Ontario Energy Board | Commission de l'énergie de l'Ontario

DECISION AND ORDER

EB-2025-0178

EPCOR NATURAL GAS LIMITED PARTNERSHIP (SOUTHERN BRUCE)

Application for Rates to be effective January 1, 2026

BEFORE: Anthony Zlahtic
Presiding Commissioner

December 8, 2025

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 Southern Bruce service area (Application).

In the Application, ENGLP requested the following approvals:

I. To adjust distribution rates for Southern Bruce effective January 1, 2026, in accordance with the prior OEB-approved settlement agreement (Settlement Decision)[1] in ENGLP Southern 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 2026 rate adjustment. The OEB also approves the disposition of the 2024 year-end balances, including interest to December 31, 2025, in eight 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- Residential	$6.83	$8.61	$35.09	$50.53	4%
Rate 1- Small Commercial	$6.83	$25.02	$29.51	$61.35	2%
Rate 1- Small Agricultural	$6.83	$44.42	$22.81	$74.06	2%

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

2 THE PROCESS

ENGLP filed the Application on August 1, 2025, under section 36(1) of the *Ontario Energy Board Act, 1998.* On August 22, 2025, the OEB issued a Notice of Hearing. The intervention period ended on September 8, 2025. No persons applied for intervenor status.

Procedural Order No. 1 was issued on September 11, 2025. OEB staff filed written interrogatories on October 3, 2025. On October 17, 2025, ENGLP filed interrogatory responses.

Procedural Order No. 2 was issued on October 27, 2025. Procedural Order No. 2 allowed for an additional round of interrogatories. OEB staff filed additional written interrogatories on October 27, 2025, and on October 31, 2025, ENGLP filed interrogatory responses.

OEB staff filed a written submission on November 10, 2025. On November 19, 2025, ENGLP filed a reply submission and updated draft rate schedules.

On November 25, 2025, OEB staff submitted a letter indicating that it had reviewed the updated draft rate schedules and had identified no issues.

3 DECISION

3.1 Price Cap Adjustment

ENGLP sought approval to increase its rates, effective January 1, 2026, 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:

Incentive Rate Adjustment = [(1.0 – 0.314) x 0.0127] + [0.314 x Inflation (I)]

ENGLP also requested that the distribution rates for the Southern 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 2026 Inflation Parameters letter on June 11, 2025, which calculated the 2025 inflation factor for electricity distributors to be 3.7%.[2] 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 approves the Incentive Rate Adjustment, and finds that the calculations are correct and in accordance with the Settlement Decision.

[2] OEB's 2026 Inflation Parameters Letter

3.2 Deferral and Variance Accounts

ENGLP sought approval to dispose of the 2024 year-end balances in certain deferral and variance accounts with interest up to December 31, 2025.

The total amount sought for disposition is a debit to ENGLP Southern Bruce customers of $4,936,461 (including interest to December 31, 2025). The balances in the deferral and variance accounts are summarized in Table 1 below.

Table 1: 2024 Deferral and Variance Account Balances with Interest to December 31, 2025

ENGLP Balances Proposed for Disposition		
Account Acronym	Account Name	Balance with interest to December 31, 2025
CIACVA	Contribution in Aid of Construction Variance Account	$309,491
ECVA	Energy Content Variance Account	$22,604
MTVA	Municipal Tax Variance Account	($68,237)
ORDA	Other Revenue Deferral Account	($29,868)
CVVA	Customer Volume Variance Account	$585,757
UFGVA	Unaccounted for Gas Variance Account	($91,343)
S&TVA	Storage and Transportation Variance Account R1/6/11	$ 3,737,727
TVA	Transportation Variance Account - R16	$ 470,330
	Total Proposed for Disposition	**$ 4,936,461**

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 (CIP) 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 Southern Bruce's 2022, 2023, 2024 and 2025 rates proceedings.[3]

Findings

The OEB approves ENGLP's proposed rate rider for the CIACVA debit balance (including interest) of $309,491, and finds that the proposed allocation methodology and disposition methodology over twelve months are consistent with the decisions in ENGLP Southern Bruce's 2022, 2023, 2024 and 2025 rates proceedings.

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 decisions in ENGLP Southern Bruce's 2024 and 2025 Rates proceeding.

Findings

The OEB approves ENGLP's proposed rate rider for the ECVA debit balance (including interest) of $22,604, and finds that the proposed allocation methodology and disposition methodology over twelve months are consistent with the decisions in ENGLP Southern Bruce's 2024 and 2025 rates proceedings.

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.

In response to interrogatories, ENGLP indicated that a substantial credit to this account was a refund from the municipality of Kincardine, related to a tax holiday.[4]

[3] EB-2021-0216, EB-2022-0184, EB-2023-0161 and EB-2024-0238
[4] Interrogatory Responses, October 17, 2025, OEB Staff- 12a

OEB staff submitted that it has no concerns with the proposed MTVA disposition and allocation methodology as it is consistent with the decisions in ENGLP Southern Bruce's 2023, 2024 and 2025 Rates proceedings.

Findings

The OEB approves ENGLP's proposed rate rider for the MTVA credit balance (including interest) of $68,237, and finds that the proposed allocation methodology and disposition methodology over twelve months are consistent with the decisions in ENGLP Southern Bruce's 2023, 2024 and 2025 rates proceedings.

<u>Other Revenue Deferral Account (ORDA)</u>

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.

In response to interrogatories, ENGLP confirmed that an unusually high charge to the ORDA included recoveries for a utility strike caused by a third party.[5]

OEB staff submitted that it has no concerns with the proposed disposition and allocation methodology as it is consistent with the decisions in ENGLP Southern Bruce's 2024 and 2025 Rates proceedings.[6]

Findings

The OEB approves ENGLP's proposed rate rider for the ORDA credit balance (including interest) of $29,868, and finds that the proposed allocation methodology and disposition methodology over twelve months are consistent with the decisions in the 2024 and 2025 rates proceedings.

[5] Interrogatory Responses, October 17, 2025, OEB Staff- 12b
[6] EB-2023-0161 and EB-2024-0238

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 and disposition methodology as it is consistent with the decision in ENGLP's 2025 Rates proceeding.

Findings

The OEB approves ENGLP's proposed rate rider for the CVVA debit balance (including interest) of $585,757, And finds that the proposed allocation methodology and disposition methodology over twelve months are consistent with the decision in ENGLP Southern Bruce's 2025 Rates proceeding.

Unaccounted for Gas Variance Account (UFGVA)

ENGLP requested the initial disposition of the UFGVA.

The UFGVA is to record the gas cost associated with volumetric variances between the actual volume of Unaccounted for Gas (UFG) and the OEB-approved UFG volumetric forecast included in ENGLP's Southern Bruce 2019-2028 Custom IR proceeding[7]. The OEB-approved UFG volumetric forecast was 0%.

ENGLP explained the reasoning for why this is the first disposition of this account was the additional time required to review, and setup and launch new accounts, as well as investigate why this account had an unexpected credit balance.[8]

ENGLP indicated that the unexpected credit balance of this account can be attributed to differences between heat values used by Enbridge and those used by ENGLP. ENGLP

[7] EB-2018-0264
[8] Interrogatory Responses, October 31, 2025, OEB Staff- 2i

calculated the UFGVA using the variance between Enbridge's volumes and ENGLP's billed volumes.[9]

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

OEB staff had no concerns with the proposed disposition methodology.

In its application, ENGLP initially proposed to allocate the UFGVA balance based on actual 2021-2024 volumes. In response to interrogatories, ENGLP proposed to allocate the UFGVA balance based on CIP 2020-2024 volumes.[10] ENGLP proposed to use CIP volumes, as the majority of the existing deferral accounts have been allocated based on values in the original application.[11] ENGLP proposed to use 2020-2024 volumes as this was the accumulation period of the UFGVA balance.[12]

OEB staff submitted that allocation based on 2020-2024 actual volumes is most appropriate as this period aligns with the accumulation timeframe of the UFGVA balance. Also, actual volumes provide a more accurate representation of customer contributions to the account balance than CIP volumes, which are forecast-based and may not reflect actual usage patterns.

In its reply submission, ENGLP noted no objection to OEB staff's recommendation on the allocation methodology and accordingly, submitted updated tariff sheets.

Findings

The OEB approves ENGLP's proposed rate rider for the UFGVA credit balance (including interest) of $91,343. The OEB agrees with OEB staff's recommendation to allocate the balance based on 2020-2024 actual volumes which ENGLP agreed to in its reply submission.

<u>Storage and Transportation Variance Account for Rates 1, 6 & 11 (S&TVA) - CNG</u>

Compressed natural gas (CNG) has been used by ENGLP to mitigate low-pressure issues on its system since 2024. The staff report on the 2024 Annual Update for

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[9] Interrogatory Responses, October 31, 2025, OEB Staff- 15a
[10] Interrogatory Responses, October 31, 2025, OEB Staff- 2h
[11] EB-2018-0264
[12] Interrogatory Responses, October 31, 2025, OEB Staff- 2h

Southern Bruce (2023-2025) Gas Supply Plan consultation[13] recommended that ENGLP include an analysis and cost comparison on the usage of CNG and other viable options in the 2026 Custom IR application. This recommendation was accepted by the OEB. Accordingly, ENGLP filed the analysis in this proceeding. ENGLP proposed to implement CNG as the permanent solution to its pressure issues and to recover costs accrued due to CNG via the S&TVA.

ENGLP's analysis consisted of six options. After the viability analysis, it was found that four options were viable, one of which was injecting compressed natural gas (CNG) into the system for 2.5 months during the fall season (CNG option).

ENGLP's analysis concluded that the CNG option provided the lowest NPV ($5.3M) amongst the options analyzed. ENGLP concluded that it should continue to monitor CNG because as time passes, more data will accumulate, allowing further justification of this option or potentially point to revisiting another option.

All the costs associated with this CNG option are proposed to be recovered through the S&TVA with the exception of the commodity cost that the CNG producer pays to Enbridge, which is recovered through the quarterly rate mechanism adjustment (QRAM).[14]

OEB staff noted that the most recent QRAM[15] decision was approved on an interim basis, pending a decision in the current proceeding, on the analysis of options to alleviate low-pressure issues experienced in Southern Bruce.

OEB staff submitted that ENGLP sufficiently conducted an analysis of the options to alleviate its low-pressure issues. OEB staff submitted that CNG is the most appropriate option and therefore charges requested to be disposed of in the S&TVA are appropriate. OEB staff submitted that it is appropriate for ENGLP to dispose of the CNG costs proposed for recovery through the QRAM, on a final basis. OEB staff submitted that should ENGLP be approved for use of CNG and if ENGLP continues to utilize CNG in future years, it should monitor this option along with the others, and complete another analysis of the options with updated parameters, as part of its next rebasing application.

In ENGLP's reply submission, ENGLP indicated that it intends to continue to monitor the usage and costs of CNG, and will benefit from collecting data over multiple years.

[13] EB-2024-0139
[14] Interrogatory Responses, October 31, 2025, OEB Staff- 13d
[15] EB-2025-0264

ENGLP indicated it will use this information in its next rebasing and the accompanying Utility System Plan. ENGLP also noted that the OEB will remain informed to CNG volumes and costs through QRAM and Custom IR updates, should continued use be approved.

Findings

The OEB approves the disposition of S&TVA-CNG debit balance to be recovered through the S&TVA and final approval for the commodity cost that the CNG producer pays to Enbridge to be recovered through QRAM on a final basis. The OEB is satisfied that ENGLP properly evaluated pressure alternatives that culminated in the adoption of the CNG option. The OEB, however, agrees with OEB staff's recommendation that ENGLP should continue to monitor the CNG option along with potential other options and provide an updated analysis as part of its next rebasing application.

<u>Storage and Transportation Variance Account for Rates 1, 6 & 11 (S&TVA) – Initial Disposition</u>

ENGLP requested initial disposition of the S&TVA.

The S&TVA records the difference between actual total Upstream Costs (Transportation and Storage Costs, and Upstream Recovery Costs) and the Upstream Charges (Transportation and Storage Charges, and Upstream Recovery Charges) that are included in rates, for all customers in Rates 1, 6 and 11. This account is to ensure that upstream costs are treated as a flow-through to customers.

The S&TVA is divided into two segments: Transportation and Storage, and Upstream Recovery.

The Transportation and Storage segment relates to transportation, storage, nomination, gas supply administration and compressed natural gas (CNG). Costs in these categories are offset by revenue collected using ENGLP's approved transportation and storage rate.

ENGLP has set its Upstream Recovery charges so as to defer the recovery of a portion of the Upstream Recovery costs related to the CIAC paid to Enbridge Gas/Union Gas for the Owen Sound Transmission Reinforcement and the Dornoch Meter and Regulator Station, and the additional capacity ENGLP was required to contract with Enbridge Gas/Union Gas initially in order to provide service to its customer base in future years.

The Upstream Recovery charges are offset by revenue collected using ENGLP's approved upstream revenue rate.

In response to interrogatories, ENGLP explained that accounting errors and truing up led to incorrect revenue and charges recorded in the account.

In response to interrogatories, ENGLP updated its continuity schedule for the S&TVA to include system gas fuel costs.

Consistent with the accounting order, ENGLP calculated carrying charges using the OEB-approved interest rate for long-term debt (3.72%[16]), as the balance of this account was proposed to be disposed over a long-term period (remaining life of 30-year upstream transportation contract).

ENGLP proposed to allocate the Transportation and Storage segment based on CIP throughput volumes by rate class for 2019-2028. In response to interrogatories, ENGLP explained that ENGLP Southern Bruce typically used an allocation to be consistent with ENGLP's 2019-2028 rates application [17] (ECVA/CIACVA/MTVA etc.). ENGLP indicated they proposed the cumulative 10-year values due to the longer accumulation and recovery of this deferral account compared to a traditional deferral account with an annual disposition.

ENGLP proposed to allocate the Upstream Recovery segment based on Enbridge CIAC rate base. In response to interrogatories, ENGLP indicated it proposed this allocation as this segment of the deferral account is intended to recover the costs related to the Enbridge CIAC, which is a capital cost, and capture any related variances (along with the deferral).[18] ENGLP noted this was chosen as it is consistent with the original rate design in ENGLP's 2019-2028 rates application[19].

In response to interrogatories, ENGLP confirmed the S&TVA balance was intended to be disposed of once the amounts recovered via approved charges surpassed the costs and revenue requirements incurred.[20] ENGLP indicated that this account is being disposed of for the first time, due to the main construction of the Southern Bruce project concluding, load forecast and connections stabilizing and the balance of the account

[16] EB-2018-0264, Exhibit 5, Tab 1, Schedule 1, Tables 5-1, April 11, 2019, Pages 1 of 2
[17] EB-2018-0264
[18] Interrogatory Responses, October 17, 2025, OEB Staff- 4h
[19] EB-2018-0264
[20] Interrogatory Responses, October 17, 2025, OEB Staff- 3

remaining in a shortfall.[21] ENGLP indicated that it anticipates requesting updates to the storage/transportation and upstream charges in next year's filing, after the initial disposition of this account.[22]

Consistent with the accounting order, ENGLP proposed to collect the balance in this account over the remaining life of the 30-year upstream transportation contract with Enbridge Gas. ENGLP proposed to collect the balance, over 299 months (remaining life of Enbridge contract), from rate classes 1, 6 and 11 based on the 2026 forecast volumes.

In response to interrogatories, ENGLP stated the proposed recovery period that extends beyond the incentive rate-setting mechanism period (ending December 31, 2028) is appropriate as it considers this account to be a capital deferral, and the treatment is similar to that of a capital recovery (or rate base addition), which is recovered over a longer period of time, exceeding the incentive rate-setting mechanism period.[23] ENGLP noted that the recovery of these costs is being partially deferred as, in order to ensure that it can provide service to a rapidly growing customer base, ENGLP contracted for a capacity greater than that required to provide service initially.[24] Deferral of a portion of those costs allows ENGLP to allocate costs more closely with the customers that will require this capacity.[25]

OEB staff submitted that disposition of the S&TVA at this time is appropriate. OEB staff submitted that the proposed carrying charge calculation methodology is appropriate as it is aligned with the accounting order, approved in ENGLP's rates application for 2019 to 2028.[26] OEB staff submitted that the proposed allocation method for the Transportation and Storage segment is appropriate as it follows the pattern of using allocation methods based on the 10-year custom IR application.[27] OEB staff submitted that the 10-year values used in allocation are appropriate as the balance has accumulated over several years. OEB staff submitted it assessed ENGLP's comparison of allocation methods provided in interrogatories[28] and was of the view that the difference in allocation when using a shorter-term period (2019-2024), opposed to the proposed 2019-2028 period, is immaterial. OEB staff submitted that the proposed

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[21] ibid
[22] ibid
[23] Interrogatory Responses, October 17, 2025, OEB Staff- 5a
[24] ibid
[25] ibid
[26] EB-2018-0264, Draft Rate Order Addendum, December 11, 2019, pgs. 7-8
[27] Interrogatory Responses, October 17, 2025, OEB Staff- 4h
[28] Interrogatory Responses, October 17, 2025, OEB Staff- 4i

allocation method for the Upstream Recovery segment is appropriate as it is consistent with the original rate design.[29] OEB staff submitted that implementing a rate rider exceeding the incentive rate-setting mechanism period is inappropriate as it would prevent proper adjudication of this matter in the next rebasing. OEB staff submitted that amortizing the balance of the S&TVA over a long period to calculate the rate rider is appropriate, as it appears to be a capital deferral. However, OEB staff submitted that the effective date of the proposed rate rider should expire at the end of the incentive rate-setting mechanism period (December 31, 2028) and that ENGLP can re-apply to extend the rate rider term in its next rebasing proceeding, should it wish to.

In its reply submission, ENGLP indicated concern with OEB staff's recommendation to limit the rate rider term to the incentive rate-setting mechanism period. ENGLP stated that while it does not object to revisiting the rate rider structure at the next rebasing, requiring re-application for the same balance would be redundant and administratively inefficient. ENGLP stated that adjudication of the account balance is occurring now and therefore, a second application should not be required for disposition and recovery.

Findings

The OEB approves the amortization of the initial balance accrued as of year-end 2024 over approximately 25 years. The OEB approves the allocation methodology for the Transportation and Storage segment as it follows the pattern of using allocation methods based on the 10-year custom IR application, further the 10-year values used in allocation are appropriate as the balance accumulated over several years. The OEB approves the allocation method for the Upstream Recovery segment as it is consistent with the original rate design. The OEB agrees with OEB staff's recommendation that the rate rider be revisited at ENGLP's next rebasing application as it would be inappropriate for this Decision to bind a future OEB panel for a subsequent incentive rate-setting mechanism term.

[29] EB-2018-0624, Exhibit 7, Tab 1, Schedule 2, Table 7-24 - Enbridge CIAC Rate Base

Storage and Transportation Variance Account for Rates 1, 6 & 11 (S&TVA) – Future Years

For future years, ENGLP proposed recovering an equal portion of the 2024 balance annually, until November 30, 2050 (end of Enbridge contract) and recalculating the rate rider annually as customer volumes may fluctuate over the long duration of recovery.

For the future, ENGLP proposed to dispose of the S&TVA on an annual basis, consistent with the accounting order. The proposed annual disposition is equivalent to the annual total along with the appropriate share of the initial disposition included.

ENGLP proposed to track the recovery in a separate sub-account in the existing Approved Deferral and Variance Account Disposition Account (ADVADA).

In response to interrogatories, ENGLP proposed a hybrid approach to calculating carrying charges. For the Upstream Recovery segment, ENGLP proposed to use the long-term debt rate of 3.72% and for the Transportation and Storage segment, the prescribed interest rate posted on the OEB's website which is approved in the generic cost of service decision and order.[30] ENGLP stated that it is appropriate to use the long-term debt rate for the initial disposition for both elements of the deferral account, but since there is no additional deferral element of the transportation and storage amounts, it makes sense to apply similar treatment given to ENGLP Aylmer's Purchased Gas Transportation Variance Account (PGTVA) towards the Transportation and Storage segment going forward. OEB staff noted that carrying charges for the PGTVA are calculated using the OEB's prescribed interest rate.[31]

In response to interrogatories, for future years, ENGLP proposed to allocate the Storage and Transportation segment of the account based on actual consumption in that year.[32] ENGLP stated this is consistent with the approach used by ENGLP's Aylmer operations for allocation of the PGTVA account.[33] ENGLP proposed to allocate the Upstream Recovery segment using the same approach proposed for the disposition of the 2024 balance[34], as this segment of the account is tied to capital investment required for upstream reinforcement and less connected to actual consumption.[35]

[30] Interrogatory Responses, October 17, 2025, OEB Staff- 5d
[31] EB-2025-0177, Application, pg. 21
[32] Interrogatory Responses, October 17, 2025, OEB Staff- 5
[33] EB-2025-0177, Application, Page 24, July 23, 2025.
[34] EB-2018-0624, Exhibit 7, Tab 1, Schedule 2, Table 7-25 - Enbridge CIAC Rate Base)
[35] Interrogatory Responses, October 17, 2025, OEB Staff- 5e

OEB staff submitted that annual recalculation of the rate-rider and the proposed recalculation methodology are appropriate, with the exception of the carrying charge methodology.

OEB staff noted that the proposed hybrid approach may have some merits on its own, given that the proposed hybrid approach seeks to align the treatment of upstream and transportation/storage components with their respective recovery timelines. OEB staff noted the carrying charge approach (i.e., long-term debt rate) on this variance account was approved in ENGLP's last rebasing application and has been applied consistently since then. Furthermore, based on the quantification of the two methods provided by ENGLP in its response to the follow-up interrogatories[36], OEB staff noted the difference in carrying charges between these two methods will likely remain immaterial over the coming years. OEB staff submitted that ENGLP should continue applying the approved long-term debt rate for future years until its next rebasing application, to allow all parties to review and assess any proposed changes, including the hybrid approach, in a comprehensive manner at that time.

OEB submitted that the proposed allocation methodology for the Upstream Recovery segment is appropriate since it is the same as the proposed methodology for the 2024 balance of the account. OEB staff submitted that the proposed allocation methodology for the Transportation and Storage segment is appropriate as there is no additional deferral element to the transportation and storage amounts, and that this account is set up similar to ENGLP's Aylmer's PGTVA and as such should be treated similarly.

In its reply submission, ENGLP supported OEB staff's recommendation to apply the long-term debt rate as it aligns with the accounting order.

Findings

The OEB approves the methodology for clearance of the S&TVA for subsequent years as recommended by OEB staff and supported by ENGLP in its reply submission.

[36] OEB Staff.16- S&TVA and TVA Interest Rates - Hybrid approach, Question d)

Storage and Transportation Variance Account for Rates 1, 6 & 11 (S&TVA) - Approved Deferral and Variance Account Disposition Account (ADVADA)

ENGLP proposed to track the recovery of the S&TVA in a separate sub-account in the existing Approved Deferral and Variance Account Disposition Account (ADVADA).

In response to interrogatories, ENGLP indicated that based on the accounting order[37] and nature of recovery, it is appropriate to use the ADVADA for the purposes proposed here.[38] ENGLP noted that it intends to apply for a share of recovery of the S&TVA 2024 balance annually. As a result, the S&TVA continuity schedule would reflect a full recovery annually to allow for the continued reduction of the balance over the remaining period. ENGLP stated that it is open to direction from the OEB should there be a more suitable option for recovery and tracking.

In response to interrogatories, ENGLP indicated it intends to bring forward its initial disposition of the ADVADA in next year's custom IR update filing.[39]

OEB staff submitted it is appropriate for ENGLP to track the recovery of the S&TVA in the ADVADA, as the accounting order prescribes usage of the ADVADA in the manner ENGLP has proposed with respect to the S&TVA.

Findings

The OEB approves tracking the recovery of the S&TVA through the ADVADA as proposed by ENGLP.

Transportation Variance Account for Rate 16 (TVA) – Initial Disposition

ENGLP requested initial disposition of the TVA.

The TVA is to record the difference between actual total Upstream Costs (Transportation Costs, and Upstream Recovery Costs) and the Upstream Charges (Upstream Recovery Charges and Transportation Charges) that are included in rates, for all customers in Rate 16. This account is to ensure that upstream costs are treated as a flow-through to customers.

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[37] EB-2021-0216, Decision and Order, Schedule B Page 26, December 9, 2021
[38] Interrogatory Responses, October 31, 2025, OEB Staff- 5g
[39] Interrogatory Responses, October 31, 2025, OEB Staff- 5c

The TVA is divided into two segments: Transportation and Upstream Recovery.

The Transportation segment relates to transportation and nomination. Costs in these categories are offset by revenue collected using ENGLP's approved transportation rate.

ENGLP has set its Upstream Recovery Charges so as to defer the recovery of a portion of the Upstream Recovery Costs related to the CIAC paid to Enbridge Gas/Union Gas for the Owen Sound Transmission Reinforcement and the Dornoch Meter and Regulator Station, and the additional capacity ENGLP was required to contract with Enbridge Gas/Union Gas initially in order to provide service to its customer base in future years.

The Upstream Recovery charges are offset by revenue collected using ENGLP's approved upstream revenue rate.

In response to interrogatories, ENGLP indicated that high transportation charges to the TVA were due to an additional charge from Enbridge as part of their 2023 earning sharing mechanism[40].

In responses to interrogatories, ENGLP identified an accounting error that resulted in an unusually high recorded revenue amount. ENGLP accordingly updated the TVA continuity schedule and DVA workbook to correct this error.[41]

In response to interrogatories, ENGLP updated its continuity schedule for the TVA to include system gas fuel costs.[42] As a result, ENGLP provided updated bill impacts, DVA workbook and tariffs.

Consistent with the accounting order[43], ENGLP calculated carrying charges using the OEB-approved interest rate for long term debt (3.72%[44]) as the balance of this account was proposed to be disposed over a long-term period.

ENGLP proposed to allocate the Upstream Recovery segment based on Enbridge CIAC rate base[45] resulting in the entire balance being allocated to rate 16 customers.

In response to interrogatories, ENGLP confirmed the TVA balance was intended to be disposed of once the amounts recovered via approved charges surpassed the costs

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[40] Interrogatory Responses, October 17, 2025, OEB Staff- 12c
[41] Interrogatory Responses, October 17, 2025, OEB Staff- 12d
[42] Interrogatory Responses, October 17, 2025, OEB Staff- 3a
[43] Application, pg. 98
[44] EB-2018-0264, Exhibit 5, Tab 1, Schedule 1, Tables 5-1, April 11, 2019, Pages 1 of 2
[45] EB-2018-0264, Exhibit 7, Tab 1, Schedule 2, Table 7-25 - Enbridge CIAC Rate Base

and revenue requirements incurred.[46] ENGLP indicated that this account is being disposed of for the first time, due to the main construction of the Southern Bruce project concluding, load forecast and connections stabilizing and the balance of the account remaining in a shortfall.[47]

Inconsistent with the accounting order, ENGLP proposed to collect the balance in this account over 119 months (remaining life of the 15-year contracts with Rate 16 customers).

In response to interrogatories, ENGLP stated the proposed recovery period, that extends beyond the incentive rate-setting mechanism period (ending December 31, 2028) is appropriate as they consider this account to essentially be a capital deferral, and the treatment is similar to that of a capital recovery (or rate base addition), which is recovered over a longer period of time, exceeding the incentive rate-setting mechanism period.[48] ENGLP noted that the deferred recovery of these costs is being partially deferred as, in order to ensure that it can provide service to a rapidly growing customer base, ENGLP contracted for a capacity greater than that required to provide service initially.[49] Deferral of a portion of those costs allows ENGLP to allocate costs more closely with the customers that will require this capacity.[50] ENGLP noted that a recovery period over the remaining contracts of the Rate 16 Customers is appropriate to ensure these customers are paying for their share of the upstream deferral. ENGLP stated that while it has no information to indicate that it would not provide natural gas to these customers beyond the 15-year contracts, recovery over the remaining contract term reduces the risk of other rate classes having to be responsible for these amounts beyond this point.[51]

OEB staff submitted that disposition of the TVA at this time is appropriate. OEB staff submitted that the proposed carrying charge calculation methodology is appropriate as it is aligned with the accounting order, approved in ENGLP’s rates application for 2019 to 2028.[52] OEB staff submitted that the proposed allocation method is appropriate as the balance solely relates to rate 16 customers. OEB staff submitted that implementing a rate rider exceeding the incentive rate-setting mechanism period is inappropriate as it

[46] Interrogatory Responses, October 17, 2025, OEB Staff- 6a 6b and 3e
[47] ibid
[48] Interrogatory Responses, October 17, 2025, OEB Staff- 6c
[49] ibid
[50] ibid
[51] ibid
[52] EB-2018-0264, Draft Rate Order Addendum, December 11, 2019, pgs. 7-8

would prevent proper adjudication of this matter in the next rebasing. OEB staff submitted that amortizing the balance of the TVA over a long period to calculate the rate rider is appropriate, as it appears to be a capital deferral. OEB staff submitted that the effective date of the proposed rate rider should expire at the end of the incentive rate-setting mechanism period (December 31, 2028) and that ENGLP can re-apply to extend the rate rider term in its next rebasing proceeding, should it wish to do so.

In its reply submission, ENGLP indicated concern with OEB staff's recommendation to limit the rate rider term to the incentive rate-setting mechanism period. ENGLP stated that while it does not object to revisiting the rate rider structure at the next rebasing, requiring re-application for the same balance would be redundant and administratively inefficient. ENGLP stated that adjudication of the account balance is occurring now and therefore, a second application should not be required for disposition and recovery.

Findings

The OEB finds that it is appropriate to allocate the TVA – Rate 16 balance to Rate 16 customers for cost causality reasons. The OEB finds that the TVA balance of $470,330 (inclusive of interest) was appropriately calculated and approves the TVA rate rider for Rate 16 as proposed by ENGLP but limits the approval to the December 31, 2028 end of the current incentive rate-setting mechanism term. It would be inappropriate for this Decision to bind a future panel adjudicating ENGLP's next rebasing application.

Transportation Variance Account for Rate 16 (TVA) – Future Years

For future years, ENGLP proposed recovering an equal portion of the 2024 balance annually, until November 19, 2035 (end of Rate 16 customer contracts). ENGLP proposed recalculating the rate rider annually as customer contract demand may fluctuate over the long duration of recovery.

For the future, ENGLP proposed to dispose of the TVA on an annual basis, consistent with the accounting order. The proposed annual disposition is equivalent to the annual total along with the appropriate share of the initial disposition included. OEB staff noted that the treatment of this account is similar to the proposed treatment for the S&TVA.

ENGLP proposed to track the recovery in a separate sub-account in the existing Approved Deferral and Variance Account Disposition Account (ADVADA).

In response to interrogatories, ENGLP proposed a hybrid approach to calculating carrying charges. For the Upstream Recovery segment, ENGLP proposed to use the long-term debt rate of 3.72% and for the Transportation segment, the prescribed interest rates posted on the OEB's website which is approved in the generic cost of service decision and order.[53] ENGLP stated that it is appropriate to use the long-term debt rate for the initial disposition for both elements of the deferral account, but since there is no additional deferral element of the transportation amounts, it makes sense to apply similar treatment given to ENGLP Aylmer's Purchased Gas Transportation Variance Account (PGTVA) towards the transportation and storage segment, going forward. OEB staff noted that carrying charges for the PGTVA are calculated using the OEB's prescribed interest rate[54].

OEB staff submitted that annual recalculation of the rate-rider and the proposed recalculation methodology are appropriate, with the exception of the carrying charge methodology.

Given that the long-term debt rate has already been approved and is being used consistently and the difference in carrying charges is expected to remain immaterial during this period, OEB staff submitted that ENGLP should continue applying the approved long-term debt rate for future years until its next rebasing application. This will allow all parties to review and assess any proposed changes, including the hybrid approach, in a comprehensive manner at that time.

OEB staff submitted that the allocation methodology is appropriate, in that the entirety of the balance is allocated to Rate 16 customers, as this account solely pertains to them.

Findings

The OEB finds that it is appropriate to allocate future TVA – Rate 16 balances to Rate 16 customers for cost causality reasons. The associated rate rider is to be calculated as modified by OEB staff's recommendation for the carrying charge methodology.

[53] Interrogatory Responses, October 17, 2025, OEB Staff- 6d
[54] EB-2025-0177, Application, pg. 21

Transportation Variance Account for Rate 16 (TVA) – Approved Deferral and Variance Account Disposition Account (ADVADA)

ENGLP proposed to track the recovery of the TVA in a separate sub-account in the existing Approved Deferral and Variance Account Disposition Account (ADVADA).

In response to interrogatories, ENGLP indicated that based on the accounting order[55] and nature of recovery, it is appropriate to use the ADVADA for the purposes proposed here.[56] ENGLP stated that it is open to direction from the OEB should there be a more suitable option for recovery and tracking.

In response to interrogatories, ENGLP indicated it intends to bring forward its initial disposition of the ADVADA in next year's custom IR update filing.[57]

OEB staff submitted it is appropriate for ENGLP to track the recovery of the TVA in the ADVADA, as the accounting order prescribes usage of the ADVADA in the manner ENGLP has proposed with respect to the TVA.

Findings

The OEB approves tracking the recovery of the TVA through the ADVADA as proposed by ENGLP.

[55] EB-2021-0216, Decision and Order, Schedule B Page 26, December 9, 2021
[56] Interrogatory Responses, October 31, 2025, OEB Staff- 5g
[57] Interrogatory Responses, October 31, 2025, OEB Staff- 5c

4 IMPLEMENTATION

In response to interrogatories, ENGLP indicated that delivery bill impacts in this application do not divide Rate 1 – residential into "New Residential" and "Existing Residential", as was done in previous applications, due to completion of the Southern Bruce Expansion project. ENGLP indicated it is experiencing more consistent load profile than in previous years, where customers would sign up at various points of the year, contributing to a variable annual usage amount. ENGLP indicated that consistent with the incentive rate-setting mechanism filings of its Aylmer rate zone, annual volumes used to determine bill impacts are now based on annual consumption. Previously, volumes used to determine bill impacts were based on CIP projections. ENGLP indicated this change, using actual volumes produces a more accurate presentation of customer usage and a more realistic estimate of what customer could anticipate as ENGLP is now in a steady state of operations.[58]

OEB staff submitted that ENGLP's proposed changes to bill impact calculations are appropriate.

ENGLP filed draft rate schedules with the Application for rates effective on January 1, 2026. ENGLP used the latest OEB-approved inflation factor and the 2025 third quarter's prescribed interest rate (2.91%) in its 2025 fourth quarter (Q4) for calculating interest charges. The OEB updated its 2025 Q4 prescribed interest rate to 2.91%.[59]

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 the projected Q4 interest rate used by ENGLP is identical to the published Q4 interest rate.

ENGLP subsequently filed updated draft rate schedules with its reply submission to account for updated allocation methodology for the UFGVA, to align with OEB staff's recommendations in its submission.

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

[58] Interrogatory Responses, October 31, 2025, OEB Staff- 8
[59] OEB- Approved Prescribed Interest Rates

Findings

The OEB approves ENGLP's proposed changes to its bill impact calculations and agrees with ENGLP's rationale that using actual volumes produces a more accurate representation of customer usage. 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 the projected Q4 interest rate is the same as the OEB published Q4 interest rate.

5 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The Rate Schedules set out in Schedule A are approved on a final basis effective January 1, 2026.

2. ENGLP should continue to monitor the CNG option along with the potential other options to alleviate pressure issues, and provide an updated analysis as part of its next rebasing application.

3. 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 8, 2025

ONTARIO ENERGY BOARD

Ritchie Murray

Digitally signed by Ritchie Murray
Date: 2025.12.08 13:44:45 -05'00'

Ritchie Murray
Acting Registrar

SCHEDULE A

RATE ORDER

EPCOR NATURAL GAS LIMITED PARTNERSHIP (SOUTHERN BRUCE)

EB-2025-0178

DECEMBER 8, 2025

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^3 per year.

Rate

Rates per m3 assume an energy content of 38.89MJ/m^3

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

Monthly Fixed Charge [(1)]	$29.57	
Delivery Charge		
First 100 m^3 per month	30.6018	¢ per m^3
Next 400 m^3 per month	29.9990	¢ per m^3
Over 500 m^3 per month	29.1129	¢ per m^3
Upstream Charges		
Upstream Recovery charge	1.4740	¢ per m^3
Transportation and Storage charge	2.6982	¢ per m^3
Rate Rider for Delay in Revenue Recovery - effective for 10 years ending December 31, 2028	1.6330	¢ per m^3
ECVA Rate Rider - effective for 12 months ending December 31, 2026	0.1794	¢ per m^3
CIACVA Rate Rider - effective for 12 months ending December 31, 2026	2.0743	¢ per m^3
MTVA Rate Rider - effective for 12 months ending December 31, 2026	(0.4139)	¢ per m^3
ORDA Rate Rider - effective for 12 months ending December 31, 2026	(0.2478)	¢ per m^3
CVVA Rate Rider - effective for 12 months ending December 31, 2026	$8.53	Per month
UFGVA Rate Rider - effective for 12 months ending December 31, 2026	(0.1630)	¢ per m^3
S&TVA Rate Rider - effective for 12 months ending December 31, 2026	1.1569	¢ per m^3

Gas Supply Charge	18.8887	¢ per m^3

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

Direct Purchase Delivery

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

Terms and Conditions of Service

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

Effective: January 1, 2026
Implementation: All bills rendered on or after January 1, 2026
EB-2025-0178

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^3 per year.

Rate

Rates per m^3 assume an energy content of 38.89MJ/m^3

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

Monthly Fixed Charge [(1)]	$117.49	
Delivery Charge		
First 1000 m^3 per month	28.2309	¢ per m^3
Next 6000 m^3 per month	25.4079	¢ per m^3
Over 7000 m^3 per month	24.1373	¢ per m^3
Upstream Charges		
Upstream Recovery charge	2.9200	¢ per m^3
Transportation and Storage charge	5.6413	¢ per m^3
Rate Rider for Delay in Revenue Recovery - effective for 10 years ending December 31, 2028	0.9090	¢ per m^3
ECVA Rate Rider - effective for 12 months ending December 31, 2026	0.1949	¢ per m^3
CIACVA Rate Rider - effective for 12 months ending December 31, 2026	2.6496	¢ per m^3
MTVA Rate Rider - effective for 12 months ending December 31, 2026	(0.6861)	¢ per m^3
ORDA Rate Rider - effective for 12 months ending December 31, 2026	(0.2007)	¢ per m^3
CVVA Rate Rider - effective for 12 months ending December 31, 2026	$26.03	Per month
UFGVA Rate Rider - effective for 12 months ending December 31, 2026	(0.1575)	¢ per m^3
S&TVA Rate Rider - effective for 12 months ending December 31, 2026	1.5659	¢ per m^3

Gas Supply Charge	18.8887 ¢ per m^3

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

Direct Purchase Delivery

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

Terms and Conditions of Service

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

Effective: January 1, 2026
Implementation: All bills rendered on or after January 1, 2026
EB-2025-0178

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^3.

Rate

Rates per m3 assume an energy content of 38.89MJ/m^3

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

Monthly Fixed Charge (1)	$233.99	
Delivery Charge		
All volumes delivered	17.5362	¢ per m^3
Upstream Charges		
Upstream Recovery charge	0.0352	¢ per m^3
Transportation and Storage charge	1.8166	¢ per m^3
Rate Rider for Delay in Revenue Recovery	0.5524	¢ per m^3
- effective for 10 years ending December 31, 2028		
ECVA Rate Rider	0.1031	¢ per m^3
- effective for 12 months ending December 31, 2026		
CIACVA Rate Rider	0.4372	¢ per m^3
- effective for 12 months ending December 31, 2026		
MTVA Rate Rider	(0.1135)	¢ per m^3
- effective for 12 months ending December 31, 2026		
ORDA Rate Rider	(0.0662)	¢ per m^3
- effective for 12 months ending December 31, 2026		
UFGVA Rate Rider	(0.1973)	¢ per m^3
- effective for 12 months ending December 31, 2026		
S&TVA Rate Rider	0.4799	¢ per m^3
- effective for 12 months ending December 31, 2026		
Gas Supply Charge	18.8887	¢ per m^3

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

Unaccounted for Gas (UFG):

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

Forecasted Unaccounted for Gas Percentage	0.00	%

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	17.9151	¢ per m^3

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	429.0039	¢ per m^3

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

Nominations:

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

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

The nomination calculation shall equal:

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

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

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

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

Load Balancing:

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

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

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

Direct Purchase Delivery:

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

Terms and Conditions of Service

1. In any year, during the period of May 1 through December 15 inclusive, the customers shall receive continuous ("**Firm**") service from EPCOR, except where impacted by events as specified in EPCOR Natural Gas Limited Partnership Southern Bruce Natural Gas Operations Conditions of Service including force majeure. During the period of December 16 through April 30 inclusive, any authorized overrun service shall be interruptible at the sole discretion of EPCOR. All service during the period December 16 through April 30 inclusive shall be subject to EPCOR's prior authorization under the daily nomination procedures outlined in this Rate Schedule and shall constitute Overrun Gas.

2. To the extent that EPCOR's Upstream Service Provider provides any seasonal or day-to-day balancing rights for EPCOR, the customer shall be entitled to a reasonable proportion of such balancing rights as determined by EPCOR from time to time. If the customer utilizes any of EPCOR's seasonal or day-to-day balancing services or any other services available

from the Upstream Service Provider, the customer agrees to comply with all balancing requirements imposed by the Upstream Service Provider. The customer also agrees to be liable for its share of any such usage limitations or restrictions, fees, costs or penalties associated with the usage of such services, including but not limited to any associated storage fees, daily or cumulative balancing fees or penalties, and gas commodity costs as determined by EPCOR, acting reasonably.

3. EPCOR receives upstream services under the Union Gas Limited M17 Rate Schedule. Details of this upstream arrangement and associated nomination standards and Load Balancing Arrangement are available at www.uniongas.com.

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

Effective: January 1, 2026
Implementation: All bills rendered on or after January 1, 2026
EB-2025-0178

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^3.

Rate

Rates per m^3 assume an energy content of 38.89MJ/m^3

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

Monthly Fixed Charge [(1)]	$1,713.12	
Delivery Charge		
Per m^3 of Contract Demand	116.8506	¢ per m^3
Upstream Charges		
Upstream Recovery charge per m^3 of Contract Demand	14.2434	¢ per m^3
Transportation charge per m^3 of Contract Demand		
Transportation from Dawn	18.2999	¢ per m^3
Transportation from Kirkwall	11.8480	¢ per m^3
Transportation from Parkway	11.8480	¢ per m^3
Rate Rider for Delay in Revenue Recovery	0.0601	¢ per m^3
- effective for 10 years ending December 31, 2028		
CIACVA Rate Rider	4.5364	Per m^3 of Contract Demand per month
- effective for 12 months ending December 31, 2026		
MTVA Rate Rider	(1.0891)	Per m^3 of Contract Demand per month
- effective for 12 months ending December 31, 2026		
ORDA Rate Rider	(0.1501)	Per m^3 of Contract Demand per month
- effective for 12 months ending December 31, 2026		
UFGVA Rate Rider	(6.0355)	Per m^3 of Contract Demand per month
- effective for 12 months ending December 31, 2026		
TVA Rate Rider	4.1246	Per m^3 of Contract Demand per month
- effective for 12 months ending December 31, 2026		

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

Unaccounted for Gas:

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

Forecasted Unaccounted for Gas Percentage	0.00	%

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	5.5982	¢ per m^3

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	429.1142	¢ per m^3

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

Nominations:

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

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

The nomination calculation shall equal:

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

Customers may change daily nominations based on the nomination windows within a day as defined by EPCOR's agreement with the Upstream Service Provider.
In the event nominations under this Rate Schedule do not match upstream nominations, the nomination will be confirmed at the upstream value.

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

Load Balancing:

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

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

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

Gas Supply:

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

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

The Gas Supply calculation shall equal:

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

Terms and Conditions of Service

1. EPCOR receives upstream services under the Union Gas Limited M17 Rate Schedule. Details of this upstream arrangement and associated nomination standards, applicable Fuel Ratio, and Load Balancing Arrangement are available at www.uniongas.com.

2. The provisions in the "EPCOR Natural Gas Limited Partnership General Terms and Conditions for Rate 16 Customers" apply, as contemplated therein, to service under this Rate Schedule.

Effective: January 1, 2026
Implementation: All bills rendered on or after January 1, 2026
EB-2025-0178

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, 2026
Implementation: All bills rendered on or after January 1, 2026
EB-2025-0178

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 (effective rate of 0.04896% compounded daily)
21		
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