

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", is positioned below the "Sincerely," text.

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

Encl.

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

AND IN THE MATTER OF an application by EPCOR Natural Gas Limited Partnership pursuant to section 36(1) of the OEB Act for an order or orders approving or fixing just and reasonable rates and other charges for the sale and distribution of gas to be effective January 1, 2021 for the EPCOR Natural Gas Limited Partnership gas distribution system to serve Aylmer and surrounding areas with its service territory.

DRAFT RATE ORDER SUBMISSION OF
EPCOR NATURAL GAS LIMITED PARTNERSHIP (“ENGLP”)

2021 IRM Application for natural gas distribution rates and other charges effective January 1, 2021

EB-2020-0234
February 4, 2021

DISPOSAL OF DEFERRAL AND VARIANCE ACCOUNTS

ENGLP has requested to dispose of the December 31, 2019 audited balances for following three deferral and variance accounts as part of this application:

- Regulatory Expense Deferral Account ("REDA")
- Purchased Gas Transportation Variance Account ("PGTVA")
- Approved Deferral/Variance Disposal Variance Account ("ADVADA")

As noted on page 8 of the January 28, 2021 Decision and Order¹:

The OEB approves the disposition of deferral and variance account debit balances along with their carrying charges up to the time of implementation in connection with the April 1, 2021 QRAM and finds that the allocation methods as well as the twelve-month recovery period for each of these accounts are appropriate.

In its January 5 reply submission, ENGLP provided the principal and carrying charges as of January 1, 2021 for the three accounts being sought for disposition. As the effective date of disposition has been revised to April 1, 2021, the tables below show the revised carrying charges calculations and rate rider adjustments. All carrying charges are calculated using OEB prescribed rates.

Regulatory Expense Deferral Account ("REDA")

The purpose of the REDA is to record costs associated with participating in generic hearings and in Enbridge Gas (and formerly Union Gas) proceedings, including if applicable a main rates case for Enbridge Gas. The REDA was established for use by the utility prior to EPCOR's ownership of the utility and the continuation of the account for use through to the end of 2024 was approved by the Board in the Decision.

Consistent with the previous submission for this application, ENGLP proposes to allocate the balance of the REDA to the various customer rate classes on the basis of average connection count and to recover the allocated costs over a twelve-month fixed rate rider.

¹ EB-2020-0234, Decision and Order, January 28 ,2021

Table 1 - Calculation of Proposed REDA Rate Rider (April 1, 2021 Balance)

| REDA | Rates 1-6 Total | Rates 1-5 Total | REDA TOTAL |
|------------------------------|----------------------------|----------------------------|-----------------------|
| 2019 Principal | \$81,403 | \$3,340 | \$84,743 |
| 2019 Carrying Charges | \$288 | \$65 | \$353 |
| 2020 Carrying Charges | \$1,119 | \$46 | \$1,165 |
| 2021 Q1 Carrying Charges | \$116 | \$5 | \$121 |
| Total | \$82,926 | \$3,456 | \$86,382 |
| Disposition | | | |
| Customer Count | 9,213 | 9,212 | |
| \$ / customer / month | \$0.75 | \$0.03 | |

Purchased Gas Transportation Variance Account ("PGTVA")

The purpose of the PGTVA is to record differences between the average forecasted transportation costs per m3 included in EPCOR's approved rates for recovery from customers via the PGTVA reference price in Rate Classes 1 through 5, and the actual transportation costs per m3 incurred by EPCOR under its M9 and Bundled T contracts with Enbridge Gas for the volumes required to serve the customers in these rate classes. As the transportation costs are a flow-through to customers, this deferral account is to ensure that ratepayers pay the actual cost of transportation and that the utility does not incur a profit or loss on these costs.

Consistent with the previous submission, ENGLP proposes to allocate the balance to the various customer rate classes on a volumetric basis and to recover the costs from the customers in Rate Classes 1-5 through the implementation of a twelve-month volumetric rate rider.

Table 2 - Calculation of Proposed PGTVA Rate Rider (April 2021 Balance)

| PGTVA | Rates 1-5 Total |
|--------------------------|----------------------------|
| 2019 Principal | \$96,183 |
| 2019 Carrying Charges | \$700 |
| 2020 Carrying Charges | \$1,323 |
| 2021 Q1 Carrying Charges | \$137 |
| Total | \$98,343 |
| Disposition | |
| Volume (m3) | 31,594,505 |
| cents / m3 | 0.3113 |

Approved Deferral/Variance Disposal Variance Account ("ADVADA")

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

ENGLP proposed to allocate the balance to the various customer rate classes on a volumetric basis and to recover the costs from the customers in Rate Classes 1-5 through the implementation of a twelve-month volumetric rate rider. However, because the customer in Rate 6 is on a fully fixed charge, ENGLP proposed to recover the amount through the implementation of a twelve-month fixed-rate rider.

Table 3 - Projected Total ADVADA Amount for Disposal (April 2021 Balance)

| ADVADA | Rates 1-5 Total | Rate 6 Total | ADVADA TOTAL |
|------------------------------|----------------------------|-------------------------|-------------------------|
| 2019 Principal | \$49,917 | \$10,475 | \$60,392 |
| 2019 Carrying Charges | (\$3,025) | \$608 | (\$2,417) |
| 2020 Carrying Charges | \$686 | \$144 | \$830 |
| 2021 Q1 Carrying Charges | \$71 | \$15 | \$86 |
| Total | \$47,649 | \$11,242 | \$58,891 |
| Disposition | | | |
| Volume (m3) | 31,594,505 | | |
| Customer Count | | 1 | |
| cents / m3 | 0.1508 | | |
| \$ / customer / month | | \$ 936.83 | |

FOREGONE REVENUE RECOVERY

As noted on page 9-10 of the January 28, 2021 Decision and Order²:

The OEB approves an effective date of ENGLP's distribution rates of January 1, 2021. The OEB orders that ENGLP recover the foregone revenue from January 1, 2021 to the actual implementation date of this rate order via a foregone revenue rate rider recovered over a three-month period at the implementation of 2021 rates.

Monthly Fixed Charge

Rate Classes Impacted - Rate 1, Rate 6

ENGLP proposes to implement a fixed rate rider for Rates 1 & 6 customers calculated using the variance between currently approved EB-2018-0336 and proposed EB-2020-0234 rates. The monthly rate rider would add \$1 per month to Rate 1 customers and \$1,102.40 per month to Rate 6 over a three month period, commencing April 1, 2021.

Table 4 - Monthly Fixed Charge Rate Rider Calculation

| Monthly Service Charge (Fixed) | EB-2018-0336 | EB-2020-0234 | Variance |
|---|--------------|--------------|-------------------|
| RATE 1 - General Service Rate - Residential | \$16.50 | \$17.50 | \$1.00 |
| RATE 1 - General Service Rate - Commercial | \$16.50 | \$17.50 | \$1.00 |
| RATE 1 - General Service Rate - Industrial | \$16.50 | \$17.50 | \$1.00 |
| RATE 6 - Integrated Grain Processors Co-Operative Aylmer Ethanol Production Facility | \$61,229.92 | \$62,332.06 | \$1,102.14 |

Monthly Firm Demand & Firm Delivery Charges

Rate Classes Impacted - Rate 3

Rate 3 customers are subject to:

- A Monthly Demand Charge for each m3 of daily contracted firm demand.
- A Monthly Firm Delivery Charge for all firm volumes per m

ENGLP proposes to implement two variable rate riders for Rate 3 customers calculated using the variance between currently approved EB-2018-0336 and proposed EB-2020-0234 rates over a three month period, commencing April 1, 2021. Table 5 below summarizes the monthly calculations:

² EB-2020-0234, Decision and Order, January 28, 2021

Table 5 - Monthly Delivery and Demand Charge Rate Rider Calculation

| Monthly Demand & Delivery Charge (Contract) | 2018-0336 | 2020-0234 | Variance (¢/m³) |
|--|------------------|------------------|---------------------------------------|
| RATE 3 - Special Large Volume Firm Demand Rate | 29.0974 | 29.6806 | 0.5832 |
| RATE 3 - Special Large Volume Firm Delivery Rate | 3.6011 | 3.9173 | 0.3162 |

Monthly Variable Charge

Rate Classes Impacted - Rate 1, Rate 2, Rate 4

ENGLP proposes to implement a variable rate rider for Rate 1,2 & 4 customers calculated using the variance between currently approved EB-2018-0336 and proposed EB-2020-0234 rates over a three month period, commencing April 1, 2021. Deferred revenue and recovery was projected using 2020 volumes as a consumption base (Tables 6a and 6b).

Table 6a - 2020 Volume Profile

| 2020 Volumes (m3) | Q1 | Q2 | Variance |
|----------------------------------|-------------------|------------------|--------------------|
| RATE 1 - General Service Rate | 10,677,299 | 5,476,123 | (5,201,176) |
| RATE 2 - Seasonal Service | 40,297 | 68,291 | 27,994 |
| RATE 4 - General Service Peaking | 420,290 | 9,387 | (410,903) |
| Total | 11,137,885 | 5,553,800 | (5,584,085) |

Table 6b - 2020 Consumption Profile

| 2020 Consumption Profile | Delivery First 1,000 m³ | Delivery Over 1,000 m³ | Delivery Next 24,000 m³ | Delivery Over 25,000 m³ |
|----------------------------------|---|--|---|---|
| RATE 1 - General Service Rate | 80% | 20% | | |
| RATE 2 - Seasonal Service | 16% | | 79% | 4% |
| RATE 4 - General Service Peaking | 18% | 82% | | |

Deferred revenue was calculated by taking the difference in projected Q1 2021 calculated variable revenue using historical rates (Table 6c), compared with proposed rates (Table 6d). The net amount for recovery is calculated to be \$23,048 (Table 6e).

Table 6c - Revenue Calculation Using Historical Rates

| Current Rates - EB-2018-0336 | Q1 Volume (m3) | Delivery First 1,000 m ³ | Delivery Over 1,000 m ³ | Delivery Next 24,000 m ³ | Delivery Over 25,000 m ³ | Total Revenue |
|----------------------------------|-------------------|-------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| RATE 1 - General Service Rate | 10,677,299 | 13.3814 | 10.7275 | | | \$1,371,627 |
| RATE 2 - Seasonal Service | 40,297 | 20.9056 | | 14.2049 | 15.2899 | \$6,180 |
| RATE 4 - General Service Peaking | 420,290 | 23.2990 | 18.0040 | | | \$79,655 |
| Total | 11,137,885 | | | | | \$1,457,462 |

Table 6d - Revenue Calculation Using Proposed Rates

| Proposed Rates - EB-2020-0234 | Q1 Volume (m3) | Delivery First 1,000 m ³ | Delivery Over 1,000 m ³ | Delivery Next 24,000 m ³ | Delivery Over 25,000 m ³ | Total Revenue |
|----------------------------------|-------------------|-------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|---------------------|
| RATE 1 - General Service Rate | 10,677,299 | 13.5701 | 10.9063 | | | \$1,391,560 |
| RATE 2 - Seasonal Service | 40,297 | 21.5342 | | 14.6901 | 15.5872 | \$6,381 |
| RATE 4 - General Service Peaking | 420,290 | 24.1513 | 18.6627 | | | \$82,569 |
| Total | 11,137,885 | | | | | \$ 1,480,510 |

Table 6e - Q1 2021 Revenue Projections Variance

| Q1 2021 Revenue Projections | Current Rates - EB-2018-0336 | Proposed Rates - EB-2020-0234 | Deferred Revenue |
|----------------------------------|------------------------------|-------------------------------|------------------|
| RATE 1 - General Service Rate | \$ 1,371,627 | \$ 1,391,560 | \$ 19,932 |
| RATE 2 - Seasonal Service | \$ 6,180 | \$ 6,381 | \$ 202 |
| RATE 4 - General Service Peaking | \$ 79,655 | \$ 82,569 | \$ 2,914 |
| Total | \$ 1,457,462 | \$ 1,480,510 | \$ 23,048 |

The proposed rate riders were calculating using the deferred revenue variance and the projected Q2 2021 volumes (Table 6f):

Table 6f - Q2 2021 Rate Rider Calculation

| Proposed Rate Rider | Q2 Volume (m3) | Rate Rider (cents per m3) |
|----------------------------------|------------------|---------------------------|
| RATE 1 - General Service Rate | 5,476,123 | 0.3640 |
| RATE 2 - Seasonal Service | 68,291 | 0.2952 |
| RATE 4 - General Service Peaking | 9,387 | 31.0449 |
| Total | 5,553,800 | |

Proposed Draft Rate Schedules

**EPCOR Natural Gas Limited Partnership Aylmer
Natural Gas System**

Proposed Draft Rate Schedules

EB-2020-0234

Effective: April 1, 2021

*Note: As ENGLP's Federal Carbon Pricing Plan application
is still in progress for rates effective April 1, 2021, related
rates are subject to change pending OEB approval*

RATE 1 - General Service Rate

Rate Availability

The entire service area of the Company.

Eligibility

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

Rate

| | | |
|----|---|----------------------------------|
| a) | Monthly Fixed Charge ⁽¹⁾ | \$18.50 |
| | Rate Rider for Deferred Implementation – effective for 3 months ending June 30, 2021 | \$1.00 |
| | Rate Rider for REDA Recovery – effective for 12 months ending March 31, 2022 | \$0.78 |
| b) | Delivery Charge | |
| | First 1,000 m ³ per month | 13.5701 cents per m ³ |
| | All over 1,000 m ³ per month | 10.9063 cents per m ³ |
| | Rate Rider for Deferred Implementation – effective for 3 months ending June 30, 2021 | 0.3640 cents per m ³ |
| | Rate Rider for PGTVA recovery – effective for 12 months ending March 31, 2022 | 0.3113 cents per m ³ |
| | Rate Rider for ADVADA recovery – effective for 12 months ending March 31, 2022 | 0.1508 cents per m ³ |
| c) | Carbon Charges | |
| | - Federal Carbon Charge (if applicable) | 7.8300 cents per m ³ |
| | - Facility Carbon Charge | 0.0052 cents per m ³ |
| | Rate Rider for FCCCVA recovery – effective for 12 months ending March 31, 2022 | 0.94 cents per m ³ |
| | Rate Rider for FCCFVA recovery – effective for 12 months ending March 31, 2022 | \$0.01 per month |
| | Rate Rider for GGEADA recovery – effective for 12 months ending March 31, 2022 | \$0.78 per month |
| d) | Gas Supply Charge and System Gas Refund Rate Rider(if applicable) | Schedule A |

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

Meter Readings

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading, provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than EPCOR, the customer or their agent must enter into a Bundled T-Service Receipt Contract with EPCOR for delivery of gas to EPCOR. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by EPCOR, customers who are delivering gas to EPCOR under direct purchase arrangements must obligate to deliver said gas at a point acceptable to EPCOR, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Effective: April 1, 2021
Implementation: All bills rendered on or after April 1, 2021
EB-2020-0234

RATE 2 - Seasonal Service

Rate Availability

The entire service area of the company.

Eligibility

All customers.

Rate

| For all gas consumed from: | April 1 - Oct 31 | Nov 1- Mar 31 |
|---|----------------------------------|----------------------------------|
| a) Monthly Fixed Charge ⁽¹⁾ | \$21.00 | \$21.00 |
| Rate Rider for REDA Recovery – effective for 12 months ending March 31, 2022 | \$0.78 | \$0.78 |
| b) Delivery Charge | | |
| First 1,000 m ³ per month | 17.0841 cents per m ³ | 21.5342 cents per m ³ |
| Next 24,000 m ³ per month | 8.8749 cents per m ³ | 14.6901 cents per m ³ |
| All over 25,000 m ³ per month | 6.9188 cents per m ³ | 15.5875 cents per m ³ |
| Rate Rider for Deferred Implementation – effective for 3 months ending June 30, 2021 | 0.2952 cents per m ³ | |
| Rate Rider for PGTVA Recovery – effective for 12 months ending March 31, 2022 | 0.3113 cents per m ³ | 0.3113 cents per m ³ |
| Rate Rider for ADVADA recovery – effective for 12 months ending March 31, 2022 | 0.1508 cents per m ³ | 0.1508 cents per m ³ |
| c) Carbon Charges | | |
| - Federal Carbon Charge (if applicable) | 7.8300 cents per m ³ | 7.8300 cents per m ³ |
| - Facility Carbon Charge | 0.0052 cents per m ³ | 0.0052 cents per m ³ |
| Rate Rider for FCCCVA recovery – effective for 12 months ending March 31, 2022 | 0.94 cents per m ³ | 0.94 cents per m ³ |
| Rate Rider for FCCFVA recovery – effective for 12 months ending March 31, 2022 | \$0.01 per month | \$0.01 per month |
| Rate Rider for GGEADA recovery – effective for 12 months ending March 31, 2022 | \$0.78 per month | \$0.78 per month |
| d) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) | | Schedule A |

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

Meter Readings

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading, provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than EPCOR, the customer or their agent must enter into a Bundled T-Service Receipt Contract with EPCOR for delivery of gas to EPCOR. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by EPCOR, customers who are delivering gas to EPCOR under direct purchase arrangements must obligate to deliver said gas at a point acceptable to EPCOR, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Effective: April 1, 2021

Implementation: All bills rendered on or after April 1, 2021

EB-2020-0234

RATE 3 - Special Large Volume Contract Rate

Rate Availability

Entire service area of the company.

Eligibility

A customer who enters into a contract with the company for the purchase or transportation of gas:

- a) for a minimum term of one year;
- b) that specifies a combined daily contracted demand for firm and interruptible service of at least 700 m³; and
- c) a qualifying annual volume of at least 113,000 m³.

Rate

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

- a) A Monthly Customer Charge⁽¹⁾:

A Monthly Customer Charge of \$201.00 for firm or interruptible customers; or
A Monthly Customer Charge of \$223.00 for combined (firm and interruptible) customers.

Rate Rider for REDA Recovery \$0.78
– effective for 12 months ending March 31, 2022

- b) A Monthly Demand Charge:

A Monthly Demand Charge of 29.6806 cents per m³ for each m³ of daily contracted firm demand.

Rate Rider for Deferred Implementation of 0.5832 cents per m³ for each m³ of daily contracted firm demand.
– effective for 3 months ending June 30, 2021

- c) A Monthly Delivery Charge:

- (i) A Monthly Firm Delivery Charge for all firm volumes of 3.9173 cents per m³,
- (ii) A Monthly Interruptible Delivery Charge for all interruptible volumes to be negotiated between the company and the customer not to exceed 10.7010 cents per m³ and not to be less than 7.7527 per m³.

Rate Rider for Deferred Implementation of 0.3162 cents per m³ for each m³ of firm volumes.
– effective for 3 months ending June 30, 2021

Rate Rider for PGTVA recovery 0.3113 cents per m³
– effective for 12 months ending March 31, 2022

Rate Rider for ADVADA recovery 0.1508 cents per m³
– effective for 12 months ending March 31, 2022

- d) Carbon Charges 7.8300 cents per m³
 - Federal Carbon Charge (if applicable) 0.0052 cents per m³
 - Facility Carbon Charge

Rate Rider for FCCCVA recovery 0.94 cents per m³
– effective for 12 months ending March 31, 2022

Rate Rider for FCCFVA recovery \$0.01 per month
– effective for 12 months ending March 31, 2022

Rate Rider for GGEADA recovery \$0.78 per month
– effective for 12 months ending March 31, 2022

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

f) Overrun Gas Charges:

Overrun gas is available without penalty provided that it is authorized by the company in advance. The company will not unreasonably withhold authorization.

If, on any day, the customer should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to the customer on such day, or if, on any day, the customer fails to comply with any curtailment notice reducing the customer's take of gas, then,

- (i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or
- (ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized firm overrun gas taken in any month shall be paid for at the Rate 3 Firm Delivery Charge in effect at the time the overrun occurs. In addition, the Contract Demand level shall be adjusted to the actual maximum daily volume taken and the Demand Charges stated above shall apply for the whole contract year, including retroactively, if necessary, thereby requiring recomputation of bills rendered previously in the contract year.

Any unauthorized interruptible overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge in effect at the time the overrun occurs plus any Gas Supply Charge applicable.

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

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(c)(ii) above, the matters to be considered include:

- a) The volume of gas for which the customer is willing to contract;
- b) The load factor of the customer's anticipated gas consumption, the pattern of annual use, and the minimum annual quantity of gas which the customer is willing to contract to take or in any event pay for;
- c) Interruptible or curtailment provisions; and
- d) Competition.

3. In each contract year, the customer shall take delivery from the company, or in any event pay for it if available and not accepted by the customer, a minimum volume of gas as specified in the contract between the parties. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this minimum shall be 3.1530 cents per m³ for firm gas and 5.4412 cents per m³ for interruptible gas.

4. The contract may provide that the Monthly Demand Charge specified in Rate Section 1 above shall not apply on all or part of the daily contracted firm demand used by the customer during the testing, commissioning, phasing in, decommissioning and phasing out of gas-using equipment for a period not to exceed one year (the transition period). In such event, the contract will provide for a Monthly Firm Delivery Commodity Charge to be applied on such volume during the transition of 5.7163 cents per m³ and a gas supply commodity charge as set out in Schedule A, if applicable. Gas purchased under this clause will not contribute to the minimum volume.

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

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than EPCOR, the customer or their agent must enter into a Bundled T-Service Receipt Contract with EPCOR for delivery of gas to EPCOR. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by EPCOR, customers who are delivering gas to EPCOR under direct purchase arrangements must obligate to deliver said gas at a point acceptable to EPCOR, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Effective: April 1, 2021

Implementation: All bills rendered on or after April 1, 2021

EB-2020-0234

RATE 4 - General Service Peaking

Rate Availability

The entire service area of the company.

Eligibility

All customers whose operations, in the judgment of EPCOR NATURAL GAS LIMITED PARTNERSHIP, can readily accept interruption and restoration of gas service with 24 hours' notice.

Rate

| For all gas consumed from: | April 1 through December 31: | January 1 through March 31: |
|---|----------------------------------|----------------------------------|
| a) Monthly Fixed Charge ⁽¹⁾ | \$21.00 | \$21.00 |
| Rate Rider for REDA Recovery – effective for 12 months ending March 31, 2022 | \$0.78 | \$0.78 |
| b) Delivery Charge | | |
| First 1,000 m ³ per month | 18.9314 cents per m ³ | 24.1513 cents per m ³ |
| All over 1,000 m ³ per month | 11.6156 cents per m ³ | 18.6627 cents per m ³ |
| Rate Rider for Deferred Implementation – effective for 3 months ending June 30, 2021 | 31.0449 cents per m ³ | |
| Rate Rider for PGTVA Recovery – effective for 12 months ending March 31, 2022 | 0.3113 cents per m ³ | 0.3113 cents per m ³ |
| Rate Rider for ADVADA recovery – effective for 12 months ending March 31, 2022 | 0.1508 cents per m ³ | 0.1508 cents per m ³ |
| c) Carbon Charges | | |
| - Federal Carbon Charge (if applicable) | 7.8300 cents per m ³ | 7.8300 cents per m ³ |
| - Facility Carbon Charge | 0.0052 cents per m ³ | 0.0052 cents per m ³ |
| Rate Rider for FCCCVA recovery – effective for 12 months ending March 31, 2022 | 0.94 cents per m ³ | 0.94 cents per m ³ |
| Rate Rider for FCCFVA recovery – effective for 12 months ending March 31, 2022 | \$0.01 per month | \$0.01 per month |
| Rate Rider for GGEADA recovery – effective for 12 months ending March 31, 2022 | \$0.78 per month | \$0.78 per month |
| d) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) | | Schedule A |

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

Meter Readings

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment

penalty shall be one dollar (\$1.00).

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than EPCOR, the customer or their agent must enter into a Bundled T-Service Receipt Contract with EPCOR for delivery of gas to EPCOR. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by EPCOR, customers who are delivering gas to EPCOR under direct purchase arrangements must obligate to deliver said gas at a point acceptable to EPCOR, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Effective: April 1, 2021

Implementation: All bills rendered on or after April 1, 2021

EB-2020-0234

RATE 5 - Interruptible Peaking Contract Rate

Rate Availability

Entire service area of the company.

Eligibility

- A customer who enters into a contract with the company for the purchase or transportation of gas:
- a) for a minimum term of one year;
 - b) that specifies a daily contracted demand for interruptible service of at least 700 m³; and
 - c) a qualifying annual volume of at least 50,000 m³.

Rate

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

- a) Monthly Fixed Charge⁽¹⁾ \$191.00
- Rate Rider for REDA Recovery \$0.78
– effective for 12 months ending March 31, 2022
- b) A Monthly Delivery Charge:
- A Monthly Delivery Charge for all interruptible volumes to be negotiated between the company and the customer not to exceed 9.4318 cents per m³ and not to be less than 6.0876 per m³.
- Rate Rider for PGTVA recovery 0.3113 cents per m³
– effective for 12 months ending March 31, 2022
- Rate Rider for ADVADA recovery 0.1508 cents per m³
– effective for 12 months ending March 31, 2022
- c) Carbon Charges
- Federal Carbon Charge (if applicable) 7.8300 cents per m³
- Facility Carbon Charge 0.0052 cents per m³
- Rate Rider for FCCCVA recovery 0.94 cents per m³
– effective for 12 months ending March 31, 2022
- Rate Rider for FCCFVA recovery \$0.01 per month
– effective for 12 months ending March 31, 2022
- Rate Rider for GGEADA recovery \$0.78 per month
– effective for 12 months ending March 31, 2022
- d) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A
- e) Overrun Gas Charge:

Overrun gas is available without penalty provided that it is authorized by the company in advance. The company will not unreasonably withhold authorization.

If, on any day, the customer should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to the customer on such day, or if, on any day, the customer fails to comply with any curtailment notice reducing the customer's take of gas, then

- (i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or
- (ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge in effect at the time the overrun occurs plus any applicable Gas Supply Charge.

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

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(c) above, the matters to be considered include:

- a) The volume of gas for which the customer is willing to contract;
- b) The load factor of the customer's anticipated gas consumption and the pattern of annual use and the minimum annual quantity of gas which the customer is willing to contract to take or in any event pay for;
- c) Interruptible or curtailment provisions; and
- d) Competition.

3. In each contract year, the customer shall take delivery from the company, or in any event pay for it if available and not accepted by the customer, a minimum volume of gas of 50,000 m³. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this annual minimum shall be 8.1474 cents per m³ for interruptible gas.

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

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than EPCOR, the customer or their agent must enter into a Bundled T-Service Receipt Contract with EPCOR for delivery of gas to EPCOR. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by EPCOR, customers who are delivering gas to EPCOR under direct purchase arrangements must obligate to deliver said gas at a point acceptable to EPCOR, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Effective: April 1, 2021

Implementation: All bills rendered on or after April 1, 2021

EB-2020-0234

RATE 6 – Integrated Grain Processors Co-Operative Aylmer Ethanol Production Facility

Rate Availability

Rate 6 is available to the Integrated Grain Processors Co-Operative, Aylmer Ethanol Production Facility only.

Eligibility

Integrated Grain Processors Co-Operative's ("IGPC") ethanol production facility located in the Town of Aylmer

Rate

1. Bills will be rendered monthly and shall be the total of:
 - a) Fixed Monthly Charge⁽¹⁾ of \$62,332.06 for firm services

| | |
|---|------------|
| Rate Rider for Deferred Implementation – effective for 3 months ending June 30, 2021 | \$1,102.14 |
| Rate Rider for REDA Recovery – effective for 12 months ending March 31, 2022 | \$0.75 |
| Rate Rider for ADVADA recovery – effective for 12 months ending March 31, 2022 | \$936.83 |
 - b) Carbon Charges

| | |
|---|---------------------------------|
| - Facility Carbon Charge | 0.0052 cents per m ³ |
| Rate Rider for FCCFVA recovery – effective for 12 months ending March 31, 2022 | \$0.01 per month |
| Rate Rider for GGEADA recovery – effective for 12 months ending March 31, 2022 | \$0.78 per month |
 - c) Gas Supply Charge and System Gas Refund Rate Rider (if applicable)

| | |
|--|------------|
| | Schedule A |
|--|------------|

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

Purchased Gas Transportation Charges

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

Bundled Direct Purchase Delivery

Where IGPC elects under this rate schedule to directly purchase its gas from a supplier other than EPCOR, IGPC or its agent must enter into a Bundled T-Service Receipt Contract with EPCOR for delivery of gas to EPCOR. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to IGPC if it elects said Bundled T transportation service.

Unless otherwise authorized by EPCOR, IGPC, when delivering gas to EPCOR under direct purchase arrangements, must obligate to deliver said gas at a point acceptable to EPCOR, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment

penalty shall be one dollar (\$1.00).

Effective: January 1, 2021

Implementation: All bills rendered on or after January 1, 2021

EB-2020-0234

SCHEDULE A – Gas Supply Charges

Rate Availability

Entire service area of the company.

Eligibility

All customers served under Rates 1, 2, 3, 4, 5 and 6.

Rate

The Gas Supply Charge applicable to all sales customers shall be made up of the following charges:

| | | |
|-------------------------|----------------|---|
| PGCVA Reference Price | (EB-2020-0296) | 13.3235 cents per m ³ |
| GPRA Recovery Rate | (EB-2020-0296) | 0.1473 cents per m ³ |
| System Gas Fee | (EB-2018-0296) | <u>0.0435</u> cents per m ³ |
| Total Gas Supply Charge | | <u>13.5143</u> cents per m ³ |

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: April 1, 2021

Implementation: All bills rendered on or after April 1, 2021

EB-2020-0234

RATE BT1 – Bundled Direct Purchase Contract Rate

Availability

Rate BT1 is available to all customers or their agent who enter into a Receipt Contract for delivery of gas to EPCOR. The availability of this option is subject to EPCOR obtaining a satisfactory agreement or arrangement with Enbridge Gas Inc. and EPCOR's gas supplier for direct purchase volume and DCQ offsets.

Eligibility

All customers electing to purchase gas directly from a supplier other than EPCOR must enter into a Bundled T- Service Receipt Contract with EPCOR either directly or through their agent, for delivery of gas to EPCOR at a mutually acceptable delivery point.

Rate

For gas delivered to EPCOR at any point other than the Ontario Point of Delivery, EPCOR will charge a customer or their agent all approved tolls and charges incurred by EPCOR to transport the gas to the Ontario Point of Delivery.

Note:

Ontario Point of Delivery means Dawn or Parkway on the Enbridge Gas Inc. (Union South) System as agreed to by EPCOR and EPCOR's customer or their agent.

Effective: April 1, 2021

Implementation: All bills rendered on or after April 1, 2021

EB-2020-0234

Transmission Service

Availability

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

Eligibility

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

Rate

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

Effective: April 1, 2021

Implementation: All bills rendered on or after April 1, 2021

EB-2020-0234

Schedule of Miscellaneous and Service Charges

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

Note: Applicable taxes will be added to the above charges

Effective: April 1, 2021

Implementation: All bills rendered on or after April 1, 2021

EB-2020-0234

Proposed Customer Notice

IMPORTANT INFORMATION ABOUT YOUR NATURAL GAS BILL

The Ontario Energy Board (OEB) has approved changes to the delivery charges that EPCOR Natural Gas Limited (EPCOR) charges its customers commencing April 1, 2021.

How will this price change impact you? For a typical residential customer who consumes about 2,100 cubic meters of gas annually, the rate change will increase the bill by \$2.11 per month. Commercial, industrial and seasonal rate customers will also be impacted by this change.

On all bills rendered by EPCOR on or after April 1, 2021, there will be rate changes for the "Fixed Monthly Charge" and "Delivery To You Charges". In addition, some temporary rate adjustments will be added to your bill for the period of April 1, 2021 to March 31, 2022 to recover and/or refund specific amounts related to the clearing of balances in certain deferral and variance accounts as approved by the OEB.

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

If you have any questions about the changes in rates or any other item that appears on your bill, please feel free to call our office at 519-773-5321.

We would like to thank you for choosing to make natural gas your energy of choice.