

1. Please confirm if EPCOR is requesting approval of the cost consequence of using CNG in this QRAM.

EPCOR Response: Confirmed. As per page 11 of the application:

“As such, this QRAM application includes a forecasted volume of 132,000 m³ of CNG to be purchased during October - December 2024.”

2. Please also confirm if EPCOR has received approval from the OEB for the cost consequences of utilizing CNG. Provide references if any.

EPCOR Response: EPCOR has not received approval for the cost consequences of utilizing CNG.

3. If approval was not sought or received, would EPCOR be open to modifying its request in this QRAM application for interim rates until a review is completed on the use of CNG during its Gas Supply Plan?

EPCOR Response: EPCOR would be open to this option.

4. Is the use of CNG a long-term solution for the low-pressure areas? If not, when is the CNG option expected to be used until?

EPCOR Response: CNG is not expected to be a long-term solution. The use of CNG is currently planned as a pilot in Q4 2024 and will be reassessed after the first season.

As stated in the Gas Supply Plan¹:

In response to low pressure observed in the 2023-2024 winter season (November to March), EPCOR updated its engineering/system modeling with current customer consumption patterns. While the contract demand contracted with Enbridge is expected to be sufficient to meet peak day demand during the drying season, the

¹ EPCOR_SB_GSP_UPDATE_2024_20240531; Page 26-27.

modelling results indicated that low pressure issues could persist in the Southern part of the system. In order to ensure reliability, EPCOR plans to introduce CNG on a pilot basis for the 2024-2025 Winter Season.

5. Please breakdown the forecasted costs that rate-payers are expected to pay that are associated with the CNG option for the quarter (Oct 2024 – December 2024) using the following table (or similar):

EPCOR Response: Projected costs are as follows:

Cost	Description	Pass through cost	Cost (\$/m3)	Volumes	Total Cost
Commodity Cost ⁽¹⁾	Commodity Cost the CNG producer purchases for the natural gas based on Enbridge commodity price	GRAM	\$0.1235	132,000	\$16,303
M2 Delivery ⁽¹⁾	M2 rate the CNG producer is charged by Enbridge	S&TVA	\$0.0415	132,000	\$5,471
Delivery fee / CNG fee ⁽²⁾	CNG producer cost for compressing and delivering the CNG to EPCOR system	S&TVA			
Total Cost (\$/m3)					

Notes:

- 1) The 'Commodity Cost' and 'M2 Delivery' costs are based on the expected amounts invoiced to the vendor by Enbridge Gas as an M2 customer. ENGLP will be billed costs on a 'flow through' basis without markup. Cost presented are based on a sample M2 invoice provided by the vendor from Q3 2024.

- 2) [REDACTED]