

RATE ORDER

EB-2023-0161

EPCOR NATURAL GAS LIMITED PARTNERSHIP (SOUTH BRUCE)

Application for Rates to be Effective January 1, 2024

BEFORE: Fred Cass

Presiding Commissioner

Emad Elsayed Commissioner

November 23, 2023

1 OVERVIEW

EPCOR Natural Gas Limited Partnership (EPCOR) applied to the Ontario Energy Board (OEB) for changes to its natural gas distribution rates effective January 1, 2024, for its South Bruce service area (Application).

In the Application, EPCOR requested the following approvals:

- I. To adjust distribution rates for South Bruce effective January 1, 2024, in accordance with the OEB-approved settlement agreement (Settlement Decision)¹ in EPCOR South Bruce's 2019-2028 Custom IR proceeding
- II. To dispose of certain deferral and variance account balances

On November 9, 2023, the OEB approved the Application to adjust distribution rates in the South Bruce service area, effective January 1, 2024, in accordance with the Settlement Decision, and to dispose of certain deferral and variance account balances, including the Other Revenue Deferral Account (ORDA).² The OEB ordered EPCOR to file a draft rate order that reflects the OEB's findings on the ORDA allocation methodology and to update the 2023 fourth quarter (Q4) prescribed interest rate for the calculation of the deferral account balances for disposition.

On November 15, 2023, EPCOR filed a draft rate order, revising its ORDA allocation methodology and updating the 2023 Q4 prescribed interest rates. EPCOR included the customer rate impacts and supporting information.

Findings

The OEB finds that the draft rate order accurately reflects the findings in the November 9, 2023 Decision and Order. The OEB, therefore, approves EPCOR's draft rate order for its South Bruce operations as filed on November 15, 2023.

¹ EB-2018-0264, Decision and Order, October 3, 2019

² EB-2023-0161, Decision and Order, November 9, 2023

2 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The Rate Schedules set out in Schedule A are approved effective January 1, 2024.

DATED at Toronto November 23, 2023

ONTARIO ENERGY BOARD

Nancy Marconi Registrar

SCHEDULE A

RATE ORDER

EPCOR NATURAL GAS LIMITED PARTNERSHIP (SOUTH BRUCE)

EB-2023-0161

NOVEMBER 23, 2023

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

Monthly Fixed Charge (1)	\$28.45	
Delivery Charge		
First 100 m ³ per month	29.4035	¢ per m³
Next 400 m³ per month	28.8243	¢ per m³
Over 500 m ³ per month	27.9729	¢ per m³
Unatus an Chausas		
Upstream Charges	4 4740	1 3
Upstream Recovery charge		¢ per m³
Transportation and Storage charge	2.6982	¢ per m³
Rate Rider for Delay in Revenue Recovery - effective for 10 years ending December 31, 2028	1.6330	¢ per m³
ECVA Rate Rider	N 1727	¢ per m³
- effective for 12 months ending December 31, 2024	0.1727	φ pci iii
CIACVA Rate Rider	2.3327	¢ per m³
- effective for 12 months ending December 31, 2024		<i>p</i> p 5
MTVA Rate Rider	(2.2906)	¢ per m³
- effective for 12 months ending December 31, 2024		
ORDA Rate Rider	(0.0893)	¢ per m³
- effective for 12 months ending December 31, 2024		
Federal Carbon Charge (if applicable) (2)	12.39	¢ per m³
Facility Carbon Charge	0.0011	¢ per m³
Gas Supply Charge	16.3574	¢ per m³

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

⁽²⁾ 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 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: January 1, 2024

Implementation: All bills rendered on or after January 1, 2024

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

Monthly Fixed Charge (1)	\$112.93	
Delivery Charge		
First 1000 m³ per month	27.1255	¢ per m³
Next 6000 m ³ per month	24.4130	¢ per m³
Over 7000 m³ per month	23.1921	¢ per m³
Upstream Charges		
Upstream Recovery charge	2.9200	¢ per m³
Transportation and Storage charge	5.6413	¢ per m³
Rate Rider for Delay in Revenue Recovery	0 9090	¢ per m³
- effective for 10 years ending December 31, 2028	0.000	<i>y</i> po
ECVA Rate Rider	0.1905	¢ per m³
- effective for 12 months ending December 31, 2024		
CIACVA Rate Rider	3.1292	¢ per m³
- effective for 12 months ending December 31, 2024		
MTVA Rate Rider	(3.9875)	¢ per m³
- effective for 12 months ending December 31, 2024		
ORDA Rate Rider	(0.0759)	¢ per m³
- effective for 12 months ending December 31, 2024		
Federal Carbon Charge (if applicable) (2)	12.39	¢ per m³
Facility Carbon Charge	0.0011	¢ per m³
Gas Supply Charge	16.3574	¢ per m³

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

⁽²⁾ 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.

<u>Direct Purchase Delivery</u>

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: January 1, 2024

Implementation: All bills rendered on or after January 1, 2024

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 Dec 15 inclusive and are greater than 10,000 m³.

Rate

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

Monthly Fixed Charge (1)	\$224.86	
Delivery Charge		
All volumes delivered	16.8495	¢ per m³
Upstream Charges		
•	0.0050	, 3
Upstream Recovery charge		¢ per m³
Transportation and Storage charge	1.8166	¢ per m³
	. ==. /	, 2
Rate Rider for Delay in Revenue Recovery	0.5524	¢ per m³
- effective for 10 years ending December 31, 2028		
ECVA Rate Rider	0.1427	¢ per m³
- effective for 12 months ending December 31, 2024		
CIACVA Rate Rider	0.6059	¢ per m³
- effective for 12 months ending December 31, 2024		
MTVA Rate Rider	(0.7740)	¢ per m³
- effective for 12 months ending December 31, 2024		
ORDA Rate Rider	(0.0294)	¢ per m³
- effective for 12 months ending December 31, 2024		
Federal Carbon Charge (if applicable) (2)	12.39	¢ per m³
Facility Carbon Charge	0.0011	¢ per m³
Gas Supply Charge	16.3574	¢ per m³

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

⁽²⁾ 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.

<u>Unaccounted for Gas (UFG):</u>

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

Forecasted Unaccounted for Gas Percentage

0.00 %

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

17.5581 ¢ per m³

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

420.4559 ¢ 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

- 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: January 1, 2024

Implementation: All bills rendered on or after January 1, 2024

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

Monthly Fixed Charge (1)	\$1,647.03		
Delivery Charge			
Per m³ of Contract Demand	112.2750	¢ per m³	
Upstream Charges			
Upstream Recovery charge per m³ of Contract Demand	14.2434	¢ per m³	
Transportation charge per m³ of Contract Demand			
Transportation from Dawn	18.2999	¢ per m³	
Transportation from Kirkwall	11.8480	¢ per m³	
Transportation from Parkway	11.8480	¢ per m³	
Rate Rider for Delay in Revenue Recovery	0.0601	¢ per m³	
- effective for 10 years ending December 31, 2028			
CIACVA Rate Rider	4.7721	Per m³ of Contract Demand	
- effective for 12 months ending December 31, 2024		per month	
MTVA Rate Rider	(5.6380)	Per m³ of Contract Demand	
- effective for 12 months ending December 31, 2024		per month	
ORDA Rate Rider	(0.0506)	Per m ³ of Contract Demand	
- effective for 12 months ending December 31, 2024		per month	
Federal Carbon Charge (if applicable) (2)	12.39	¢ per m³	
Facility Carbon Charge	0.0011	¢ per m³	

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

⁽²⁾ 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

0.00

%

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

5.4867

¢ per m³

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

420.5640

¢ 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

- 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: January 1, 2024

Implementation: All bills rendered on or after January 1, 2024

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: January 1, 2024

Implementation: All bills rendered on or after January 1, 2024

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
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	, c	compounded daily)
21		
41		
22		
23	Meter Tested at Customer Request Found to be Accurate	Charge based on actual costs
24	Installation of Service Lateral ¹	No charge for the first 30 meters

Note: Applicable taxes will be added to the above charges

¹ No Charge for Initial Connection