



# **DECISION AND ORDER**

**EB-2024-0238**

## **EPCOR NATURAL GAS LIMITED PARTNERSHIP (SOUTH BRUCE)**

**Application for Rates to be effective January 1, 2025**

**BEFORE: Allison Duff**  
Presiding Commissioner

**David Sword**  
Commissioner

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**December 3, 2024**

# 1 OVERVIEW

EPCOR Natural Gas Limited Partnership (ENGLP) applied to the Ontario Energy Board (OEB) for changes to its natural gas distribution rates effective January 1, 2025, for its South Bruce service area (Application).

In the Application, ENGLP requested the following approvals:

- I. To adjust distribution rates for South Bruce effective January 1, 2025, in accordance with the prior OEB-approved settlement agreement (Settlement Decision)<sup>1</sup> in ENGLP South Bruce's 2019-2028 Custom Incentive Rate (IR) proceeding
- II. To dispose of certain deferral and variance account balances

For the reasons provided below, the OEB approves the proposed 2025 rate adjustment. The OEB also approves the disposition of the 2023 year-end balances, including interest to December 31, 2024, in five deferral and variance accounts.

The total annual bill impacts for a typical general service customer resulting from this Decision are as follows:

Rate Class	Change in Fixed Delivery	Change in Volumetric Delivery	Change Rate Rider	Total Change	
				\$	%
Rate 1- Existing Residential	\$6.59	\$12.51	\$121.66	\$140.77	8%
Rate 1- New Residential	\$6.59	\$12.03	\$119.45	\$138.08	8%
Rate 1- Commercial	\$6.59	\$27.04	\$189.40	\$223.03	7%
Rate 1- Agricultural	\$6.59	\$27.19	\$190.12	\$223.91	7%

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<sup>1</sup> EB-2018-0264, Decision and Order, October 3, 2019

## 2 THE PROCESS

ENGLP filed the Application on August 15, 2024, under section 36(1) of the *Ontario Energy Board Act, 1998*. On September 6, 2024, the OEB issued a Notice of Hearing. The intervention period ended on September 20, 2024. No persons applied for intervenor status.

Procedural Order No. 1 was issued on September 24, 2024. OEB staff filed written interrogatories on October 8, 2024. ENGLP filed responses to interrogatories on October 22, 2024.

OEB staff filed a written submission on November 1, 2024. On November 12, 2024, ENGLP filed a reply submission and an updated draft rate schedule.

On November 18, 2024, OEB staff submitted a letter indicating that it had reviewed the updated draft rate schedule and had identified no issues.

## 3 DECISION

### 3.1 Price Cap Adjustment

ENGLP sought approval to increase its rates, effective January 1, 2025, based on a mechanistic rate adjustment using the annual incentive rate (IR) adjustment formula previously approved in the Settlement Decision. Under the approved IR formula, the annual adjustment is determined by adjusting the Operations, Maintenance and Administration portion of rates (31.4%) annually by the OEB's inflation factor and the remaining portion by a stabilization factor of 1.27%.

The IR adjustment formula is as follows:

$$\text{Incentive Rate Adjustment} = [(1.0 - 0.314) \times 0.0127] + [0.314 \times \text{Inflation (I)}]$$

ENGLP also requested that the distribution rates for the South Bruce area be adjusted according to the approved Settlement Decision:

- I. Adjusting the monthly fixed charge and delivery charge for each rate class using the approved IR adjustment; and,
- II. Adjusting the authorized overrun and unauthorized overrun charges for Rates 11 & 16 using the approved IR adjustment.

The OEB issued its 2025 Inflation Parameters letter on June 20, 2024, which calculated the 2025 inflation factor for electricity distributors to be 3.6%.<sup>2</sup> The letter noted that ENGLP uses the electricity distribution inflation factor for its natural gas distribution service territories.

OEB staff reviewed ENGLP's request and model and submitted that the proposed rate changes were calculated in accordance with the Settlement Decision and should be approved by the OEB.

### Findings

The OEB finds that the proposed 2025 rate changes are calculated in accordance with the Settlement Decision and are approved by the OEB.

### 3.2 Deferral and Variance Accounts

ENGLP sought approval to dispose of the 2023 year-end balances in certain deferral and variance accounts with interest up to December 31, 2024.

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<sup>2</sup> OEB's [https://www.oeb.ca/sites/default/files/OEBltr\\_2025%20inflation\\_updates\\_20240620.pdf](https://www.oeb.ca/sites/default/files/OEBltr_2025%20inflation_updates_20240620.pdf)

The total amount sought for disposition is a debit to ENGLP South Bruce customers of \$725,069 (including interest to December 31, 2024). The balances in the deferral and variance accounts are summarized in Table 1 below.

**Table 1: 2023 Deferral and Variance Account Balances with Interest to December 31, 2024**

<b>ENGLP Balances Proposed for Disposition</b>		
<u>Account Acronym</u>	<u>Account Name</u>	<u>Balance with interest to December 31, 2024</u>
CIACVA	Contribution in Aid of Construction Variance Account	\$321,284
ECVA	Energy Content Variance Account	\$29,434
MTVA	Municipal Tax Variance Account	\$77,670
ORDA	Other Revenue Deferral Account	\$(30,771)
CVVA	Customer Volume Variance Account	\$327,452
<b>Total Proposed for Disposition</b>		<b>\$725,069</b>

OEB staff submitted that it had no concerns with the balances being sought for disposition for each of the accounts.

#### Contribution in Aid of Construction Variance Account (CIACVA)

ENGLP proposed to allocate the CIACVA balance based on the Common Infrastructure Plan rate base for all rate classes. ENGLP proposed to collect the CIACVA balance, over twelve months, from rate classes 1, 6 and 11 based on revised forecast volumes and from Rate 16 based on contract demand.

OEB staff submitted that the proposed allocation and disposition methodologies for the CIACVA are consistent with the decisions in ENGLP South Bruce's 2022, 2023 and 2024 rates proceedings.<sup>3</sup>

### **Findings**

The OEB approves the CIACVA balance in Table 1 and finds the proposed disposition appropriate. The disposition and allocation methodology is consistent with the OEB's decision in the ENGLP South Bruce's 2024 rates proceeding.

<sup>3</sup> EB-2021-0216, EB-2022-0184 and EB-2023-0161

Energy Content Variance Account (ECVA)

ENGLP proposed to collect the balance, over twelve months, from rate classes 1, 6 and 11 based on revised forecast volumes.

OEB staff submitted that it has no concerns with the proposed disposition and allocation methodology as it is consistent with the decision in ENGLP South Bruce's 2024 Rates proceeding.

**Findings**

The OEB approves the ECVA balance in Table 1 and finds the proposed disposition appropriate. The proposed disposition and allocation methodology is consistent with the OEB's decision in ENGLP South Bruce's 2024 rates proceeding.

Municipal Tax Variance Account (MTVA)

ENGLP proposed to collect the MTVA balance, over twelve months, from rate classes 1, 6 and 11 based on revised forecast volumes and from Rate 16 based on contract demand. OEB staff had no concerns with the proposed disposition methodology.

In response to interrogatories, ENGLP noted that in previous cases the MTVA balance historically had substantial credits to customers. ENGLP stated that this was due to a lag in receiving all the property tax assessments and bills in 2021 and 2022, hence ENGLP was not billed all of its property tax owed in those years.<sup>4</sup>

OEB staff submitted that it has no concerns with the proposed MTVA disposition and allocation methodology as it is consistent with the decision in ENGLP South Bruce's 2023 and 2024 Rates proceeding.

In ENGLP's reply submission, ENGLP further noted approximately \$700k of municipal taxes were paid in 2024, at the time of the reply submission, in contrast to \$503k of municipal taxes in 2023. This is due to previous years' assessments and an increase in the overall municipal tax base.

**Findings**

The OEB approves the MTVA balance in Table 1 and finds the proposed disposition appropriate. The OEB accepts ENGLP's interrogatory responses regarding the account balances and contributing causes. The proposed disposition and allocation

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<sup>4</sup> Interrogatory Responses, October 22, 2024, OEB Staff- 1

methodology is consistent with the OEB's decision in ENGLP South Bruce's 2024 rate proceeding.

#### Other Revenue Deferral Account (ORDA)

ENGLP proposed to refund the ORDA balance, over twelve months, to rate classes 1, 6 and 11 based on revised forecast volumes and from Rate 16 based on contract demand.

OEB staff submitted that it has no concerns with the proposed disposition and allocation methodology as it is consistent with the decision in ENGLP's 2024 Rates proceeding.

#### **Findings**

The OEB approves the ORDA balance in Table 1 and finds the proposed disposition appropriate. The disposition and allocation methodology is consistent with the OEB's decision in ENGLP South Bruce's 2024 rates proceeding.

#### Customer Volume Variance Account (CVVA)

The CVVA is to be shared on a 50/50 basis between ENGLP and its customers and the amount is eligible for recovery until such point that ENGLP's actual Return on Equity (ROE) reaches 300 basis points below 8.78%.

ENGLP proposed to collect the CVVA balances, over twelve months, from rate classes 1 and 6 using a monthly fixed rate rider.

OEB staff submitted that the ROE remains 300 basis points below 8.78%, while including the CVVA. OEB staff had no concerns with the proposed allocation methodology as it is consistent with the accounting order. OEB also agreed that the disposition methodology of a fixed rate rider is not punitive to customers who consume more natural gas as these customers reduce the debit in the CVVA.

#### **Findings**

The OEB approves the CVVA balances in Table 1 and finds the proposed disposition appropriate. The OEB agrees with OEB staff that the monthly fixed rate rider to clear this account is not punitive to customers who consume more natural gas relative to the average for the rate class.

## 4 IMPLEMENTATION

ENGLP filed draft rate schedules with the Application for rates effective on January 1, 2025. ENGLP used the latest OEB-approved inflation factor and the 2024 third quarter's prescribed interest rate (5.20%) in its 2024 fourth quarter (Q4) for calculating interest charges. The OEB updated its 2023 Q4 prescribed interest rate to 4.40%.<sup>5</sup>

OEB staff submitted that no draft rate order process is required as the latest inflation factor has already been applied in the IR Adjustment and any update to the Q4 interest rates would result in an immaterial change to the deferral account balances.

ENGLP subsequently filed updated draft rate schedules with its reply submission to correct identified errors.

OEB staff filed a letter indicating that it had reviewed the updated draft rate schedules and had no concerns.

OEB staff submitted that if, at the time of implementation, the total bill impact is greater than 10% for any customer class in the applicable quarterly rate adjustment mechanism (QRAM) application, ENGLP should be required to propose a mitigation plan to reduce the impact to 10% or less. OEB staff also submitted that ENGLP should file a letter 14-days prior to filing its January 2025 QRAM application if ENGLP forecasts a total bill increase of 10% or over.

ENGLP agreed with the approach and stated that it will review the overall impact in advance of the January 2025 QRAM submission.

### Findings

The OEB approves the updated rate schedules (see Schedule A). The OEB agrees with OEB staff that interest rate adjustments to the 2024 fourth quarter are not required as it would result in an immaterial change to the account balance and a draft rate order process is not required.

If ENGLP South Bruce forecasts a total bill increase that meets the mitigation plan threshold as stated above, the OEB expects ENGLP South Bruce to file a letter to this effect 14-days prior to the filing of its January 2025 QRAM application.

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<sup>5</sup> [OEB- Approved Prescribed Interest Rates](#)



## **5 ORDER**

### **THE ONTARIO ENERGY BOARD ORDERS THAT:**

1. The Rate Schedules set out in Schedule A are approved effective January 1, 2025.
2. EPCOR Natural Gas Limited Partnership shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

**DATED** at Toronto December 3, 2024

**ONTARIO ENERGY BOARD**

Nancy Marconi  
Registrar

**SCHEDULE A**

**RATE ORDER**

**EPCOR NATURAL GAS LIMITED PARTNERSHIP (SOUTH BRUCE)**

**EB-2024-0238**

**DECEMBER 3, 2024**

### **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 m<sup>3</sup> per year.

#### **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:

<b>Monthly Fixed Charge <sup>(1)</sup></b>	<b>\$29.00</b>	
<b>Delivery Charge</b>		
First 100 m <sup>3</sup> per month	29.9921	¢ per m <sup>3</sup>
Next 400 m <sup>3</sup> per month	29.4012	¢ per m <sup>3</sup>
Over 500 m <sup>3</sup> per month	28.5328	¢ per m <sup>3</sup>
<b>Upstream Charges</b>		
Upstream Recovery charge	1.4740	¢ per m <sup>3</sup>
Transportation and Storage charge	2.6982	¢ per m <sup>3</sup>
<b>Rate Rider for Delay in Revenue Recovery</b>	1.6330	¢ per m <sup>3</sup>
- effective for 10 years ending December 31, 2028		
<b>ECVA Rate Rider</b>	0.2481	¢ per m <sup>3</sup>
- effective for 12 months ending December 31, 2025		
<b>CIACVA Rate Rider</b>	2.3088	¢ per m <sup>3</sup>
- effective for 12 months ending December 31, 2025		
<b>MTVA Rate Rider</b>	0.5052	¢ per m <sup>3</sup>
- effective for 12 months ending December 31, 2025		
<b>ORDA Rate Rider</b>	(0.2738)	¢ per m <sup>3</sup>
- effective for 12 months ending December 31, 2025		
<b>CVVA Rate Rider</b>	\$5.37	\$ per month
- effective for 12 months ending December 31, 2025		
<b>Federal Carbon Charge (if applicable) <sup>(2)</sup></b>	15.25	¢ per m <sup>3</sup>
<b>Facility Carbon Charge</b>	0.0013	¢ per m <sup>3</sup>
<b>Gas Supply Charge</b>	12.9848	¢ 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 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, 2025

Implementation: All bills rendered on or after January 1, 2025

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## **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 m<sup>3</sup> per year.

### **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:

<b>Monthly Fixed Charge <sup>(1)</sup></b>	\$115.17
<b>Delivery Charge</b>	
First 1000 m <sup>3</sup> per month	27.6684 ¢ per m <sup>3</sup>
Next 6000 m <sup>3</sup> per month	24.9017 ¢ per m <sup>3</sup>
Over 7000 m <sup>3</sup> per month	23.6564 ¢ per m <sup>3</sup>
<b>Upstream Charges</b>	
Upstream Recovery charge	2.9200 ¢ per m <sup>3</sup>
Transportation and Storage charge	5.6413 ¢ per m <sup>3</sup>
<b>Rate Rider for Delay in Revenue Recovery</b>	0.9090 ¢ per m <sup>3</sup>
- effective for 10 years ending December 31, 2028	
<b>ECVA Rate Rider</b>	0.2815 ¢ per m <sup>3</sup>
- effective for 12 months ending December 31, 2025	
<b>CIACVA Rate Rider</b>	3.0469 ¢ per m <sup>3</sup>
- effective for 12 months ending December 31, 2025	
<b>MTVA Rate Rider</b>	0.8651 ¢ per m <sup>3</sup>
- effective for 12 months ending December 31, 2025	
<b>ORDA Rate Rider</b>	(0.2291) ¢ per m <sup>3</sup>
- effective for 12 months ending December 31, 2025	
<b>CVVA Rate Rider</b>	(\$43.46) \$ per month
- effective for 12 months ending December 31, 2025	
<b>Federal Carbon Charge (if applicable) <sup>(2)</sup></b>	15.25 ¢ per m <sup>3</sup>
<b>Facility Carbon Charge</b>	0.0013 ¢ per m <sup>3</sup>
<b>Gas Supply Charge</b>	12.9848 ¢ 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 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, 2025

Implementation: All bills rendered on or after January 1, 2025

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### **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 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:

<b>Monthly Fixed Charge <sup>(1)</sup></b>	\$229.35
<b>Delivery Charge</b>	
All volumes delivered	17.1868 ¢ per m <sup>3</sup>
<b>Upstream Charges</b>	
Upstream Recovery charge	0.0352 ¢ per m <sup>3</sup>
Transportation and Storage charge	1.8166 ¢ per m <sup>3</sup>
<b>Rate Rider for Delay in Revenue Recovery</b>	0.5524 ¢ per m <sup>3</sup>
- effective for 10 years ending December 31, 2028	
<b>ECVA Rate Rider</b>	0.1847 ¢ per m <sup>3</sup>
- effective for 12 months ending December 31, 2025	
<b>CIACVA Rate Rider</b>	0.5789 ¢ per m <sup>3</sup>
- effective for 12 months ending December 31, 2025	
<b>MTVA Rate Rider</b>	0.1648 ¢ per m <sup>3</sup>
- effective for 12 months ending December 31, 2025	
<b>ORDA Rate Rider</b>	(0.0870) ¢ per m <sup>3</sup>
- effective for 12 months ending December 31, 2025	
<b>Federal Carbon Charge (if applicable) <sup>(2)</sup></b>	15.25 ¢ per m <sup>3</sup>
<b>Facility Carbon Charge</b>	0.0013 ¢ per m <sup>3</sup>
<b>Gas Supply Charge</b>	12.9848 ¢ 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** 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** 17.9093 ¢ per m<sup>3</sup>

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** 428.8650 ¢ per m<sup>3</sup>

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:

$$[(\text{Daily volume of gas to be delivered}) * (1 + \text{Forecasted UFG})]$$

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](http://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, 2025

Implementation: All bills rendered on or after January 1, 2025

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## **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 2,739m<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:

<b>Monthly Fixed Charge <sup>(1)</sup></b>	\$1,679.98	
Delivery Charge		
Per m <sup>3</sup> of Contract Demand	114.5223	¢ per m <sup>3</sup>
<b>Upstream Charges</b>		
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>
<b>Rate Rider for Delay in Revenue Recovery</b>	0.0601	¢ per m <sup>3</sup>
- effective for 10 years ending December 31, 2028		
<b>CIACVA Rate Rider</b>	4.7092	Per m <sup>3</sup> of Contract Demand per month
- effective for 12 months ending December 31, 2025		
<b>MTVA Rate Rider</b>	1.2397	Per m <sup>3</sup> of Contract Demand per month
- effective for 12 months ending December 31, 2025		
<b>ORDA Rate Rider</b>	(0.1547)	Per m <sup>3</sup> of Contract Demand per month
- effective for 12 months ending December 31, 2025		
<b>Federal Carbon Charge (if applicable) <sup>(2)</sup></b>	15.25	¢ per m <sup>3</sup>
<b>Facility Carbon Charge</b>	0.0013	¢ 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** 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** 5.5964 ¢ per m<sup>3</sup>

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** 428.9753 ¢ per m<sup>3</sup>

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:

$$[(\text{Daily volume of gas to be delivered}) * (1 + \text{Forecasted UFG}) * (1 + \text{Fuel Ratio})]$$

**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](http://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, 2025

Implementation: All bills rendered on or after January 1, 2025

EB-2024-0238



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## **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:

<b>Forecasted Unaccounted for Gas Percentage</b>	0.00 %
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### **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:

$$[(\text{Daily volume of gas to be delivered}) * (1 + \text{Forecasted UFG}) * (1 + \text{Fuel Ratio})]$$

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**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, 2025

Implementation: All bills rendered on or after January 1, 2025

EB-2024-0238



**EPCOR NATURAL GAS LIMITED PARTNERSHIP**

**Schedule of Miscellaneous and Service Charges**

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

Note: Applicable taxes will be added to the above charges

<sup>1</sup> No Charge for initial connection