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September 13, 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-2021-0236: Quarterly Rate Adjustment Mechanism (“QRAM”) Application
EPCOR Natural Gas LP (“ENGLP”) South Bruce for rates effective October 1, 2021**

Please find enclosed a revised submission for ENGLP South Bruce’s QRAM Application to the Ontario Energy Board for orders effective October 1, 2021.

After receiving questions from OEB Staff, various edits were required leading to a revised submission. Changes to the initial filing include:

Overall:

- Incorrect heat values were used for October 2020 to March 2021 leading to slight adjustments to the reference price, the inventory rate, and the gas supply charge.

Schedule 1, page 10:

- Clarified that the differences will be tracked through the PGVA and the PGCVA variance accounts.

Schedule 2:

- Average Residential Consumption for Schedule 2 shows historical average consumption rather than forecasted consumption for the month.
- M³ purchased gas volume for November 2020 and February 2021 were adjusted as a result of the heat value correction for those months.

Schedule 4:

- Correct heat value applied to October 2020 to March 2021.

Schedule 9:

- In quarterly bill Impacts, the correct QRAM rates are referenced
- In annual bill Impacts, the correct date for the historical rate is now referenced

We apologize for the inconvenience.

Sincerely,

A handwritten signature in blue ink, appearing to read 'T. Hesselink', with a stylized flourish at the end.

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

Encl.

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an Application by EPCOR Natural Gas Limited Partnership (“ENGLP”) pursuant to Section 36(1) of the Act, for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas as of October 1, 2021.

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

APPLICATION

1. As part of the EB-2021-0178 Decision and Rate Order dated June 24, 2021 (the “Rate Order”), the Ontario Energy Board (“Board”) approved a Purchased Gas Commodity Variance Account (“PGCVA”), a Gas Purchase Rebalancing Account (“GPRA”) and a gas supply charge of \$0.112510 cents per m³, effective July 1, 2021, for ENGLP’s Southern Bruce operations.
2. In accordance with the Board’s decision in EB-2014-0199 and its expectation that regulated utilities will consider rate mitigation for material rate increases, ENGLP is proposing the following rate mitigation plan for this application:
 - (a) ENGLP will use a 21-day strip ending August 5, 2021 rather than August 30, 2021 to mitigate commodity price increases that would otherwise exceed 25%. The variance between forecast costs included with the application and actual costs will be recorded in the respective deferral and variance accounts for disposition as part of a future QRAM application.
3. Pursuant to Section 36(1) of the Act, and the QRAM approved by the Board, ENGLP hereby applies to the Board for further orders effective October 1, 2021, as follows:
 - a) an Order setting the reference price of \$0.140567 per m³, for amounts to be recorded in the PGCVA;
 - b) an Order changing the rates and other charges from those authorized the Board’s Decision and Rate Order dated June 24, 2021 in proceeding EB-2021-0178, to reflect a projected \$0.022277 per m³ increase in the gas supply charge from the Board

approved level of \$0.112510 per m³ to a projected cost of \$0.134787 per m³. This change is the sum of the change in the PGCVA reference price, and the change required to prospectively clear the balance of the GPRA; and

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

Regulatory Framework

4. This application is supported by written evidence that has been pre-filed with the Board and intervenors of record in proceedings EB-2018-0264 and EB-2019-0264.
5. Pursuant to the criteria established in the Board's EB-2008-0106 Decision, below is the Board's direction with respect to the timeline for processing the application
 - Any responsive comments from interested parties are filed with the Board, and served on ENGLP and other interest parties, on or before 4:45 p.m. five calendar days following the filing of the QRAM application.
 - Any reply comments from ENGLP are filed with the Board, and served on all interested parties, on or before 4:45 p.m. three calendar days following receipt of comments.
6. ENGLP respectfully requests the Board issue its Decision and Order by September 30, 2021 for implementation effective October 1, 2021.
7. The following procedures are prescribed for cost claims relating to QRAM applications, as directed by the Board:
 - Parties that meet the eligibility criteria contained in the Board's Practice Direction on Cost Awards may submit costs with supporting rationale as to how their participation contributed to the Board's ability to decide on this matter.
 - Any party eligible for an award of costs must file a claim with the Board and ENGLP no later than ten days from the date of the Board's decision and order. Should ENGLP have any comments concerning any of the claims, these concerns shall be forwarded to the Board and to the claimant within seven days of receiving the claims. Any response to ENGLP's comments must be filed with the Board and ENGLP within seven days of receiving the comments.

Address for Service

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

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DATED this 13th day of September, 2021.

EPCOR Natural Gas Limited Partnership



Tim Hesselink
Senior Manager, Regulatory Commercial Services

1 **SCHEDULE 1- Management Summary**

2
3 **EPCOR NATURAL GAS LIMITED PARTNERSHIP - INTRODUCTION**

4
5 As part of the EB-2018-0264 (Rate Order dated January 9, 2020) the Ontario Energy Board
6 (“Board”) approved a Purchased Gas Commodity Variance Account (“PGCVA”) effective
7 January 1, 2020 for EPCOR Natural Gas Limited Partnership Southern Bruce (“ENGLP”). In EB-
8 2021-0178 (Decision and Rate Order dated June 24, 2021), the Board approved a decrease by
9 \$0.030369 per m3 from the previous OEB approved level of \$0.142108 per m3 to \$0.111739 per
10 m3 effective July 1, 2021.

11
12 In EB-2018-0264 (Rate Order dated January 9, 2020), the Board approved a Gas Purchase
13 Rebalancing Account (“GPRA”) to record the increase (decrease) in the value of the gas inventory
14 available for sale to sales service customers due to changes in ENGLP’s cost of gas supply. In EB-
15 2021-0178 (Decision and Rate Order dated June 24, 2021), the Board approved the GPRA to be
16 cleared, resulting in a decrease in the gas supply charge of \$0.135771 per m3 to \$0.112510 per m3
17 effective July 1, 2021.

18
19 ENGLP is proposing to set the gas supply charge, the GPRA rate and the PGCVA reference price
20 effective October 1, 2021 to reflect an updated forecast of gas costs, the projected balance in the
21 PGCVA and the projected balance in the GPRA.

22
23

1 **RATE MITIGATION**

2 Purpose

3
4 The purpose of this section of evidence is to describe the rate mitigation proposal included as part
5 of the application for rate changes effective October 1, 2021.
6

7 Prior to rate mitigation, ENGLP calculated that the bill impacts for a typical residential system gas
8 customer in South Bruce would exceed 25% of the commodity portion of the bill based on
9 approved QRAM methodologies. The bill impacts were prepared using a forecast of gas costs
10 effective October 1, 2020 based on a 21-day strip ending August 30, 2021 (the “August 30
11 forecast”) and resulted in commodity increases of approximately 25.7% for South Bruce
12 customers.
13

14 In response to the identified bill impacts, ENGLP has included a rate mitigation proposal as part
15 of this application for the October 1, 2021 QRAM rate change as described below.
16

17 As per the EB-2014-0199 (Review of the Quarterly Rate Adjustment Mechanism) (“QRAM
18 Review”) Decision, the OEB requires distributors, one month in advance of the normal QRAM
19 filing date, to complete a preliminary estimate of the change in the commodity portion of a typical
20 residential system supply customer’s bill that arises from the forecasted reference price (based on
21 the most current 21-day strip available at the time) for the next quarter and the forecasted PGVA
22 balances to be cleared.
23

24 If a distributor anticipates an increase or decrease of 25% or more on the commodity portion of a
25 typical residential system supply customer’s bill (which includes all commodity related rate
26 riders), the distributor must file a letter with the Board describing the anticipated increase or
27 decrease and the cost drivers underpinning the anticipated change. ENGLP filed this letter on
28 September 1, 2021.
29

1 The OEB also requires that if a 25% or greater change on the commodity portion of a typical
2 residential system supply customer's bill (which includes all commodity related rate riders) is still
3 anticipated with the QRAM application, the distributor must also include evidence which explains,
4 in detail, the reasons for the large rate increase (or decrease). Where the change is an increase, the
5 distributor must include a plan for mitigation of the increase.

6
7 August 2020 Preliminary QRAM Estimate

8
9 In August 2021, ENGLP prepared a preliminary QRAM estimate of the October 1, 2021 QRAM
10 bill impact using a forecast of gas costs effective October 1, 2021 based on a 21-day strip ending
11 August 5, 2020 (the "August 5 forecast"). At that time, the increase in the commodity portion of a
12 customer's bill was less than 25% for South Bruce customers.

13
14 QRAM Forecast

15
16 In early September 2020, ENGLP prepared the October 1, 2021 QRAM bill impacts using the
17 August 31 forecast and the available information at the time ("QRAM forecast"). The bill impacts
18 of the QRAM forecast are provided in Table 1.

19
20 Table 1 - Results of QRAM Forecast (Before Rate Mitigation Plan)

21

	<u>Change</u>	<u>Total</u>	<u>%</u>
	(a)	(b)	(c)
Commodity Bill	62.05	303.84	25.7%
Total Bill	62.05	1302.66	5.0%

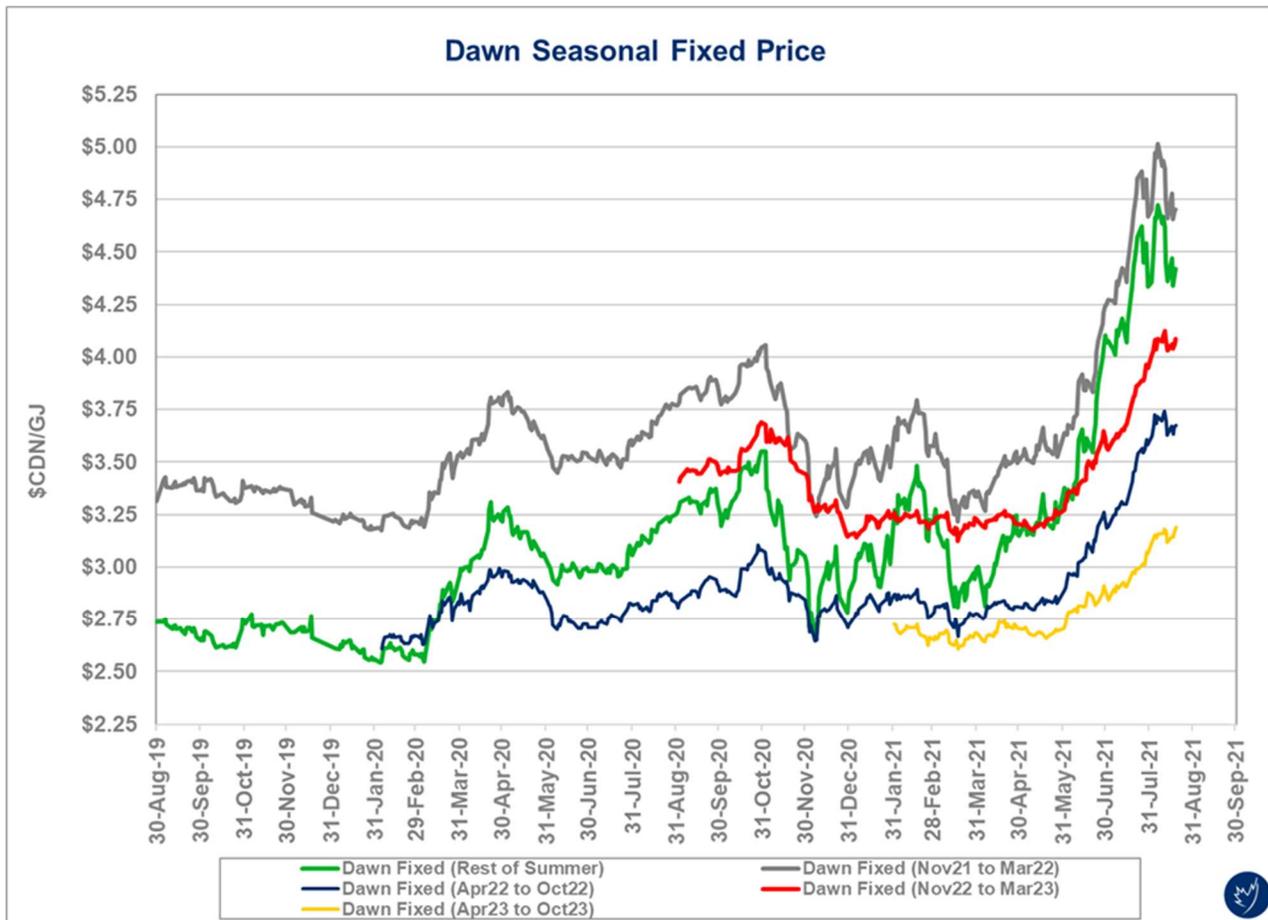
22
23

24 The increase in the total bill is attributed solely to the QRAM price increases.

25
26 The combination of low storage levels, flat production, and increased demand in natural gas
27 exports via liquefied natural gas (LNG) terminals and Mexico has led to a steep increase in natural

1 gas prices in most basins in North America over the past four months. In particular, the impact of
 2 Hurricane Ida further exacerbated the North American supply-demand imbalance at the end of
 3 August by shutting-in natural gas production in the U.S. Gulf region while leaving LNG facilities
 4 relatively unaffected, further driving up natural gas prices. Figure 1 below, shows the Dawn
 5 Seasonal Strip Settlement Prices used in deriving South Bruce’s rates from August 30, 2019 to
 6 August 30, 2021.

7



8

9

10

11 Rate Mitigation Plan

12 As required by the OEB, ENGLP has included a rate mitigation proposal as part of this application
 13 for rate changes effective October 1, 2021. This rate mitigation plan mitigates the commodity bill
 14 impact for South Bruce system gas customers.

1
2 *Commodity Bill Mitigation*
3 In order to mitigate the gas price increase in South Bruce, ENGLP is proposing to implement rate
4 changes at October 1, 2020 based on the August 5 forecast of gas costs. The August 5 forecast
5 results in commodity bill impacts that are less than the August 30 forecast and below 25% for
6 South Bruce. Based on this proposal, ENGLP has prepared this application based on the August 5
7 forecast of gas costs.

8
9 ENGLP used the August 5 forecast in the application because the forecast is market-based pricing
10 prepared approximately one month in advance of the QRAM methodology market timing.
11 Reflecting market prices in customers' rates is consistent with the Board's findings in the QRAM
12 Review:

13
14 *“the QRAM is intended to strike a balance between ensuring that consumers are*
15 *receiving appropriate price signals which reflect the actual natural gas market*
16 *price, and protecting the interests of system supply customers by reducing, to some*
17 *extent, volatility in the price of natural gas.”¹*
18

19 The rate mitigation plan reflects the natural gas market price but also provides for a gradual
20 increase in customer's bills over two QRAM periods. Using the August 5 forecast provides a
21 smoothing of bill increases for customers over a longer period of time and reduces potential
22 balances that would otherwise accumulate in deferral and variance accounts for future disposition.

23
24 The rate mitigation impact comparing commodity bill impacts of the application with the QRAM
25 forecast is provided in Table 2.

26
27 Table 2 - Results of Mitigation Plan - Commodity Bill Impacts

Commodity Bill	
\$	%

¹ EB-2014-0199 Review of the Quarterly Rate Adjustment Mechanism, Decision and Order, August 14, 2014, p. 4.

	(a)	(b)
QRAM Forecast (Before Impact of Rate Mitigation Plan)	62.05	25.7%
As Filed (After Impact of Rate Mitigation Plan)	47.87	19.8%
<u>Impact of Rate Mitigation Plan</u>	<u>(14.18)</u>	<u>-5.9%</u>

1
 2 The variance between forecast costs included with the application and actual costs will be recorded
 3 in the respective deferral and variance accounts (the PGVA and the PGCVA) for disposition with
 4 a future QRAM application.

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

Updated Forecasts

The current forecast is based on natural gas prices over the relevant period. These gas prices reflect current contracts and market conditions, including alternative energy prices, demand for natural gas, the weather outlook and the impact of current storage levels. The forecasts reflect the actual and planned procurement activities. The forecasted demand profile of the franchise area for this application matches the most recent annual update to the Southern Bruce Gas Supply Plan EB-2021-0146, filed April 30, 2021 (“Gas Supply Plan Update”), and is based on the observed rate of customer additions and connections over the last number of months.

The PGCVA balance has been calculated using the most recent information available, including actual volumes and costs through August 2021. The remaining months in the thirteenth-month period ending September 2022 are calculated using estimated prices and volumes based on the best information available at the time of filing.

Forecast prices have been used for the period of September 2021 to September 2022, except where actual contracted prices are available.

Gas Supply Portfolio

The gas supply portfolio reflects the current and forecasted mix of delivery points utilized by ENGLP for system gas purchases. The composition of the gas supply portfolio volumes from October 2020 to September 2021 can be referenced on Schedule 3. This schedule shows the monthly volume of gas purchased, or forecast to be purchased from various delivery points and different pricing structures (including fixed, index, spot). Similarly, the composition of the gas supply portfolio volumes from October 2021 to September 2022 is shown on the top of Schedule 6.

1 In particular, the gas supply portfolio reflected in this QRAM application reflects an updated
2 Supply/Demand forecast based on observed customer connections. The structure of the purchases
3 are as highlighted, where:

- 4
- 5 • A percentage of average forecasted consumption for the period from December 1 to March
6 31 of the following year will be purchased as a fixed price gas landed at Dawn.
- 7
- 8 • A percentage of average forecasted consumption for the period from April 1 to September
9 30 (starting April, 2022) will be purchased at an AECO index plus fixed basis.
- 10
- 11 • For forecasted demand not met by baseload purchase or firm storage withdrawal rights,
12 month to month Dawn index purchases will be made to meet expected demand.
- 13
- 14 • Day-to-day spot purchases and sales at Dawn will be made if storage injection or
15 withdrawal adjustments are not appropriate or cannot meet higher or lower than forecasted
16 demand and to minimize risk of triggering fees from the M17 Limited Balancing
17 Agreement (“LBA”).
- 18

19 The forecast values used in this QRAM match the 2021 Gas Supply Plan Update. Actual
20 consumption from October 2020 to August 2021 has been reported for system gas customers
21 during this period, with consumption from September 2021 onwards consisting of forecasted
22 system gas consumption based on the consumption forecast in the 2021 Gas Supply Plan Update.

23
24 Gas Costs

25

26 ENGLP’s actual and forecast gas costs from October 2020 to September 2021 are shown in
27 Schedule 4 in \$/GJ by source of supply. These prices are also shown in the middle section of
28 Schedule 3 in \$/m³. The bottom section of Schedule 3 shows the composition of the total system
29 gas costs. The conversion factor used is based on the heat values used by Enbridge in their
30 administration of the M17 service contracted by ENGLP to transport natural gas from Dawn to the

1 Southern Bruce franchise through the Dornoch Interconnect. These conversion factors are shown
2 in Schedule 4. All prices and costs shown are actual prices paid from October 2020 to August
3 2021. Prices for the remaining months in this period are based on estimates to be paid in those
4 months. The costs shown for the remaining months are based on both the estimated prices to be
5 paid and the estimated volumes to be purchased.

6
7 Forecast gas prices for each of the sources of supply from September 2021 to September 2022 are
8 described below.

9
10 Actual Cost

11
12 *Dawn Fixed Price Transactions:*

13
14 ENGLP transacted two Dawn Fixed Priced deals in August 2021, with one transaction for volume
15 nominated directly into ENGLP's seasonal storage asset to be consumed by system gas customers in the
16 upcoming winter (December 2021 to March 2022). Dawn fixed priced deals were procured for September,
17 2021 at 100 GJ per day. The volume procured is within ENGLP's firm storage injection rights for the
18 100,000 GJ of seasonal storage service ENGLP contracted with Enbridge when storage levels are above
19 75%. Fixed priced deals were transacted instead of index price deals per advice of ECNG to protect
20 ENGLP's gas portfolio against a rising market. This transaction brings the storage level to 99.92% full by
21 the end of storage injection season. The second transaction, for 43 GJ per day, will bring the LBA balance
22 close to zero by September 30, 2021.

23
24 *Dawn Spot Price Sales Transactions:* ENGLP has not entered into any Dawn Spot Price Sales
25 Transactions as of August, 2021.

26
27 *Dawn Spot Price Purchase Transactions:* ENGLP has not entered into any Dawn Spot Price
28 Purchase Transactions as of August, 2021.

29
30 *Dawn Index Price Transactions:* ENGLP has not entered into any Dawn Index Price Transactions
31 as of August, 2021.

1 *AECO Index Price Transactions*: ENGLP has not entered into any AECO Index Price Transactions
2 as of August, 2021.

3
4
5 Forecast Pricing

6
7 As noted earlier, ENGLP purchases gas from the market at Dawn. The structure of the purchases
8 are as highlighted in the 2021 Gas Supply Plan Update, where:

- 9
- 10 • A percentage of average forecasted consumption for the period between December 1 and
11 March 31 of the following year will be purchased as a fixed price gas landed at Dawn.
 - 12
 - 13 • A percentage of average forecasted consumption for the period between April 1 and
14 September 30, starting April 1, 2021, will be purchased at an AECO index plus fixed basis.
 - 15
 - 16 • For forecasted demand not met by baseload purchase or firm storage withdrawal rights,
17 month to month Dawn index purchases will be made to meet expected demand.
 - 18
 - 19 • Day-to-day spot purchases and sales at Dawn will be made if storage injection or
20 withdrawal adjustments are not appropriate or cannot meet higher or lower than forecasted
21 demand and to minimize risk of triggering fees from the M17 LBA.
- 22

23 The price forecast for this gas reflects the 21 trading day average of the two hubs relevant 21 to
24 the Gas Supply Plan – Dawn and AECO. Forecast prices for all 12 forward months are taken as
25 the arithmetic average of Daily Closing Forward Price for 21 days of each forward month. Noon
26 day average foreign exchange rate of each trading day is used to convert Dawn settlement prices
27 in USD to CAD. Dawn settlement prices were also converted from mmBtu to GJ. These monthly
28 prices are applied to the forecast volume of gas purchases in the Gas Supply Plan. Forecasted price
29 for the fixed priced Dawn purchase for December 2021 to March 2022 is calculated as the 21
30 trading day average for those future delivery periods at Dawn. Forecasted price for the AECO

1 index purchase from April 2022 to September 2022 is calculated as the 21 trading day average for
2 those future delivery periods at AECO, plus a fixed basis calculated as the average of the monthly
3 spread between the average Dawn and AECO prices for those months.

4
5 Other Forecast Assumptions

6
7 The heat value used to convert GJ to m³ is 39.28 GJ/10³ m³ for gas delivered from Enbridge up to
8 the end of March 2021, and 39.32 GJ/10³ m³ for gas delivered from Enbridge starting April 2021.
9 This is consistent with the figure used by Enbridge for gas nominated into the M17 and for
10 managing the M17 LBA, which tracks total consumption for the Southern Bruce franchise on a
11 per GJ basis. ENGLP uses this conversion factor to calculate the cost in \$/GJ and for the pricing
12 of system gas volumes. This is an annual average heat rate that will be adjusted annually on April
13 1st.

14
15 PGCVA Balance

16
17 The projected September, 2021 balance in the PGCVA is a credit of \$94,328.46 including a credit
18 of \$506.41 in accumulated interest, based on the Board's prescribed interest rate. This estimate is
19 based on actual and forecasted purchases starting October, 2020. As residential customers did not
20 connect to the system until November 2020, the PGCVA debit amounts' impact for a typical
21 residential customer has not been reviewed.

22
23 Proposed PGCVA Rate Changes

24 ENGLP proposes to adjust the reference price effective October 1, 2021 based on the projected
25 accumulated balance in the PGCVA as of the end of September, 2021 and the forecasted cost of
26 gas over the twelve-month period. The reference price is set such that the projected PGCVA
27 balance at the end of September 2022 is close to zero.

28

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

4
5 ENGLP proposes to increase the reference price by \$0.028828 per m³ effective October 1, 2021,
6 (from \$0.111739 per m³ to \$0.140567 per m³.) The derivation of this rate is shown in Schedule 5.
7 This is the reference price required to bring the PGCVA balance close to zero on a twelve-month
8 forecast basis. This change will also be reflected in the gas commodity charge.

9
10 **GAS PURCHASE REBALANCING ACCOUNT**

11
12 The impact on the GPRA of the proposed October 1, 2021 PGCVA reference price change from
13 \$0.111739 per m³ to \$0.140567 per m³ is a debit of \$56,865.28, as shown on Schedule 8. This
14 figure is shown in column (K) of Schedule 8 on the September 2021 line. It is calculated as the
15 change in the PGCVA reference price between September, 2021 and October, 2021, multiplied by
16 the cumulative inventory balance at the end of September, 2021. This cumulative inventory
17 balance is the sum of the forecasted monthly inventory balances for September, 2021 and forecasts
18 for the subsequent months. These forecasts will be replaced with actual balances for these months
19 in subsequent QRAM applications as this information becomes available. As well, the monthly
20 inventory balances are based on a deemed level of unaccounted for gas ("UFG") of the total
21 throughput volume, as shown in column (F) of Schedule 8. The 0.0% is the Board approved level
22 of UFG from EB-2018-0264.

23
24 ENGLP proposes to adjust the gas commodity charge effective October 1, 2021 based on the
25 projected accumulated balance in the GPRA. The adjustment to the gas commodity charge will
26 be set such that the projected GPRA balance at the end of September, 2022 will be close to zero.
27 The rate required to achieve this is shown in column (L) on Schedule 8. Column (Q) shows the
28 reduction of the inventory revaluation balance based on this rate of -\$0.005780 per m³ over the
29 October, 2021 through September, 2022 period.

1 ENGLP's proposal will clear the GPRA balance on a prospective basis, eliminating the need for
2 retroactive adjustments. This is consistent with ENGLP Aylmer's proposal for the continued
3 prospective clearance of the PGCVA. This change will also be reflected in the gas commodity
4 charge.

6 **GAS COMMODITY CHARGE**

7
8 The change in the gas commodity charge proposed for October 1, 2021 is summarized below. The
9 change in the gas commodity charge reflects both the change in the PGCVA reference price and
10 the change in the recovery of the inventory revaluation amount in the GPRA. It does not reflect
11 the approved change in the system gas supply cost. The change in the gas commodity charge is
12 as follows:

	EB-2021-0178 1-Jul-21	Proposed 1-Oct-21	Variance
PGCVA Reference Price	\$ 0.111739	\$0.140567	\$0.028828
<u>GPRA Recovery</u>	<u>\$ 0.000771</u>	<u>-\$0.005780</u>	<u>-\$0.006551</u>
Gas Commodity Charge	\$ 0.112510	\$0.134787	\$0.022277

16 **SUMMARY**

17
18 In summary, ENGLP proposes to increase the reference price for amounts to be recorded in the
19 Purchased Gas Commodity Variance Account by \$0.028828 to \$0.140567 per m³ effective
20 October 1, 2021. Appendix B contains the accounting entries related to the PGCVA.

21 ENGLP also proposes to increase the gas supply charge from \$0.112510 to \$0.134787 per m³
22 effective October 1, 2021. This change reflects the change in the PGCVA reference price and the
23 change related to the recovery of the GPRA balance, both as described above. These changes
24 apply to all system gas customers served under Rates 1, 6, and 11. Customers served under Rate
25 16 are not impacted by changes in Gas Commodity Charge, as they procure their own supply and

1 are not served by system gas supply. The proposed rate schedules are attached as Appendix A.
2 The proposed rate schedules in Appendix A reflect the changes effective October 1, 2021 related
3 to this QRAM application.

4
5 Schedule 9 provides a bill comparison showing the impact of the changes in the proposed gas
6 commodity charge on a year over year basis for the appropriate quarter as well as the annual bill
7 impact of the most recent quarterly change for an average residential customer. The annual bill
8 impact related to the change in the commodity charges on a customer consuming approximately
9 2,149.0 m³ is an increase of \$47.87. This average use figure of 2,149.0 m³ is consistent with the
10 bill impacts presented in ENGLP's 2020 Incentive Rate-setting Mechanism application (EB-2019-
11 0264) and reflects the Board's expectation that QRAM applications would provide bill impacts
12 based on this level for a typical residential customer.

13
14 Customer rate impacts have been calculated using the Decision and Rate Order prepared for the
15 South Bruce IRM filing for rates effective January 1, 2021 (EB-2020-0233).

16
17 ENGLP is planning on sending a notice to customers to notify of the rate changes to be included
18 with bills issued during October 2021.

EPCOR NATURAL GAS LIMITED PARTNERSHIP

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

HISTORICAL TWELVE MONTH PERIOD - OCTOBER, 2020 TO SEPTEMBER, 2021

<u>Act/Fcst</u>	<u>Month</u>	<u>Purchase Cost (\$'s)</u>	<u>M*3</u>	<u>Actual/Forecast Price (\$/M*3)</u>	<u>Reference Price (\$/M*3)</u>	<u>Unit Rate Difference (\$/M*3)</u>	<u>Monthly PGCVA (\$'s)</u>	<u>Y-T-D PGCVA (\$'s)</u>	<u>Monthly Interest (\$'s)</u>	<u>Y-T-D Interest (\$'s)</u>	<u>Total PGCVA (\$'s)</u>	<u>Total Y-T-D PGCVA (\$'s)</u>	<u>Average Residential Consumption (M*3)</u>	<u>Monthly Interest Rate</u>
Actual	October	0	0	0.000000	0.137355	0.137355	0.00	61,794.24	0.00	71.37	0.00	61,865.61	0.0	0.57%
Actual	November	7,142	61,100	0.116887	0.137355	0.020468	1,250.59	63,044.83	29.35	100.72	1,279.94	63,145.55	64.0	0.57%
Actual	December	0	0	0.000000	0.137355	0.137355	0.00	63,044.83	29.95	130.67	29.95	63,175.50	161.0	0.57%
Actual	January	0	0	0.000000	0.138135	0.138135	0.00	63,044.83	29.95	160.62	29.95	63,205.45	181.4	0.57%
Actual	February	-80,552	-398,600	0.202087	0.138135	-0.063952	25,491.22	88,536.05	29.95	190.57	25,521.17	88,726.62	218.2	0.57%
Actual	March	0	0	0.000000	0.138135	0.138135	0.00	88,536.05	42.05	232.62	42.05	88,768.67	156.4	0.57%
Actual	April	0	0	0.000000	0.142108	0.142108	0.00	88,536.05	42.05	274.67	42.05	88,810.72	102.2	0.57%
Actual	May	42,469	338,477	0.125470	0.142108	0.016638	5,631.57	94,167.62	42.05	316.72	5,673.62	94,484.34	56.2	0.57%
Actual	June	45,368	372,479	0.121799	0.142108	0.020309	7,564.67	101,732.29	44.73	361.45	7,609.40	102,093.74	25.3	0.57%
Actual	July	0	0	0.000000	0.111739	0.111739	0.00	101,732.29	48.32	409.77	48.32	102,142.06	19.0	0.57%
Actual	August	0	0	0.000000	0.111739	0.111739	0.00	101,732.29	48.32	458.09	48.32	102,190.38	63.0	0.57%
<u>Forecast</u>	<u>September</u>	<u>19,578</u>	<u>108,952</u>	<u>0.179694</u>	<u>0.111739</u>	<u>-0.067955</u>	<u>-7,403.83</u>	<u>94,328.46</u>	<u>48.32</u>	<u>506.41</u>	<u>-7,355.51</u>	<u>94,834.87</u>	<u>86.9</u>	<u>0.57%</u>
	Total	34,004	482,407	0.070489			32,534.22	94,328.46	435.04	506.41	32,969.26	94,834.87	1,133.6	

PGCVA Balance per M*3 Purchased (\$/M*3) \$0.196587
 Average Residential Consumption per Customer 1,133.6 M*3
 Estimated Impact on Average Residential Customer \$222.85 Customer Rebate

EPCOR NATURAL GAS LIMITED PARTNERSHIP

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - OCTOBER, 2020 TO SEPTEMBER, 2021

	<u>Oct-20</u>	<u>Nov-20</u>	<u>Dec-20</u>	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Dawn Day Ahead Index	0	61,100	0	0	0	0	0	0	0	0	0	0	61,100
AECO 5A	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Fixed Price	0	0	0	0	0	0	0	338,477	372,479	0	0	108,952	819,907
Spot Purchase	0	0	0	0	0	0	0	0	0	0	0	0	0
Spot Sale	0	0	0	0	-398,600	0	0	0	0	0	0	0	-398,600
Total	0	61,100	0	0	(398,600)	0	0	338,477	372,479	0	0	108,952	
<u>Price (\$/m3)</u>													
Dawn Day Ahead Index	0.000000	0.116887	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
AECO 5A	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Dawn Fixed Price	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.125470	0.121799	0.000000	0.000000	0.179694	
Spot Purchase	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Spot Sale	0.000000	0.000000	0.000000	0.000000	0.202087	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
<u>Total Gas Cost (\$)</u>													
Dawn Day Ahead Index	0	7,142	0	0	0	0	0	0	0	0	0	0	7,142
AECO 5A	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Fixed Price	0	0	0	0	0	0	0	42,469	45,368	0	0	19,578	107,414
Spot Purchase	0	0	0	0	0	0	0	0	0	0	0	0	0
Spot Sale	0	0	0	0	-80,552	0	0	0	0	0	0	0	(80,552)
Total	0	7,142	0	0	(80,552)	0	0	42,469	45,368	0	0	19,578	34,004

EPCOR NATURAL GAS LIMITED PARTNERSHIP

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - OCTOBER, 2021 TO SEPTEMBER, 2022
(WITH CHANGE IN REFERENCE PRICE)

<u>Month</u>	<u>Purchase Cost (\$'s)</u>	<u>M*3</u>	<u>Forecast Price (\$/M*3)</u>	<u>Reference Price (\$/M*3)</u>	<u>Unit Rate Difference (\$/M*3)</u>	<u>Monthly PGCVA (\$'s)</u>	<u>Y-T-D PGCVA (\$'s)</u>	<u>Monthly Interest (\$'s)</u>	<u>Y-T-D Interest (\$'s)</u>	<u>Total PGCVA (\$'s)</u>	<u>Total Y-T-D PGCVA (\$'s)</u>	<u>Average Residential Consumption (M*3)</u>	<u>Monthly Interest Rate</u>
							(1)		(2)				
October	109,340	638,606	0.171217	0.140567	(0.030650)	(19,573.27)	74,755.19	44.81	551.22	(19,528.46)	75,306.41	145.9	0.57%
November	168,434	942,786	0.178656	0.140567	(0.038089)	(35,909.78)	38,845.41	35.51	586.73	(35,874.27)	39,432.14	212.9	0.57%
December	105,485	572,380	0.184292	0.140567	(0.043725)	(25,027.32)	13,818.09	18.45	605.18	(25,008.87)	14,423.27	278.0	0.57%
January	105,485	572,380	0.184292	0.140567	(0.043725)	(25,027.32)	(11,209.23)	6.56	611.74	(25,020.76)	(10,597.49)	316.3	0.57%
February	82,830	516,989	0.160215	0.140567	(0.019648)	(10,157.80)	(21,367.03)	(5.32)	606.42	(10,163.12)	(20,760.61)	317.4	0.57%
March	91,704	572,380	0.160216	0.140567	(0.019649)	(11,246.69)	(32,613.72)	(10.15)	596.27	(11,256.84)	(32,017.45)	268.8	0.57%
April	143,064	1,021,618	0.140037	0.140567	0.000530	541.46	(32,072.26)	(15.49)	580.78	525.97	(31,491.48)	195.5	0.57%
May	143,432	1,059,220	0.135413	0.140567	0.005154	5,459.22	(26,613.04)	(15.23)	565.55	5,443.99	(26,047.49)	125.6	0.57%
June	116,254	850,712	0.136655	0.140567	0.003912	3,327.99	(23,285.05)	(12.64)	552.91	3,315.35	(22,732.14)	77.0	0.57%
July	80,056	625,204	0.128047	0.140567	0.012520	7,827.55	(15,457.50)	(11.06)	541.85	7,816.49	(14,915.65)	61.7	0.57%
August	92,863	715,870	0.129720	0.140567	0.010847	7,765.04	(7,692.46)	(7.34)	534.51	7,757.70	(7,157.95)	63.0	0.57%
September	61,694	489,827	0.125950	<u>0.140567</u>	<u>0.014617</u>	<u>7,159.80</u>	<u>(532.66)</u>	<u>(3.65)</u>	<u>530.86</u>	<u>7,156.15</u>	<u>(1.80)</u>	<u>86.9</u>	0.57%
Total	1,300,640	8,577,972	0.151626			(94,861.12)	(532.66)	24.45	530.86	(94,836.67)	(1.80)	2,149.0	

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

(1) Includes September, 2021 year-to-date balance of \$94,328.46
 (2) Includes September, 2021 year-to-date balance of \$506.41

(See Schedule 2)
 (See Schedule 2)

EPCOR NATURAL GAS LIMITED PARTNERSHIP

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - OCTOBER, 2021 TO SEPTEMBER, 2022

	<u>Oct-21</u>	<u>Nov-21</u>	<u>Dec-21</u>	<u>Jan-22</u>	<u>Feb-22</u>	<u>Mar-22</u>	<u>Apr-22</u>	<u>May-22</u>	<u>Jun-22</u>	<u>Jul-22</u>	<u>Aug-22</u>	<u>Sep-22</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Dawn Day Ahead Index	638,606	942,786	0	0	0	0	814,090	844,774	643,184	410,758	501,424	282,299	5,077,921
AECO 5A	0	0	0	0	0	0	207,528	214,446	207,528	214,446	214,446	207,528	1,265,922
Dawn Fixed Price	0	0	572,380	572,380	516,989	572,380	0	0	0	0	0	0	2,234,129
Spot Purchase	0	0	0	0	0	0	0	0	0	0	0	0	0
Spot Sale	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	638,606	942,786	572,380	572,380	516,989	572,380	1,021,618	1,059,220	850,712	625,204	715,870	489,827	8,577,972
<u>Price (\$/m3)</u>													
Dawn Day Ahead Index	0.171217	0.178656	0.000000	0.000000	0.000000	0.000000	0.139227	0.135027	0.136381	0.138031	0.138359	0.137650	
AECO 5A	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.143212	0.136933	0.137504	0.108924	0.109522	0.110034	
Dawn Fixed Price	0.000000	0.000000	0.184292	0.184292	0.160215	0.160216	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Spot Purchase	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Spot Sale	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
<u>Total Gas Cost (\$)</u>													
Dawn Day Ahead Index	109,340	168,434	0	0	0	0	113,343	114,067	87,718	56,697	69,376	38,859	757,835
AECO 5A	0	0	0	0	0	0	29,720	29,365	28,536	23,358	23,486	22,835	157,301
Dawn Fixed Price	0	0	105,485	105,485	82,830	91,704	0	0	0	0	0	0	385,504
Spot Purchase	0	0	0	0	0	0	0	0	0	0	0	0	0
Spot Sale	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	109,340	168,434	105,485	105,485	82,830	91,704	143,064	143,432	116,254	80,056	92,863	61,694	1,300,640

EPCOR NATURAL GAS LIMITED PARTNERSHIP

GAS PURCHASE REBALANCING ACCOUNT

OCTOBER, 2020 THROUGH SEPTEMBER, 2022

Month	Purchase Volume (M ³) A	Throughput Volume (M ³) B	Direct Purchase Volume (M ³) C	System Sales Volume (M ³) D=B-C	Deemed U.F.G. (M ³) E	System Sales + U.F.G. (M ³) F=D+E	Monthly Inventory Balance (M ³) G=A-F	Cumulative Inventory (M ³) H (1)	Reference Price (\$/M ³) I	Inventory Revaluation (\$'s) J	Inventory Rate (\$/M ³) K	Inventory Recovery (\$'s) L=KxJ	Y-T-D GPRA Balance (\$'s) M (2)	Monthly Interest (\$'s) N	Y-T-D Interest (\$'s) O (3)	Total Y-T-D GPRA (\$'s) P=M+O	Monthly Interest Rate
October	0	64,209	0	64,209	0	64,209	(64,209)	2,450,627	0.137355	0.00	(0.007494)	(481.18)	55,451.27	26.57	26.57	55,477.84	0.57%
November	61,100	63,214	0	63,214	0	63,214	(2,114)	2,448,513	0.137355	0.00	(0.007494)	(473.73)	54,977.54	26.34	52.91	55,030.45	0.57%
December	0	24,479	0	24,479	0	24,479	(24,479)	2,424,034	0.137355	1,890.96	(0.007494)	(183.44)	56,685.06	26.11	79.02	56,764.08	0.57%
January	0	54,651	0	54,651	0	54,651	(54,651)	2,369,383	0.138135	0.00	(0.005165)	(282.27)	56,402.79	26.93	105.95	56,508.74	0.57%
February	(398,600)	108,603	0	108,603	0	108,603	(507,202)	1,862,181	0.138135	0.00	(0.005165)	(560.93)	55,841.86	26.79	132.74	55,974.60	0.57%
March	0	111,087	0	111,087	0	111,087	(111,087)	1,751,094	0.138135	6,956.94	(0.005165)	(573.76)	62,225.04	26.52	159.26	62,384.30	0.57%
April	0	92,104	0	92,104	0	92,104	(92,104)	1,658,990	0.142108	0.00	(0.006337)	(583.66)	61,641.38	29.56	188.82	61,830.20	0.57%
May	338,477	63,758	0	63,758	0	63,758	274,718	1,933,708	0.142108	0.00	(0.006337)	(404.04)	61,237.34	29.28	218.10	61,455.44	0.57%
June	372,479	35,691	0	35,691	0	35,691	336,787	2,270,496	0.142108	(68,952.68)	(0.006337)	(226.18)	(7,941.52)	29.09	247.19	(7,694.33)	0.57%
July	0	43,256	0	43,256	0	43,256	(43,256)	2,227,239	0.111739	0.00	0.000771	33.35	(7,908.17)	(3.77)	243.42	(7,664.75)	0.57%
August	0	130,414	0	130,414	0	130,414	(130,414)	2,096,825	0.111739	0.00	0.000771	100.55	(7,807.62)	(3.76)	239.66	(7,567.96)	0.57%
September	108,952	233,206	0	233,206	0	233,206	(124,254)	1,972,571	0.111739	56,865.28	0.000771	179.80	49,237.46	(3.71)	235.95	49,473.41	0.57%
October	638,606	666,473	0	666,473	0	666,473	(27,867)	1,944,704	0.140567	0.00	(0.005780)	(3,852.21)	45,385.25	23.39	259.34	45,644.59	0.57%
November	942,786	939,524	0	939,524	0	939,524	3,262	1,947,966	0.140567	0.00	(0.005780)	(5,430.45)	39,954.80	21.56	280.90	40,235.70	0.57%
December	572,380	1,081,611	0	1,081,611	0	1,081,611	(509,231)	1,438,736	0.140567	0.00	(0.005780)	(6,251.71)	33,703.09	18.98	299.88	34,002.97	0.57%
January	572,380	1,161,187	0	1,161,187	0	1,161,187	(588,807)	849,929	0.140567	0.00	(0.005780)	(6,711.66)	26,991.43	16.01	315.89	27,307.32	0.57%
February	516,989	1,188,116	0	1,188,116	0	1,188,116	(671,127)	178,802	0.140567	0.00	(0.005780)	(6,867.31)	20,124.12	12.82	328.71	20,452.83	0.57%
March	572,380	1,023,305	0	1,023,305	0	1,023,305	(450,925)	(272,123)	0.140567	0.00	(0.005780)	(5,914.70)	14,209.42	9.56	338.27	14,547.69	0.57%
April	1,021,618	744,485	0	744,485	0	744,485	277,133	5,010	0.140567	0.00	(0.005780)	(4,303.12)	9,906.30	6.75	345.02	10,251.32	0.57%
May	1,059,220	464,120	0	464,120	0	464,120	595,100	600,110	0.140567	0.00	(0.005780)	(2,682.62)	7,223.68	4.71	349.73	7,573.41	0.57%
June	850,712	274,450	0	274,450	0	274,450	576,262	1,176,372	0.140567	0.00	(0.005780)	(1,586.32)	5,637.36	3.43	353.16	5,990.52	0.57%
July	625,204	228,216	0	228,216	0	228,216	396,988	1,573,360	0.140567	0.00	(0.005780)	(1,319.09)	4,318.27	2.68	355.84	4,674.11	0.57%
August	715,870	319,327	0	319,327	0	319,327	396,543	1,969,902	0.140567	0.00	(0.005780)	(1,845.71)	2,472.56	2.05	357.89	2,830.45	0.57%
September	489,827	490,025	0	490,025	0	490,025	(198)	1,969,704	0.140567	0.00	(0.005780)	(2,832.34)	(359.78)	1.17	359.06	(0.72)	0.57%

(1) Includes balance of 2,514,835 as of September, 2020
(2) Includes balance of 55,932.45 as of September, 2020
(3) Includes balance of 0.00 as of September, 2020

EPCOR NATURAL GAS LIMITED PARTNERSHIP

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Oct-20 <u>EB-2020-0206</u>	Quarter Starting 01-Oct-21 <u>EB-2021-0236</u>	\$ Change	Percent Change
Average Residential Consumption for Quarter	636.8	636.8		
Monthly Charges	\$79.14	\$80.34	\$1.20	1.5%
Delivery Charges	\$242.22	\$246.00	\$3.78	1.6%
Upstream Charges	\$26.57	\$26.57	\$0.00	0.0%
Total Commodity Charges	<u>\$82.70</u>	<u>\$85.83</u>	<u>\$3.14</u>	<u>3.8%</u>
Total Customer Charges	\$430.62	\$438.74	\$8.12	1.9%

ANNUAL BILL IMPACT

	01-Jul-21 <u>EB-2021-0178</u>	01-Oct-21 <u>EB-2021-0236</u>	\$ Change	Percent Change
Average Residential Consumption	2,149.0	2,149.0		
Monthly Charges	\$321.36	\$321.36	\$0.00	0.0%
Delivery Charges	\$587.81	\$587.81	\$0.00	0.0%
Upstream Charges	\$89.66	\$89.66	\$0.00	0.0%
Total Commodity Charges	<u>\$241.78</u>	<u>\$289.66</u>	<u>\$47.87</u>	<u>19.8%</u>
Total Customer Charges	\$1,240.61	\$1,288.48	\$47.87	3.9%

RATES USED (1)

	01-Oct-20 <u>EB-2020-0206</u>	01-Jul-21 <u>EB-2021-0178</u>	01-Oct-21 <u>EB-2021-0236</u>
Monthly Charge	26.38	26.78	26.78
Delivery Charge - first 100 m3	0.271967	0.276210	0.276210
Delivery Charge - next 400 m3	0.266610	0.270769	0.270769
Delivery Charge - after 500 m3	0.258735	0.262771	0.262771
Upstream Charges - Recovery	0.014740	0.014740	0.014740
Upstream Charges - Tport Storage	0.026982	0.026982	0.026982
Gas Supply Charge	0.129861	0.112510	0.134787

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

**APPENDIX "A" TO
DECISION AND RATE ORDER**

OEB File No: EB-2021-0236

Dated: October 10, 2021

RATE 1 - General Firm Service

Applicability

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

Rate

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

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

Monthly Fixed Charge⁽¹⁾	\$26.78	
Delivery Charge		
First 100 m ³ per month	27.6210	¢ per m ³
Next 400 m ³ per month	27.0769	¢ per m ³
Over 500 m ³ per month	26.2771	¢ per m ³
Upstream Charges		
Upstream Recovery charge	1.4740	¢ per m ³
Transportation and Storage charge	2.6982	¢ per m ³
Rate Rider for Delay in Revenue Recovery - effective for 10 years ending December 31, 2028	1.6330	¢ per m ³
Federal Carbon Charge (if applicable)	7.8300	¢ per m ³
Gas Supply Charge	13.4787	¢ per m ³

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

Direct Purchase Delivery

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

Terms and Conditions of Service

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

Effective: October 1, 2021
 Implementation: All bills rendered on or after October 1, 2021
 EB-2021-0236

RATE 6 – Large Volume General Firm Service

Applicability

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

Rate

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

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

Monthly Fixed Charge⁽¹⁾	\$106.15	
Delivery Charge		
First 1,000 m ³ per month	25.4811	¢ per m ³
Next 6,000 m ³ per month	22.9330	¢ per m ³
Over 7,000 m ³ per month	21.7862	¢ per m ³
Upstream Charges		
Upstream Recovery charge	2.9200	¢ per m ³
Transportation and Storage charge	5.6413	¢ per m ³
Rate Rider for Delay in Revenue Recovery	0.9090	¢ per m ³
- effective for 10 years ending December 31, 2028		
Federal Carbon Charge (if applicable)	7.8300	¢ per m ³
Gas Supply Charge	13.4787	¢ per m ³

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

Direct Purchase Delivery

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

Terms and Conditions of Service

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

Effective: October 1, 2021
 Implementation: All bills rendered on or after October 1, 2021
 EB-2021-0236

RATE 11 - Large Volume Seasonal Service

Applicability

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

Rate

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

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

	May 1 through December 15	
Monthly Fixed Charge⁽¹⁾	\$211.29	
Delivery Charge		
All volumes delivered	15.8280	¢ per m ³
Upstream Charges		
Upstream Recovery charge	0.0352	¢ per m ³
Transportation and Storage charge	1.8166	¢ per m ³
Rate Rider for Delay in Revenue Recovery	0.5524	¢ per m ³
- effective for 10 years ending December 31, 2028		
Federal Carbon Charge (if applicable)	7.8300	¢ per m ³
Gas Supply Charge	13.4787	¢ per m ³

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

Unaccounted for Gas (UFG):

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

Forecasted Unaccounted for Gas Percentage	0.00	%
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Overrun Charges:

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

Authorized Overrun Charge	16.4933	¢ per m ³
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Any volume of gas taken during the period of December 16 through April 30 inclusive without EPCOR's approval in advance shall constitute "Unauthorized Overrun Gas". Delivery of these volumes will be paid for at the Unauthorized Overrun Charge in addition to applicable Upstream Charges and Gas Supply Charges.

Unauthorized Overrun Charge

394.9668 ¢ per m³

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

Nominations:

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

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

The nomination calculation shall equal:

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

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

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

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

Load Balancing:

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

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

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

Direct Purchase Delivery

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

Terms and Conditions of Service

1. In any year, during the period of May 1 through December 15 inclusive, the customers shall receive continuous (“**Firm**”) service from EPCOR, except where impacted by events as specified in EPCOR Natural Gas Limited Partnership Southern Bruce Natural Gas Operations Conditions of Service including force majeure. During the period of December 16 through April 30 inclusive, any authorized overrun service shall be interruptible at the sole discretion of EPCOR. All service during the period December 16 through April 30 inclusive shall be subject to EPCOR’s prior authorization under the daily nomination procedures outlined in this Rate Schedule and shall constitute Overrun Gas.
2. To the extent that EPCOR’s Upstream Service Provider provides any seasonal or day-to-day balancing rights for EPCOR, the customer shall be entitled to a reasonable proportion of such balancing rights as determined by EPCOR from time to time. If the customer utilizes any of EPCOR’s seasonal or day-to-day balancing services or any other services available from the Upstream Service Provider, the customer agrees to comply with all balancing requirements imposed by the Upstream Service Provider. The customer also agrees to be liable for its share of any such usage limitations or restrictions, fees, costs or penalties associated with the usage of such services, including but not limited to any associated storage fees, daily or cumulative balancing fees or penalties, and gas commodity costs as determined by EPCOR, acting reasonably.
3. EPCOR receives upstream services under the Union Gas Limited M17 Rate Schedule. Details of this upstream arrangement and associated nomination standards and Load Balancing Arrangement are available at www.uniongas.com.
4. The provisions in the “EPCOR Natural Gas Limited Partnership Southern Bruce Natural Gas Operations Conditions of Service” apply, as contemplated therein, to service under this Rate Schedule.

Effective: October 1, 2021

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

EB-2021-0236

RATE 16 – Contracted Firm Service

Applicability

Any customer connected directly to EPCOR’s Southern Bruce Natural Gas High Pressure Steel System and who enters into a contract with EPCOR for firm contract daily demand of at least 2,739m³.

Rate

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

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

Monthly Fixed Charge⁽¹⁾	\$1,547.25
Delivery Charge	
Per m ³ of Contract Demand	105.4686 ¢ per m ³
Upstream Charges	
Upstream Recovery charge per m ³ of Contract Demand	14.2434 ¢ per m ³
Transportation charge per m ³ of Contract Demand	
Transportation from Dawn	18.2999 ¢ per m ³
Transportation from Kirkwall	11.8480 ¢ per m ³
Transportation from Parkway	11.8480 ¢ per m ³
Rate Rider for Delay in Revenue Recovery	0.0601 ¢ per m ³
- effective for 10 years ending December 31, 2028	
Federal Carbon Charge (if applicable)	7.8300 ¢ per m ³

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

Unaccounted for Gas:

Forecasted Unaccounted for Gas (UFG) is applied to all volumes of gas delivered to the customer.

Forecasted Unaccounted for Gas Percentage	0.00 %
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Overrun Charges:

Any volume of gas taken in excess of the daily Contract Demand or Peak Hourly Volume EPCOR is obligated to transport as per the contract with the customer shall constitute “Overrun Gas” and must be authorized in advance by EPCOR. Delivery of these volumes is available at the Authorized Overrun Charge in addition to applicable Upstream Charges. EPCOR will not unreasonably withhold authorization.

Authorized Overrun Charge	5.1542 ¢ per m ³
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Any volume of gas taken in excess of the daily Contract Demand or Peak Hourly Volume EPCOR is obligated to transport as per the contract with the customer without EPCOR’s approval in advance shall constitute “Unauthorized

Overrun Gas". Delivery of these volumes will be paid for at the Unauthorized Overrun Charge in addition to applicable Upstream Charges.

Unauthorized Overrun Charge

395.0684 ¢ per m³

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

Nominations:

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

The customer shall nominate gas delivery daily based on its daily gas requirements plus the Forecasted UFG rate and Fuel Ratio. The Forecasted UFG rate is as set out in this Rate Schedule. The Fuel Ratio is the Shipper Supplied Fuel rates applicable to the receipt point of gas defined in the "Gas Supply" section of this Rate Schedule.

The nomination calculation shall equal:

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

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

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

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

Load Balancing:

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

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

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

Gas Supply:

Unless otherwise authorized by EPCOR, customers under this Rate Schedule must deliver firm gas at a receipt point listed on the upstream transportation contract that EPCOR has with the Upstream Service Provider ("**Ontario Delivery Point**"). The customer or their agent must enter into a T-Service Receipt Contract with EPCOR for delivery of gas to EPCOR. T-Service Receipt Contract rates are described in Rate Schedule T1.

The customer must deliver to EPCOR on a daily basis the volume of gas to be delivered to the customer's Terminal Location plus the Forecasted UFG rate and Fuel Ratio. Transportation charges vary depending on the Ontario Delivery Point at the rates provided in this Rate Schedule. The Forecasted UFG rate is as set out in this Rate

Schedule, and the Fuel Ratio is the Shipper Supplied Fuel rates of the Ontario Delivery Point related to necessary compressor or other fuel requirements of the Upstream Service Provider.

The Gas Supply calculation shall equal:

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

Terms and Conditions of Service

1. EPCOR receives upstream services under the Union Gas Limited M17 Rate Schedule. Details of this upstream arrangement and associated nomination standards, applicable Fuel Ratio, and Load Balancing Arrangement are available at www.uniongas.com.
2. The provisions in the “EPCOR Natural Gas Limited Partnership General Terms and Conditions for Rate 16 Customers” apply, as contemplated therein, to service under this Rate Schedule.

Effective: October 1, 2021

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

EB-2021-0236

RATE T1 – Direct Purchase Contract Rate

Availability

Rate T1 is available to all customers or their agent who enter into a T-Service Receipt Contract for delivery of gas to EPCOR. The availability of this option is subject to EPCOR obtaining a satisfactory agreement or arrangement with EPCOR's Upstream Service Provider for direct purchase volume.

Eligibility

All customers who must, or elect to, purchase gas directly from a supplier other than EPCOR. These customers must enter into a T-Service Receipt Contract with EPCOR either directly or through their agent, for delivery of gas to EPCOR at a receipt point listed on the upstream transportation contract that EPCOR has with the Upstream Service Provider ("**Ontario Delivery Point**").

Rate

All charges in the customer's appropriate Rate Schedule excluding Gas Supply Charge shall apply. Applicable Transportation and Storage charges are determined based on the Ontario Delivery Point.

In addition, administration fees apply to customers who elect to enter into a T-Service Receipt Contract with EPCOR and are detailed in the Direct Purchase Contract with the customer or its agent.

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

Unaccounted for Gas:

Forecasted Unaccounted for Gas (UFG) is applied to all volumes of gas supplied:

Forecasted Unaccounted for Gas Percentage 0.00 %

Gas Supply:

Unless otherwise authorized by EPCOR, customers who are delivering gas to EPCOR under direct purchase arrangements must deliver firm gas at a daily volume acceptable to EPCOR, to an Ontario Delivery Point, and, where applicable, must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

The customer or its agent must deliver to EPCOR on a daily basis, at the Ontario Delivery Point, the volume of gas to be delivered to the customer's Terminal Location plus the Forecasted UFG rate and Fuel Ratio. Where the Forecasted UFG rate is as set out in this Rate Schedule, and the Fuel Ratio is the Shipper Supplied Fuel rates of the Ontario Delivery Point related to necessary compressor or other fuel requirements of the Upstream Service Provider.

The Gas Supply calculation shall equal:

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

Terms and Conditions of Service

The provisions in the "T-Service Receipt Contract General Terms and Conditions" apply, as contemplated therein, to service under this Rate Schedule.

Effective: October 1, 2021

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

EB-2021-0236

EPCOR NATURAL GAS LIMITED PARTNERSHIP

Schedule of Miscellaneous and Service Charges

A		B
Service		Fee
1	Service Work	
2	During normal working hours	
3	Minimum charge (up to 60 minutes)	\$100.00
4	Each additional hour (or part thereof)	\$100.00
5	Outside normal working hours	
6	Minimum charge (up to 60 minutes)	\$130.00
7	Each additional hour (or part thereof)	\$105.00
8		
9	Miscellaneous Charges	
10	Returned Cheque / Payment	\$20.00
11	Replies to a request for account information	\$25.00
12	Bill Reprint / Statement Print Requests	\$20.00
13	Consumption Summary Requests	\$20.00
14	Customer Transfer / Connection Charge	\$35.00 ³
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	No charge for the first 30 meters.

Note: Applicable taxes will be added to the above charges

³ No Charge for initial connection

APPENDIX “B” TO
DECISION AND RATE ORDER
OEB File No: EB-2021-0236
Dated: September 10, 2021

EPCOR NATURAL GAS LIMITED PARTNERSHIP

Accounting Entries for the Purchased Gas Commodity Variance Account

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

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

Debit/Credit Account No. 179-27 Purchased Gas Commodity Variance Account (PGCVA)
Credit/Debit Account No. 623 Cost of Gas

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

Debit/Credit Account No. 179-28 Purchased Gas Commodity Variance Account (PGCVA)
Credit/Debit Account No. 323 Other Interest Expense

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

APPENDIX "C" TO
DECISION AND RATE ORDER
OEB File No: EB-2021-0236
Dated: September 10, 2021

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

Gas Commodity:

On all bills rendered by EPCOR on or after October 1, 2021, the price we charge for the gas commodity and transportation portion of your bill will be increasing by \$0.022277 per cubic meter to \$0.134787 per cubic meter. The Ontario Energy Board has approved this change to reflect the prices that EPCOR expects that it will be paying to its gas suppliers through to the end of September, 2022. On your gas bill this cost is on the line entitled "Gas Commodity".

Multiple market factors have contributed to a steep increase in natural gas prices across North America over the past four months.

As a regulated utility, EPCOR is permitted to recover what it pays for the purchase of gas plus any costs reasonably associated with this purchase but with no mark up or 'profit'. The price the utility charges you is based on the forecasted gas and transportation costs to EPCOR, which are periodically reviewed by the OEB and reconciled with actual costs. The gas commodity portion gets adjusted regularly throughout the year as the price of the gas commodity changes.

How will the price change impact you? That will depend on the amount of gas that you use. For a typical residential customer who consumes approximately 2,150 cubic meters of gas annually, this price change will cause your annual heating costs to increase by approximately \$48 per year. For customers who have arranged to have their gas supplied by a gas marketer/broker, the price may or may not change depending on the terms of the contract the customer has with the gas marketer/broker.

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