

# **DECISION AND RATE ORDER**

## EB-2023-0087

## EPCOR NATURAL GAS LIMITED PARTNERSHIP- SOUTH BRUCE

Application for quarterly rate adjustment mechanism commencing April 1, 2023

By Delegation, Before: Lawrie Gluck Manager Natural Gas

March 23, 2023

## INTRODUCTION AND PROCESS

EPCOR Natural Gas Limited Partnership (EPCOR) filed an application with the Ontario Energy Board (OEB) on March 10, 2023 for an order approving just and reasonable rates and other charges for the sale of natural gas commencing April 1, 2023 for its South Bruce operations (the Application). The purpose of the Application is to set rates to pass-through to customers the market price of the natural gas commodity. EPCOR does not make a profit on the sale of the natural gas commodity to its customers.

The Application was made pursuant to section 36(1) of the *Ontario Energy Board Act, 1998* and in accordance with the Quarterly Rate Adjustment Mechanism (QRAM) established by the OEB for dealing with changes in gas costs.<sup>1</sup>

The Application also includes the update to the federal carbon charge and introduction of the facilities carbon charge previously approved by the OEB in EPCOR's 2023 Federal Carbon Pricing Program application.<sup>2</sup>

EPCOR provided written evidence in support of the proposed changes. EPCOR provided the Application to all parties of record in EPCOR South Bruce's last major rates proceedings.<sup>3</sup>

Parties and OEB staff wishing to file comments on the Application were required to file these comments with the OEB by March 15, 2023. No comments were filed.

On March 15, 2023, EPCOR filed a letter confirming that the 12-month smoothing period<sup>4</sup> to recover the PGCVA credit of \$380,000 that was previously approved as a rate mitigation measure<sup>5</sup> has been fully recovered.

## FINDINGS

The OEB approves the application as filed.

EPCOR South Bruce's rates will be adjusted effective April 1, 2023 to reflect a decrease in forecast natural gas prices and the prospective recovery of the projected 12-month balances in the gas supply deferral accounts for the period ending March 2024.

<sup>&</sup>lt;sup>1</sup> EB-2008-0106

<sup>&</sup>lt;sup>2</sup> EB-2022-0245

<sup>&</sup>lt;sup>3</sup> EB-2018-0264 and EB-2019-0264

<sup>&</sup>lt;sup>4</sup> The OEB approved the 12-month smoothing period to recovery the PGVA credit in EPCOR's April 2022 QRAM (EB-2022-0100).

<sup>&</sup>lt;sup>5</sup> The OEB approved the \$380,000 PGVA credit in EPCOR's January 2022 QRAM (EB-2021-0309)

The OEB finds that the proposed gas commodity charge is set appropriately to reflect the change in the Purchased Gas Commodity Variance Account (PGVCA) reference price and the change in the recovery amount for inventory revaluation recorded in the Gas Purchase Rebalancing Account (GPRA). The PGCVA reference price is adjusted, effective April 1, 2023, based on: (a) the estimated accumulated balance in the account as of the end of March 2023; and (b) the forecasted cost of natural gas over the next 12-month period. The PGCVA reference price is set to bring the PGCVA balance to nearly zero over a 12-month period. The GPRA recovery amount is also set to bring the GPRA balance to nearly zero over a 12-month period.

The OEB notes that in EPCOR South Bruce's April 2022 QRAM<sup>6</sup>, the OEB approved a 12-month smoothing period to recover the PGCVA credit of \$380,000 that was previously approved as a rate mitigation measure in EPCOR's January 2022 QRAM.<sup>7</sup> The recovery of the \$380,000 PGVA credit is complete as of March 31, 2023.

In the Application, EPCOR proposed no new rate mitigation. The OEB agrees that no rate mitigation is necessary as the total bill is decreasing, as shown below.

The QRAM is intended to strike a balance between ensuring that consumers are receiving appropriate price signals which reflect natural gas market prices and protecting the interest of consumers that purchase their gas from the distributor by reducing, to some extent, the volatility in the price of natural gas. Natural gas commodity prices charged by EPCOR are based on:

- a market price forecast for the commodity over the next 12 months
- a true-up between actual and forecast commodity prices for prior periods as actual costs are passed on to customers without a mark-up.

The annual commodity rate impact for a typical residential customer who purchases their gas supply from EPCOR is a decrease of \$147 or 27.5%.

The total annual bill impact for a typical residential customer who purchases their gas supply from EPCOR is a decrease of approximately \$91, or 5%. The total bill impact also includes an update to the federal carbon charge and the introduction of the facility carbon charge approved by the OEB in EPCOR's Federal Carbon Pricing Program Application.<sup>8</sup>

<sup>&</sup>lt;sup>6</sup> EB-2022-0100

<sup>7</sup> EB-2021-0309

<sup>&</sup>lt;sup>8</sup> EB-2022-0245

## THE ONTARIO ENERGY BOARD ORDERS THAT:

- 1. The rates approved for EPCOR South Bruce as part of the Decision and Rate Order in EB-2022-0297, dated December 22, 2022, shall be superseded by the rates as provided in Appendix A to this Decision and Rate Order.
- 2. The rates shall be effective April 1, 2023 and shall be implemented in EPCOR's first billing cycle commencing in April 2023.
- The reference price for use in determining the amounts to be recorded in the Purchase Gas Commodity Variance Account (Account No.179-27) shall decrease by \$0.069223 per m<sup>3</sup> from the previous OEB approved level of \$0.248652 to \$0.179429 per m<sup>3</sup>.
- 4. The balance in the Gas Purchase Rebalancing Account shall be prospectively cleared. The Gas Purchase Rebalancing Account recovery amount shall increase by \$0.000832 from the previous OEB approved level of (\$0.000346) per m<sup>3</sup> to **\$0.000486** per m<sup>3</sup>. The resulting gas supply charge will decrease from the previous OEB-approved level of \$0.248306 per m<sup>3</sup> to **\$0.179915** per m<sup>3</sup> as noted in Appendix A to this Decision and Rate Order.
- 5. EPCOR is to communicate the rate decrease resulting from this Decision and Rate Order to its customers.
- 6. EPCOR shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

ISSUED at Toronto, March 23, 2023

## ONTARIO ENERGY BOARD

Nancy Marconi Registrar APPENDIX A TO DECISION AND RATE ORDER OEB FILE NO. EB-2023-0087 DATED: March 23, 2023

## **RATE 1 - General Firm Service**

## **Applicability**

Any customer in ENGLP's Southern Bruce Natural Gas System who is an end user and whose total gas requirements are equal to or less than 10,000 m<sup>3</sup> per year.

## <u>Rate</u>

Rates per m<sup>3</sup> assume an energy content of 38.89MJ/m<sup>3</sup>

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

Monthly Fixed Charge <sup>(1)</sup>	\$27.81	
Delivery Charge		
First 100 m <sup>3</sup> per month	28.7200	¢ per m <sup>3</sup>
Next 400 m <sup>3</sup> per month	28.1542	¢ per m <sup>3</sup>
Over 500 m <sup>3</sup> per month	27.3226	¢ per m <sup>3</sup>
Upstream Charges		
Upstream Recovery charge	1.4740	¢ per m <sup>3</sup>
Transportation and Storage charge	2.6982	¢ per m <sup>3</sup>
Rate Rider for Delay in Revenue Recovery	1.6330	¢ per m <sup>3</sup>
- effective for 10 years ending December 31, 2028		
ECVA Rate Rider	0.3437	¢ per m <sup>3</sup>
- effective for 12 months ending December 31, 2023		
CIACVA Rate Rider	3.3388	¢ per m <sup>3</sup>
- effective for 12 months ending December 31, 2023		
MTVA Rate Rider	(2.7906)	¢ per m <sup>3</sup>
- effective for 12 months ending December 31, 2023		
Federal Carbon Charge (if applicable) (2)	12.39	¢ per m <sup>3</sup>
Facility Carbon Charge	0.0011	¢ per m <sup>3</sup>
Gas Supply Charge	17.9915	¢ per m <sup>3</sup>

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

<sup>(2)</sup> The Federal Carbon Charge is only "applicable" to 20% of the natural gas volumes used by eligible greenhouses, reducing their effective Federal Carbon Charge rate.

#### **Direct Purchase Delivery**

Where a customer elects under this Rate Schedule to directly purchase its gas from a supplier other than ENGLP, 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 ENGLP for delivery of gas to ENGLP at a receipt point listed on the upstream transportation contract that ENGLP 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 "ENGLP Natural Gas Limited Partnership Southern Bruce Natural Gas Operations Conditions of Service" apply, as contemplated therein, to service under this Rate Schedule.

## **RATE 6 – Large Volume General Firm Service**

### **Applicability**

Any customer in ENGLP's Southern Bruce Natural Gas System who is an end user and whose total gas requirements are greater than 10,000 m<sup>3</sup> per year.

## <u>Rate</u>

Rates per m<sup>3</sup> assume an energy content of 38.89MJ/m<sup>3</sup>

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

Monthly Fixed Charge <sup>(1)</sup>	\$110.33	
Delivery Charge		
First 1000 m <sup>3</sup> per month	26.4949	$\phi$ per m <sup>3</sup>
Next 6000 m <sup>3</sup> per month	23.8455	¢ per m <sup>3</sup>
Over 7000 m <sup>3</sup> per month	22.6530	¢ per m <sup>3</sup>
Upstream Charges		
Upstream Recovery charge	2.9200	$\phi$ per m <sup>3</sup>
Transportation and Storage charge	5.6413	¢ per m <sup>3</sup>
Rate Rider for Delay in Revenue Recovery	0.9090	¢ per m <sup>3</sup>
- effective for 10 years ending December 31, 2028		
ECVA Rate Rider	0.2778	$\phi$ per m <sup>3</sup>
- effective for 12 months ending December 31, 2023		
CIACVA Rate Rider	3.1385	$\phi$ per m <sup>3</sup>
- effective for 12 months ending December 31, 2023		
MTVA Rate Rider	(3.4040)	$\phi$ per m <sup>3</sup>
- effective for 12 months ending December 31, 2023		
Federal Carbon Charge (if applicable) (2)	12.39	$\phi \ per \ m^3$
Facility Carbon Charge	0.0011	¢ per m <sup>3</sup>
Gas Supply Charge	17.9915	$\phi$ per m <sup>3</sup>

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

<sup>(2)</sup> The Federal Carbon Charge is only "applicable" to 20% of the natural gas volumes used by eligible greenhouses, reducing their effective Federal Carbon Charge rate.

#### **Direct Purchase Delivery**

Where a customer elects under this Rate Schedule to directly purchase its gas from a supplier other than ENGLP, the customer or their agent must enter into a T-Service Receipt Contract with ENGLP for delivery of gas to ENGLP at a receipt point listed on the upstream transportation contract that ENGLP 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 "ENGLP Natural Gas Limited Partnership Southern Bruce Natural Gas Operations Conditions of Service" apply, as contemplated therein, to service under this Rate Schedule.

## **RATE 11 - Large Volume Seasonal Service**

## **Applicability**

Any customer in ENGLP's Southern Bruce Natural Gas System who is an end user and whose gas requirements are only during the period of May 1 through Dec 15 inclusive and are greater than 10,000 m<sup>3</sup>.

### Rate

Rates per m<sup>3</sup> assume an energy content of 38.89MJ/m<sup>3</sup>

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

Monthly Fixed Charge <sup>(1)</sup>	\$219.66	
Delivery Charge		
All volumes delivered	16.4578	¢ per m <sup>3</sup>
Upstream Charges		
Upstream Recovery charge	0.0352	¢ per m <sup>3</sup>
Transportation and Storage charge	1.8166	¢ per m <sup>3</sup>
Rate Rider for Delay in Revenue Recovery	0.5524	¢ per m <sup>3</sup>
- effective for 10 years ending December 31, 2028		
ECVA Rate Rider	0.1857	¢ per m <sup>3</sup>
- effective for 12 months ending December 31, 2023		
CIACVA Rate Rider	0.6074	¢ per m <sup>3</sup>
- effective for 12 months ending December 31, 2023		
MTVA Rate Rider	(0.6604)	¢ per m <sup>3</sup>
- effective for 12 months ending December 31, 2023		
Federal Carbon Charge (if applicable) <sup>(2)</sup>	12.39	¢ per m <sup>3</sup>
Facility Carbon Charge	0.0011	¢ per m <sup>3</sup>
Gas Supply Charge	17.9915	¢ per m <sup>3</sup>

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

<sup>(2)</sup> The Federal Carbon Charge is only "applicable" to 20% of the natural gas volumes used by eligible greenhouses, reducing their effective Federal Carbon Charge rate.

#### **Unaccounted for Gas (UFG):**

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

#### **Forecasted Unaccounted for Gas Percentage**

#### 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 ENGLP. Delivery of these volumes is available at the Authorized Overrun Charge in addition to applicable Upstream Charges and Gas Supply Charges. ENGLP will not unreasonably withhold authorization.

#### **Authorized Overrun Charge**

Any volume of gas taken during the period of December 16 through April 30 inclusive without ENGLP'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**

For any volume of Unauthorized Overrun Gas taken, the customer shall, in addition, indemnify ENGLP in respect of any penalties or additional costs imposed on ENGLP 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 ENGLP 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 ENGLP, 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 ENGLP'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 ENGLP. 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 ENGLP'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 ENGLP 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 ENGLP's agreement with the Upstream Service Provider.

17.1499 ¢ per m<sup>3</sup>

410.6817 ¢ per m<sup>5</sup>

#### **Direct Purchase Delivery**

Where a customer elects under this Rate Schedule to directly purchase its gas from a supplier other than ENGLP, the customer or their agent must enter into a T-Service Receipt Contract with ENGLP for delivery of gas to ENGLP at a receipt point listed on the upstream transportation contract that ENGLP 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**

- In any year, during the period of May 1 through December 15 inclusive, the customers shall receive continuous ("Firm") service from ENGLP, except where impacted by events as specified in ENGLP 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 ENGLP. All service during the period December 16 through April 30 inclusive shall be subject to ENGLP's prior authorization under the daily nomination procedures outlined in this Rate Schedule and shall constitute Overrun Gas.
- 2. To the extent that ENGLP's Upstream Service Provider provides any seasonal or day-to-day balancing rights for ENGLP, the customer shall be entitled to a reasonable proportion of such balancing rights as determined by ENGLP from time to time. If the customer utilizes any of ENGLP'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 ENGLP, acting reasonably.
- 3. ENGLP 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 <a href="https://www.uniongas.com">www.uniongas.com</a>.
- 4. The provisions in the "ENGLP Natural Gas Limited Partnership Southern Bruce Natural Gas Operations Conditions of Service" apply, as contemplated therein, to service under this Rate Schedule.

## **RATE 16 – Contracted Firm Service**

## **Applicability**

Any customer connected directly to ENGLP's Southern Bruce Natural Gas High Pressure Steel System and who enters into a contract with ENGLP for firm contract daily demand of at least 2,739m<sup>3</sup>.

## Rate

Rates per m<sup>3</sup> assume an energy content of 38.89MJ/m<sup>3</sup>

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

Monthly Fixed Charge <sup>(1)</sup>	\$1,608.77	
Delivery Charge		
Per m <sup>3</sup> of Contract Demand	109.6650	¢ per m <sup>3</sup>
Upstream Charges		
Upstream Recovery charge per m <sup>3</sup> of Contract Demand	14.2434	¢ per m <sup>3</sup>
Transportation charge per m <sup>3</sup> of Contract Demand		
Transportation from Dawn	18.2999	¢ per m <sup>3</sup>
Transportation from Kirkwall	11.8480	¢ per m <sup>3</sup>
Transportation from Parkway	11.8480	¢ per m <sup>3</sup>
Rate Rider for Delay in Revenue Recovery	0.0601	¢ per m <sup>3</sup>
- effective for 10 years ending December 31, 2028		
CIACVA Rate Rider	4.5311	Per m <sup>3</sup> of Contract Demand
- effective for 12 months ending December 31, 2023		
MTVA Rate Rider	(4.5564)	Per m <sup>3</sup> of Contract Demand
- effective for 12 months ending December 31, 2023		
Federal Carbon Charge (if applicable) <sup>(2)</sup>	12.39	¢ per m <sup>3</sup>
Facility Carbon Charge	0.0011	¢ per m <sup>3</sup>

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

<sup>(2)</sup> The Federal Carbon Charge is only "applicable" to 20% of the natural gas volumes used by eligible greenhouses, reducing their effective Federal Carbon Charge rate.

### Unaccounted for Gas:

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

#### Forecasted Unaccounted for Gas Percentage

## **Overrun Charges:**

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

## **Authorized Overrun Charge**

Any volume of gas taken in excess of the daily Contract Demand or Peak Hourly Volume ENGLP is obligated to transport as per the contract with the customer without ENGLP'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

For any volume of Unauthorized Overrun Gas taken, the customer shall, in addition, indemnify ENGLP in respect of any penalties or additional costs imposed on ENGLP 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 ENGLP 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 ENGLP, 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.

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The nomination calculation shall equal:
[(Daily volume of gas to be delivered) * (1 + Forecasted UFG) * (1 + Fuel Ratio)]
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Customers may change daily nominations based on the nomination windows within a day as defined by ENGLP'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 ENGLP. 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.

0.00 %

5.3592 ¢ per  $m^3$ 

410.7873  $\phi$  per m<sup>3</sup>

#### Load Balancing:

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

#### **Gas Supply:**

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

The customer must deliver to ENGLP 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. ENGLP 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 <u>www.uniongas.com</u>.
- 2. The provisions in the "ENGLP Natural Gas Limited Partnership General Terms and Conditions for Rate 16 Customers" apply, as contemplated therein, to service under this Rate Schedule.

## **<u>RATE T1 – Direct Purchase Contract Rate</u>**

#### Availability

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

#### **Eligibility**

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

#### <u>Rate</u>

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 ENGLP and are detailed in the Direct Purchase Contract with the customer or its agent.

For gas delivered to ENGLP at any point other than the Ontario Delivery Point, ENGLP will charge the customer or their agent all approved tolls and charges incurred by ENGLP 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 ENGLP, customers who are delivering gas to ENGLP under direct purchase arrangements must deliver firm gas at a daily volume acceptable to ENGLP, 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 ENGLP 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.

## ENGLP NATURAL GAS LIMITED PARTNERSHIP

	Α	В
	Service	Fee
1	Service Work	
2	During normal working hours	
3	Minimum charge (up to 60 minutes)	\$100.00
4	Each additional hour (or part thereof)	\$100.00
5	Outside normal working hours	
6	Minimum charge (up to 60 minutes)	\$130.00
7	Each additional hour (or part thereof)	\$105.00
8		
9	Miscellaneous Charges	
10	Returned Cheque / Payment	\$20.00
11	Replies to a request for account information	\$25.00
12	Bill Reprint / Statement Print Requests	\$20.00
13	Consumption Summary Requests	\$20.00
14	Customer Transfer / Connection Charge	\$35.00
15		
16	Reconnection Charge	\$85.00
17		
18	Inactive Account Charge	ENGLP's cost to install service
19		
		1.5% / month, 19.56% / year
20	Late Payment Charge	(effective rate of 0.04896%
20		compounded daily)
		· · · · · · · · · · · · · · · · · · ·
21		
22		
23	Meter Tested at Customer Request Found to be Accurate	Charge based on actual costs
	-	
24	Installation of Service Lateral <sup>(3)</sup>	No abarga for the first 20 meters
24	Instantation of Service Lateral	No charge for the first 30 meters

## **Schedule of Miscellaneous and Service Charges**

Note: Applicable taxes will be added to the above charges

<sup>&</sup>lt;sup>3</sup> No Charge for initial connection