SECTION 6.0

Rate Design

6.0 Rate Design

EGNB completes a rate design exercise for every rate application and attempts to balance the cost of service modelling and constraints provided by the competitive marketplace. The results can be found in the following schedules:

- Schedule 6.1 – Black & Veatch Report
- Schedule 6.2 – Rate Schedules 2020

SCHEDULE 6.1

Black & Veatch Report

2020 RATE APPLICATION

Rate Design

BLACK & VEATCH PROJECT NO. 196965

PREPARED FOR

Enbridge Gas New Brunswick (EGNB)

1 AUGUST 2019

Contents

Rate Design

Enbridge Gas New Brunswick ("EGNB") continues to operate as a start-up utility facing numerous unique challenges as compared to traditional gas Local Distribution Companies ("LDCs"). One of those challenges is found in addressing cost of service and rate design within the variety of constraints posed by the extent of EGNB's competitive markets, legislation and the regulatory compact. To understand the rate design proposals presented by EGNB in this application, it is necessary to begin with a discussion of the current constraints and how they interact to adversely limit the range of rate design options. This evidence consists of three sections: Section One: Background on Rate Design, Section Two: Rate Design Tools and Section Three: Proposed Rate Design for 2020.

Section One: Background on Rate Design

To understand the background on EGNB's rate design, this section begins with the utility industry concept of the regulatory compact, as has been discussed in EGNB's rate applications for the last several years. The regulatory compact can be summarized as a series of rights and obligations that represent the implied contractual relationship between the regulated utility and the regulatory authority.

Table 1
Regulatory Compact – Obligations and Rights

OBLIGATIONS	RIGHTS
Obligation to serve.	Right to a reasonable return.
Provide safe and reliable service.	The provision of service is subject to reasonable rates, rules and regulations.
Charge non-discriminatory rates.	Receive protection from competition.
Charge just and reasonable rates.	Right of eminent domain.

None of these obligations are unlimited in the sense that the terms of service and rules and regulations place limits on the extent of the utility's obligations through such activities as line extension policies or policies related to shutting off utility service to customers for non-payment. As the list in Table 1 illustrates, there are significant rights and obligations related to the issue of rate design. The obligations under the regulatory compact to provide non-discriminatory rates and to charge just and reasonable rates are imposed by the regulatory authority through the rate case process. Similarly, the rates approved by regulation must satisfy three rights. First, the rates approved must provide the utility with a reasonable opportunity to earn a return on its investment, i.e. the reasonable return standard. Second, the rates need to be reasonable including the ability to recover the utility's revenue requirement and to produce residual revenues after prudently incurred costs sufficient to reward shareholders for the risk of the investment and to allow the utility to attract capital on reasonable terms. Third, the rates must allow the utility to provide competitive services at competitive prices while still satisfying the two previous rights. EGNB has the difficult task of proposing rates that protect these rights while, at the same time, satisfying legislative mandates.

Where some customers have competitive options, the regulator is not relieved of the obligation to allow the utility an opportunity to earn the allowed return through rates that in total recover the cost of service including a reasonable return. Essentially, this means that the rate revenues from competitive customers plus the rate revenues from captive customers must equal the utility's total revenue requirement or the total cost of service.

The issue of reasonable rates for customers who have no economic option to taking service from the utility is neither new nor novel. The concept has been discussed in economics literature and in regulatory decisions under several different descriptive terms such as "Constrained Market Prices" ("CMP") or "Constrained Differential Pricing." These concepts have been applied in many regulatory settings. For example, the U.S. Interstate Commerce Commission, the predecessor regulatory agency to the U.S. Surface Transportation Board, discussed the concept of CMP as a basis for establishing reasonable rates for captive shippers. In doing so they established three clear standards for assessing a reasonable level of rates: (1) revenue adequacy for the company; (2) management efficiency for the service provided; and (3) the Stand-Alone Cost ("SAC") test.[1] These three tests represent fundamental rights and obligations of the utility that must be preserved by the regulator. The rates proposed in this application satisfy these three principles. One, they are designed to produce the proposed revenue requirement presented by EGNB. Two, EGNB's management has been efficient in finding practical and cost-effective ways to moderate its total revenue requirement while maintaining a safe and reliable gas distribution system. Finally, EGNB's proposed rates meet the SAC Test since the gas distribution rates for any single class of customers (i.e., an individual rate class) do not exceed the SAC of providing utility service to that class. Where that test is not satisfied for an individual customer, EGNB has proposed a mechanism to allow them to reduce rates to the competitive level to retain customers because even within a class, customers may have different competitive constraints.

[1] SAC refers to the cost of a service if the service were provided alone, exclusive of other services. When two or more services share costs jointly or in common, the removal of all services but one from the mix would still entail the service incurring these joint or common costs. The SAC is the sum of directly attributable costs of a service, and the joint or common costs the service shares with others.

In providing additional benefits and savings to some rate classes as just explained above, other customers must make up for the shortfall in EGNB's total revenue requirement which serves to impose additional risks on other classes of service. In this case, EGNB's larger Mid General Service customers have also reached the competitive price ceiling.

Significantly, since EGNB's current rates are primarily volumetrically based, the utility has a greatly diminished opportunity to earn its allowed rate of return. This occurs because rates are designed on normal weather and the utility's forecast of test year volumes may or may not be achieved in the initial year new rates are implemented. As actual weather varies from normal weather, EGNB's return is either higher than allowed when weather is colder than normal or lower than allowed when weather is warmer than normal. The result of attempting to recover a significant level of fixed costs through a utility's volumetric rates is a reduced level of revenue stability that makes capital attraction difficult.

This ratemaking challenge is made more pronounced by the ability of customers to switch from gas to an alternate fuel on a short-term basis to avoid periods of high commodity charges associated with market-based gas commodity charges and the fluctuating prices of competitive fuels. More recently, we have seen very low propane prices and increased supplies in Atlantic Canada where natural gas prices are relatively high creating a good market and financial margin for propane. This has resulted in hundreds of customers in New Brunswick and Nova Scotia switching from utility regulated natural gas to propane which is lightly regulated.

Historically, EGNB had available a revenue deficiency deferral account that made it financially indifferent to weather, forecast error and competitive forces in the energy marketplace. Changes in regulation have eliminated this type of ratemaking mechanism that is widely used in other jurisdictions so that EGNB is now adversely impacted by both the competitive realities in the New Brunswick market and the significant volumetric based recovery of fixed costs. However, legislation now allows for the establishment of variance accounts subject to the approval of the New Brunswick Energy and Utilities Board ("Board"). Ultimately, EGNB is faced with the challenge of constrained optimization for recovery of its revenue requirement such that significant changes must occur in the definitions of rate classes and the design of rates in the future.

The competitive market issues arise in other classes of service as the propane alternative has become economic for some customers. The issues differ from class to class and the economics of alternative fuels are very different. For example, oil and propane require onsite storage and payment on delivery whereas gas and electricity utility services are delivered as needed and payment is in arrears. In particular, the cost of propane has become a viable competitive option for EGNB's

MGS and LGS rate classes necessitating that they also must be managed within that additional constraint.

Section Two: Rate Design Tools

In this section, the specific rate design tools available to EGNB are discussed. Essentially, EGNB uses a combination of customer, demand and volumetric charges to recover its total revenue requirement approved by the Board. For EGNB's smaller customers, only customer and volumetric charges are practical based on its current metering technology. Further, there is a limit to the level of the customer charge in rate design before it drives away customers who use small amounts of gas in a month. In other words, raising the customer charge to promote revenue stability and a closer tracking of costs would result in exceeding the competitive price ceiling for a group of low use customers. The reason is quite simple in that spreading a high monthly customer charge over very few GJs of annual gas use results in charges that exceed the cost of the customer's energy alternative(s).

The competitive effect on the smallest customers in a rate class precludes EGNB from continuing to propose large increases in the monthly customer charge to benefit revenue recovery even though doing so would reduce the intraclass subsidies associated with volumetric rates. Although EGNB's proposed 2020 rate design includes an increase to the SGS monthly customer charge of $2.00 per month, increases to this charge in future years will have to be reviewed closely to determine the appropriate balance between customer impact considerations and fixed cost recovery. If future increases in the monthly customer charge are insufficient to enable recovery of EGNB's customer-related costs, then –the only available option for EGNB is to increase its volumetric charges thereby decreasing its revenue stability over time. Where demand charges are available, the utility cannot increase demand charges at will because doing so creates potential adverse impacts on low load factor customers in the class. It is necessary to review each of these important issues for each rate design proposal that EGNB brings forward to the Board. EGNB has worked diligently to design new rates that manage these constraints and, at the same time, to increase fixed cost recovery through fixed charges.

There are numerous other rate design and ratemaking tools in use in Canada and the U.S. that have been approved by regulators to provide a better opportunity for regulated utilities to earn their allowed rate of return on investment. These tools rely on deferral or variance accounts that adjust rates on a periodic basis for changes in specific costs. These tools are necessary to address a variety of costs or revenues that are wholly or partially beyond the control of utility management. There is a long-established regulatory practice of allowing flow-through treatment of the unpredictable and uncontrollable costs of a utility so that customers are charged through rates only the actual costs of service and there are no windfall gains or losses to the utility.

For EGNB to remain a viable utility in the face of the conflicting constraints described earlier, its “rate design tool kit” must include more creative and effective ratemaking options that can help provide a sound financial footing for EGNB in the future. EGNB requires greater rate flexibility that can only come from legislative changes and from the Board encouraging the adoption of innovative ratemaking options[2] to address both the utility’s total revenue requirement and the rate flexibility needed to operate in the unique competitive energy environment in the Province.

More specifically, EGNB is requesting Board approval of a variance account for the amount of deemed income taxes which may occur in 2021 and subsequent years. The general objective that EGNB is seeking to achieve with this request is the stabilization of its rates over time to ensure that the impact of income taxes does not result in immediate and significant changes to customers’ rates. As such, EGNB is proposing to defer rate recovery of its deemed income tax expense for a two-year period 2021 and 2022. This treatment of a one-time increase in a utility’s expenses is a ratemaking approach widely accepted by utility regulators to enable the smoothing out of unusually large, one-time expenses over a multi-year period.

An example of these types of expenses are the rate case expenses of a utility which can be significant for some utilities, but often not incurred on a regular basis. These expenses are allowed to be deferred and amortized over a subsequent multi-year period to ensure the rate impact to the utility’s customers is sufficiently moderated to avoid an abrupt increase in rates. In the U.S., utilities operating in states like Maryland and Minnesota have received regulatory approval to implement this type of ratemaking treatment of rate case expenses.[3]

Section Three: Proposed Rate Design for 2020

The rate design process begins with the allocation of the utility’s total revenue requirement among the various classes of service (i.e., its rate classes). Since some rate classes are above the Revenue-to-Cost Ratio derived in EGNB’s cost of service study and others are below, the first step in the rate design process is to determine the market constraint on rates as it relates to EGNB’s cost of service-based revenue requirement. Table 2 below compares the cost of service revenue requirement to the budgeted distribution revenue after rate design.

[2] See Section 6.0 of EGNB’s December 21, 2018 Application (Black & Veatch’s evidence) in Matter No. 398 which provides a wide range of such ratemaking mechanisms approved by regulators in Canada and the U.S. and the types of costs they address.

[3] For example, the Maryland Public Service Commission approved the deferred treatment and amortization over a three-year period of the rate case expenses of Baltimore Gas and Electric Company in Case No. 9498 (Order No. 88975 issued on January 4, 2019); and the Minnesota Public Utilities Commission approved similar ratemaking treatment for the rate case expenses of Northern States Power Company (Xcel Energy) in Docket No. E002/GR-15-826 (Order issued on June 12, 2017).

Although the customer charge has been increased by $2.00 per month and the volumetric rate has been increased by $0.47 per GJ, the SGS rates continue to be set below cost. After adjusting for the excess earnings mechanism of $1.5 million as legislated, the remaining rate classes other than SGS are set. MGS rates are now also being set below costs because of the intense competitive pressures from propane. The other rate classes have seen rate decreases sufficient to recover the remainder of the revenue requirement and continue to recover their indicated costs.

Table 2
Comparison of Cost of Service Distribution Revenue to Cost of Service Revenue Requirement by Class of Service

	SGS	MGS	LGS	CGS	ICGS	OPS
Distribution rates revenue	8,234,726	13,703,479	11,692,166	5,532,482	5,685,426	151,339
COS Revenue Requirement (RR)	12,810,935	15,945,690	8,229,056	5,100,634	4,426,404	55,957
Revenue to Cost Ratio	64%	86%	142%	108%	128%	270%

The dollar changes in Table 3 below produce the target increase or decrease for the class revenue requirement found in the total revenue line for each rate class. This lower revenue requirement is indicative of management's commitment to efficient operations, prudent cost savings in addition to the 2018 revenue sharing results.

Table 3
Revenue Increase and Percent Change by Rate Class

	SGS	MGS	LGS	CGS	ICGS	OPS
Dollar Change	298,372	(713,926)	(1,966,101)	630,563	(677,623)	378
Percent Change	4%	-5%	-14%	13%	-11%	0%
Total Revenue	8,234,726	13,703,479	11,692,166	5,532,482	5,685,426	151,339

These decreases are also reflective of the fact that EGNB's 2018 earnings have exceeded 12.9%, and Section 52.03(2)(b)(ii)(B) of the Gas Distribution Act, 1999 ("GDA") requires EGNB to share half of that excess with customers in the amount of $1.569 million. This is explained in detail in the letter that EGNB sent to the Board dated June 18, 2019.[4]

[4] Regarding Matter 443: Review of Enbridge Gas New Brunswick's (EGNB) 2018 Financial Results - Sharing Mechanism Proposal.

The concept of graduated customer charges has been approved in the past by the Board and EGNB has recommended the continued use of graduated customer charges where costs differ based on the size of the customer. In particular, meter costs generally increase as the size of the customer increases. Graduated customer charges track those increases in cost. In addition, where customer charges recover less than the full customer-related costs, the level of the initial rate block charge should be higher than that of the second block, as is the case once again under EGNB's proposal.

PROPOSED CHANGES TO RATES

EGNB's definition of all rate classes remains the same and they continue to use the same rate design components approved by the Board in prior rate cases.

SGS Rate Class

EGNB's rate design proposal recognizes that only a minor increase to the fixed charge for SGS customers is warranted and that for other classes further increases in fixed charges is not practical because of the bill impact on low use customers within the class as the monthly customer charge would begin to force smaller customers to leave EGNB's gas system. As such, the SGS customer charge is proposed to increase by $2.00 per month and the volumetric charge is proposed to increase while allowing the rate to remain cost competitive and favorable against electricity prices.

MGS and LGS Rate Classes

As the MGS and LGS rate classes are more strongly affected by the extreme pricing pressures of propane, more rate components have been adjusted. With respect to the MGS rate class, EGNB's proposal is to maintain the same monthly customer charge as under current rates and to decrease the volumetric charges in both Blocks 1 and 2. With respect to the LGS class, a reduction to Block 1 and Winter Block 2 has been proposed to improve the class' competitiveness against propane; while the proposal is to maintain the same monthly customer charge as under current rates

CGS, ICGS, and OPS Rate Classes

The various volumetric charge components have been held constant or decreased for these other rate classes, where possible, to provide a more favorably competitive situation against other fuels yet still meet the class revenue requirement. For the CGS and ICGS rate classes, there is a proposed reduction to the Winter block charge. The Block 1 rate for the OPS rate class is proposed to decrease as well.

EGNB believes that this comprehensive approach to addressing rate design produces rates that are just and reasonable.

Rate Design Elements and Monthly Charges

Rate Class	Min (Monthly Demand Peak)	Max (Monthly Demand Peak)	Customer Charge ($/month)	Demand Charge ($/GJ)
Small General Service	-	-	20.00	n/a
Mid-General Service (who do not qualify for SGS)	-	<250 GJ	For customers with max. consumption up to 60 GJs/ month: 20.00 For customers with max. consumption greater than 60 GJs/month: 50.00	n/a
Large General Service	250 GJ	n/a	For customers with max. consumption up to 650 GJs/ month: 275.00 For customers with max. consumption greater than 650 GJs/month: 375.00	n/a
Contract General Service	1,000 GJ	<10,000 GJ	n/a	19.00
Industrial Contract General Service	10,000 GJ	-	3,300.00	25.56
Off-Peak	n/a	n/a	50.00	n/a

A copy of the rate schedules is provided in Schedule 6.1 – Rate Schedules 2020.

SCHEDULE 6.2

Rate Schedules 2020

RATE CLASS

SGS **SMALL GENERAL SERVICE**

APPLICABILITY

Small General Service (SGS) Rate is applied to any Applicant using EGNB's Distribution System to have a supply of natural gas delivered to a single Terminal Location served through one meter. Service under this Rate Schedule is limited to the following:

- Dwellings: a private suite of rooms used for living purposes in which the occupants have access to all rooms
- Dwelling out buildings
- Individually gas metered, self-contained dwelling units within an apartment building.

RATE	
Monthly Distribution Customer Charge:	
$ per billing month	20.00
Monthly Distribution Delivery Charge:	
For all volumes delivered per billing month ($ per GJ)	10.490

The rates quoted above shall be subject to adjustments that reflect all taxes including HST.

Minimum Monthly Charge:
The minimum monthly charge shall be the Monthly Distribution Customer Charge.

Minimum Annual Charge:
None.

Term of Service:
One year with automatic annual renewal unless the Applicant notifies EGNB not less than 30 days prior to the annual roll over date and not more than 180 days prior to such date that service is to be discontinued.

Terms and Conditions of Service:
The provisions of EGNB's Handbook of Rates and Distribution Services and the applicable Distribution Service Agreement apply to service under this Rate Schedule.

Effective Date:
To apply to all bills rendered for natural gas delivered on and after January 1, 2020.

RATE CLASS
MGS **MID-GENERAL SERVICE**

APPLICABILITY

Mid-General Service (MGS) Rate is applied to any Applicant using EGNB's Distribution System to have a supply of natural gas delivered to a single Terminal Location served through one meter. Service under this Rate Schedule is limited to non-SGS eligible Applicants with consumption less than 250 GJs per month who do not qualify for SGS.

RATE	
Monthly Distribution Customer Charge:	
For Customers with maximum consumption up to 60 GJs per month ($ per month)	20.00
For Customers with maximum consumption greater than 60 GJs per month ($ per month)	50.00
Monthly Distribution Delivery Charge:	
For the first 100 GJs delivered per billing month ($ per GJ)	11.3875
For volumes delivered in excess of 100 GJs per billing month ($ per GJ)	7.6865

The rates quoted above shall be subject to adjustments that reflect all taxes including HST.

Minimum Monthly Charge:
The minimum monthly charge shall be the Monthly Distribution Customer Charge.

Minimum Annual Charge:
None.

Term of Service:
One year with automatic annual renewal unless the Applicant notifies EGNB not less than 30 days prior to the annual roll over date and not more than 180 days prior to such date that service is to be discontinued.

Terms and Conditions of Service:
The provisions of EGNB's Handbook of Rates and Distribution Services and the applicable Distribution Service Agreement apply to service under this Rate Schedule.

Effective Date:
To apply to all bills rendered for natural gas delivered on and after January 1, 2020.

RATE CLASS

LGS **LARGE GENERAL SERVICE**

APPLICABILITY

Large General Service Rate is applied to any Applicant using EGNB's Distribution System to have a supply of natural gas delivered to a single Terminal Location served through one meter. Service under this Rate Schedule is limited to Applicants with a maximum consumption of 250 GJs or greater per month.

RATE	
Monthly Distribution Customer Charge:	
For Customers with maximum consumption up to 650 GJs per month ($ per month)	275.00
For Customers with maximum consumption greater than 650 GJs per month ($ per month)	375.00
Monthly Distribution Delivery Charge:	
For the first 250 GJs delivered per billing month ($ per GJ)	8.5445
For volumes delivered in excess of 250 GJs per billing month ($ per GJ)	
- between September 1 and April 30	6.3865
- between May 1 and August 31	2.5037

The rates quoted above shall be subject to adjustments that reflect all taxes including HST.

Minimum Monthly Charge:
The minimum monthly charge shall be the Monthly Distribution Customer Charge.

Minimum Annual Charge:
The minimum annual charge will be imposed in the event the Applicant does not consume the qualifying maximum monthly consumption specified in the applicability criteria for the Large General Service class. The Customer will be charged the difference between the actual annual distribution charges (customer or demand and delivery) billed and the amount that would have been billed under the Mid-General Service class, plus 5%.

Term of Service:
One year with automatic annual renewal unless the Applicant notifies EGNB not less than 30 days prior to the annual roll over date and not more than 180 days prior to such date that service is to be discontinued.

Terms and Conditions of Service:
The provisions of EGNB's Handbook of Rates and Distribution Services and the applicable

Distribution Service Agreement apply to service under this Rate Schedule.

Effective Date:

To apply to all bills rendered for natural gas delivered on and after January 1, 2020.

RATE CLASS
CGS **CONTRACT GENERAL SERVICE**

APPLICABILITY

Contract General Service (CGS) Rate is applied to any Applicant using EGNB's Distribution System to have a supply of natural gas delivered to a single Terminal Location served through one meter. Service under this Rate Schedule is limited to Applicants with a maximum consumption of at least 1,000 GJs per month and less than 10,000 GJs per month who enter into a Distribution Service Agreement with EGNB for a Contract Demand of not less than 36 GJs per day.

RATE	
Monthly Distribution Delivery Charge:	
Contract Demand Charge per GJ of Contract Demand ($ per GJ)	19.00
For volumes delivered ($ per GJ)	
- between September 1 and April 30	5.7225
- between May 1 and August 31	1.9066

The rates quoted above shall be subject to adjustments that reflect all taxes including HST.

Billing Demand:
The Billing Demand shall be the Contract Demand. However, in the event that any Applicant exceeds such Contract Demand during any contract year, Applicant's actual maximum daily demand shall be the Billing Demand for the entire applicable contract year. The Applicant will be charged, and shall pay, accordingly for both prospective use and for use since the beginning of the then current contract term. Authorized Overrun will not institute application of this ratchet provision.

Minimum Monthly Charge:
The minimum monthly charge shall be the Monthly Distribution Delivery Demand Charge.

Minimum Annual Charge:
None.

Term of Service:
One year with automatic annual renewal unless the Applicant notifies EGNB not less than 30 days prior to the annual roll over date and not more than 180 days prior to such date that service is to be discontinued.

Terms and Conditions of Service:
The provisions of EGNB's Handbook of Rates and Distribution Services and the applicable Distribution Service Agreement apply to service under this Rate Schedule.

Effective Date:
To apply to all bills rendered for natural gas delivered on and after January 1, 2020.

Special Metering Provision:
For Applicants taking service under this Rate Schedule, EGNB shall install metering and communication devices, which will provide EGNB with hourly and daily consumption data.

RATE CLASS

ICGS INDUSTRIAL CONTRACT GENERAL SERVICE

APPLICABILITY

Industrial Contract General Service (ICGS) Rate is applied to any Applicant using EGNB's Distribution System to have a supply of natural gas delivered to a single Terminal Location served through one meter. Service under this Rate Schedule is limited to Applicants with a maximum consumption of at least 10,000 GJs per month who enter into a Distribution Service Agreement with EGNB for a Contract Demand of not less than 360 GJs per day.

RATE	
Monthly Distribution Customer Charge:	
$ per billing month	3,300.00
Monthly Distribution Delivery Charge:	
Contract Demand Charge per GJ of Contract Demand ($ per GJ)	25.56
For volumes delivered ($ per GJ)	
- between September 1 and April 30	1.6215
- between May 1 and August 31	0.9375

The rates quoted above shall be subject to adjustments that reflect all taxes including HST.

Billing Demand:
The Billing Demand shall be the Contract Demand. However, in the event that any Applicant exceeds such Contract Demand during any contract year, Applicant's actual maximum daily demand shall be the Billing Demand for the entire applicable contract year. The Applicant will be charged, and shall pay, accordingly for both prospective use and for use since the beginning of the then current contract term. Authorized Overrun will not institute application of this ratchet provision.

Minimum Monthly Charge:
The minimum monthly charge shall be the Monthly Distribution Delivery Demand Charge and Monthly Distribution Customer Charge.

Minimum Annual Charge:
None.

Term of Service:
One year with automatic annual renewal unless the Applicant notifies EGNB not less than 30 days prior to the annual roll over date and not more than 180 days prior to such date that service is to be discontinued.

Terms and Conditions of Service:
The provisions of EGNB's Handbook of Rates and Distribution Services and the applicable Distribution Service Agreement apply to service under this Rate Schedule.

Effective Date:
To apply to all bills rendered for natural gas delivered on and after January 1, 2020.

Special Metering Provision:
For Applicants taking service under this Rate Schedule, EGNB shall install metering and communication devices, which will provide EGNB with hourly and daily consumption data.

RATE CLASS

OPS **OFF-PEAK SERVICE**

APPLICABILITY

Off-Peak Service (OPS) Rate is applied to any Applicant using EGNB's Distribution System to have a supply of natural gas delivered to a single Terminal Location served through one meter for the months of April through November.

RATE	
Monthly Distribution Customer Charge:	
$ per billing month	50.00
Monthly Distribution Delivery Charge:	
For the volumes delivered per billing month ($ per GJ)	5.7205

The rates quoted above shall be subject to adjustments that reflect all taxes including HST.

Minimum Monthly Charge:
The minimum monthly charge shall be the Monthly Distribution Customer Charge.

Minimum Annual Charge:
None.

Seasonal Overrun Charge:
Any volume of natural gas consumed during the months of December through March inclusively will be subject to a Seasonal Overrun Charge of $10 per GJ in addition to the rates applicable to this service.

Term of Service:
One year with automatic annual renewal unless the Applicant notifies EGNB not less than 30 days prior to the annual roll over date and not more than 180 days prior to such date that service is to be discontinued.

Terms and Conditions of Service:
The provisions of EGNB's Handbook of Rates and Distribution Services and the applicable Distribution Service Agreement apply to service under this Rate Schedule.

Effective Date:
To apply to all bills rendered for natural gas delivered on and after January 1, 2020.

RATE CLASS
AGENT BILLING AND COLLECTION

APPLICABILITY

Agent Billing and Collection Rates are available to any Service Provider using EGNB's billing and/or collection services.

RATE	
Monthly Agent Billing and Collection Charge:	
Payable by Service Provider for each SGS Customer ($ per bill)	1.47
Payable by Service Provider for each MGS Customer ($ per bill)	2.54
Payable by Service Provider for each LGS Customer ($ per bill)	5.92
Monthly Agent Billing Charge:	
Payable by Service Provider for each CGS Customer ($ per bill)	4.85
Payable by Service Provider for each ICGS Customer ($ per bill)	4.85
Payable by Service Provider for each OPS Customer ($ per bill)	4.85
Monthly Line Item Billing Charge:	
Any Additional Line Item Charge ($ per line per bill)	0.86

The rates quoted above shall be subject to adjustments that reflect all taxes including HST.

Terms and Conditions of Service:
Each Service Provider served under this Rate Schedule shall enter into a Collection Service Agreement with EGNB. The provisions of the Collection Service Agreement apply to service under this Rate Schedule.

The Agent Billing and Collection Service includes collection risk, set-up and maintenance functions required to perform billing and collection of the Service Provider's Recurring Charges on EGNB's monthly invoice for Distribution Services.

The Agent Billing Service includes set-up and maintenance functions required to perform billing of the Service Provider's Recurring Charges on EGNB's monthly invoice for Distribution Services. While EGNB will perform some collection functions, EGNB does not take on the Service Provider's collection risk with this service.

The Line Item Billing Service includes set-up and maintenance functions required to perform billing of the Service Provider's Recurring Charge(s) on EGNB's monthly invoice for Distribution Services. While EGNB will perform some collection functions, EGNB does not take on the Service Provider's collection risk with this service.

Effective Date:
To apply to Billing and Collection Services rendered on and after January 1, 2020.