

EPCOR Natural Gas Limited Partnership

2019 Federal Carbon Pricing Program Application

PROCEDURAL ORDER NO. 1

May 1, 2019

EPCOR Natural Gas Limited Partnership (EPCOR Natural Gas) has applied to the OEB for approval under section 36(1) of the *Ontario Energy Board Act, 1998* to increase rates to recover costs associated with meeting its obligations under the federal *Greenhouse Gas Pollution Pricing Act* (GGPPA).

The GGPPA establishes a federal carbon pricing program (FCPP) under which EPCOR Natural Gas is required to pay the Government of Canada for the use of natural gas by both EPCOR Natural Gas (Facility Carbon Charge) and its customers (Customer Carbon Charge).

The OEB issued a Notice of Hearing on April 8, 2019. The Building Owners and Managers Association, Greater Toronto (BOMA) applied for intervenor status and cost eligibility.

While not opposing the intervention request, EPCOR Natural Gas filed a letter of comment stating that it expects BOMA will make best efforts to participate responsibly in the proceeding by avoiding duplication between this application and Enbridge Gas Inc.'s 2019 Federal Carbon Pricing Program Application proceeding¹. The letter of comment also requests that BOMA apply an appropriate degree of proportionality to its intervention in this application.

The OEB denies BOMA's request for intervenor status. As set out in Rule 22 of the OEB's [*Rules of Practice and Procedure*](#), a person applying for intervenor status must satisfy the OEB that he or she has a substantial interest in the proceeding in which they seek to be an intervenor. Although BOMA's intervention request states that it represents over 800 Ontario Property and Facility Owners, Managers, Developers, Leasing Agents, and Commercial Real Estate Professionals, BOMA has not confirmed in its intervention

¹ EB-2018-0205.

request that any of its members are customers of EPCOR Natural Gas. Therefore, EPCOR Natural Gas' customers should not be required to pay for BOMA's participation. Based on BOMA's intervention request, the OEB is not satisfied that BOMA has a substantial interest in this proceeding.

This procedural order further sets out the scope of the proceeding, along with the filing dates for interrogatories and submissions.

Scope of the Proceeding

EPCOR Natural Gas is seeking recovery from its customers of the Facility Carbon Charge (i.e., EPCOR Natural Gas will pay the Federal Carbon Charge on its company-use volumes) and the Customer Carbon Charge, as well as tracking its administration costs related to the FCPP.

The OEB has determined that the scope of this proceeding will be limited to considering recovery of EPCOR Natural Gas' costs related to the FCPP and the presentation of the carbon charges on customers' natural gas bills.

In this proceeding, the OEB will not be considering as an issue for adjudication whether there are additional measures that EPCOR Natural Gas should undertake to reduce either customer-related or facility-related greenhouse gas (GHG) emissions.²

The OEB notes that the FCPP is relatively new and has been subject to amendments and updates. Any consideration of new initiatives by EPCOR Natural Gas to reduce GHG emissions would need to take into account the final aspects of the FCPP and any other government programs.

In this application, the OEB has approved the following accounts on an interim basis: a Greenhouse Gas Emissions Administration Deferral Account, a Federal Carbon Charge – Customer Variance Account and a Federal Carbon Charge – Facility Variance Account³. This proceeding will determine whether final approval will be granted for these accounts. In doing so, the OEB will only consider whether the deferral and variance accounts meet the tests set out in the *Filing Requirements for Natural Gas Rate Applications*, that is: Causation, Materiality and Prudence.⁴

² In the OEB's [Interim Decision and Accounting Order](#), the OEB determined that it will consider the comments of stakeholders and submissions of parties prior to making a determination on any new charges and related bill presentation issues.

³ [Interim Decision and Accounting Order](#), April 1, 2019, page 5.

⁴ *Filing Requirements For Natural Gas Rate Applications*, February 16, 2017, page 38.

The OEB will not be approving the forecast administration costs in this proceeding. Those costs would be subject to a review for prudence upon disposition.

Interrogatories and Submissions

At this time, provision is being made for written interrogatories and written submissions.

It is necessary to make provision for the following matters related to this proceeding. The OEB may issue further procedural orders from time to time.

IT IS THEREFORE ORDERED THAT:

1. OEB staff shall request any information and material from EPCOR Natural Gas that is in addition to EPCOR Natural Gas' evidence and that is relevant to the hearing by written interrogatories filed with the OEB by **May 15, 2019**.
2. EPCOR Natural Gas shall file with the OEB complete written responses to the interrogatories by **May 31, 2019**.
3. EPCOR Natural Gas shall file its Argument-in-Chief by **June 14, 2019**.
4. OEB staff shall file any responding submissions by **June 24, 2019**.
5. EPCOR Natural Gas shall file any reply submissions by **July 5, 2019**.

All filings to the OEB must quote the file number, EB-2019-0101 and be made electronically in searchable/unrestricted PDF format through the OEB's web portal at <https://pes.ontarioenergyboard.ca/eservice/>. Two paper copies must also be filed at the OEB's address provided below. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.oeb.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a USB memory stick in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Michael Bell at Michael.Bell@oeb.ca and OEB Counsel, Lawren Murray at Lawren.Murray@oeb.ca.

ADDRESS

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DATED at Toronto, May 1, 2019

ONTARIO ENERGY BOARD

By delegation, before: Christine E. Long

Original signed by

Christine E. Long
Registrar
Office of the Registrar