

BY E-MAIL

May 9, 2019

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: EPCOR Natural Gas Limited Partnership
2016-2018 Cap and Trade-related Deferral and Variance Accounts
Ontario Energy Board File Number: EB-2018-0331**

In accordance with Procedural Order No. 4, please find attached OEB staff's public interrogatories related to the above noted proceeding.

In addition to the enclosed interrogatories that OEB staff is filing on the public record of this proceeding, OEB staff has also submitted interrogatories to EPCOR Natural Gas Limited Partnership (EPCOR) with respect to strictly confidential information seeking further details on information and evidence filed by EPCOR that has been designated as strictly confidential.

Yours truly,

Original signed by

Laurie Klein
Policy Advisor, Application Policy & Climate Change

OEB STAFF PUBLIC INTERROGATORIES

EPCOR Natural Gas Limited Partnership Cap and Trade-related Deferral and Variance Accounts EB-2018-0331

May 9, 2019

Staff IR-1

Topic: Cap and Trade Charges

Ref: p. 5

Preamble:

In Table 1, EPCOR Natural Gas Limited Partnership (EPCOR) indicates that its net balance in the cap and trade deferral and variance accounts includes interest of \$2,623 calculated as of April 30, 2019.

Also, Table 1 includes the Greenhouse Gas Emissions Impact Deferral Account (GGEIDA) balances pertaining to 2016.

The OEB, in its Decision and Order¹ on page 38, directed EPCOR² to establish a GGEIDA to track its administrative costs, effective January 1, 2017.

Questions:

- a) Please provide interest calculated as at September 30, 2019.
- b) Given the OEB's Decision and Order, please remove the 2016 actual costs in the GGEIDA and update all relevant tables.
- c) Please complete the following table:

Account	2017	2018 Jan 1-Jul 3	2018 Jul 4-Sep 30	2018 Oct – Dec	Total
GGEIDA					
GGEICO – Customer- Related					
GGEICO – Facility- Related					
Total					

¹ EB-2016-0296 / EB-2016-0300 / EB-2016-0330

² Formerly, Natural Resource Gas Limited

Staff IR-2

Topic: Cap and Trade Deferral and Variance Account Disposition

Ref: pp. 6-7 and p. 26 (Appendix C)

Preamble:

EPCOR states that it proposes to dispose the cap and trade-related deferral and variance accounts over an 8-month period from May 1, 2019 to December 31, 2019.

In Table 2, page 7, EPCOR outlines its forecast volume used to calculate its unit rate for prospective recovery / (refund).

Questions:

- a) Please explain why EPCOR is proposing an 8-month period to dispose of the cap and trade-related deferral and variance account balances.
 - i. If the balances were disposed of starting October 1, 2019, please explain how this would impact EPCOR's proposal.

Staff IR-3

Topic: Appendix A – GGEIDA

Ref: p.13-15

Preamble:

EPCOR outlines its monthly expenses in its cap and trade GGEIDA.

Questions:

- a) Based on its 2017 monthly admin expenses outlined on pages 13-15, please summarize EPCOR's 2017 actual costs in the sub-categories outlined in the table below.

Please include EPCOR's 2017 cost forecasts (as per its 2017 cap and trade compliance plan). If additional sub-categories are required, please modify and complete the table.

	Forecast 2017 Costs	Actual 2017 Costs
Salaries and Wages		
Consulting		
External Legal Counsel		
Revenue Requirements on Capital Costs		
Outreach and Education		
OEB Costs		
Interest		
Other		
Total		\$125,188

- i. For EPCOR's 2017 actual costs in relation to its salaries and wages, please identify the number of FTEs.
 - ii. If there is a variance between 2017 forecast vs. actual costs, please explain the reasons for the difference.
- b) Based on its 2018 monthly expenses outlined on pages 13-15, please summarize EPCOR's 2018 actual costs in the sub-categories outlined in the table below.

Please include EPCOR's 2018 cost forecasts (as per its 2018 cap and trade compliance plan). If additional sub-categories are required, please modify and complete the table.

		Actual 2018 Costs			
	Forecast 2018 Costs	Pre-Revocation (Jan 1 – Jul 3)	Post-Revocation Jul 4 – Sep 30	Oct - Dec	Total
Salaries and Wages					
Consulting					
External Legal Counsel					
Revenue Requirements on Capital Costs					
Outreach and Education					
OEB Costs					

		Actual 2018 Costs			
	Forecast 2018 Costs	Pre- Revocation (Jan 1 – Jul 3)	Post- Revocation Jul 4 – Sep 30	Oct - Dec	Total
Interest					
Other					
Total					\$117,972

- i. For EPCOR's 2018 actual costs in relation to its salaries and wages, please identify the number of FTEs.
- ii. If there is a variance between 2018 forecast vs. actual costs, please explain the reason for the difference.
- iii. Given that the Ontario Regulation 144/16, *The Cap and Trade Program* was repealed³, please explain why EPCOR was incurring administrative expenses related to external legal counsel during September to December 2018 as outlined on pages 14 and 15.

Staff IR-4

Topic: 2017 and 2018 GGECO – Customer Related and Facility-Related

Ref: pp. 16-17; and p. 24 and p. 26 (Appendix C)

Preamble:

On pages 16-17, EPCOR outlines its GHG variance accounts for customer-related and facility-related obligation costs.

On page 24 EPCOR outlines how it allocated its balances in the customer-related and facility-related variance accounts. EPCOR also noted in a footnote that total cost allocated to each rate class is in proportion to historical volumes.

On page 26, EPCOR outlines how it allocated its actual annual volume to each of its rate classes for 2017 and 2018.

³ Ontario Regulation 386/18, *Prohibition Against the Purchase, Sale and Other Dealings with Emission Allowances and Credits*, section 2.

Questions:

- a) Please provide similar tables as Enbridge Gas Distribution Rate Zone, Exhibit D, Tab 1, Appendix A, Schedules 1-6, pp. 1-6 (EB-2018-0205) that clearly outline the variance between actual vs forecast volumes, any under/over collections (i.e., the difference between what was collected through rates and actual costs) and the associated unit rates.
- b) On page 26, please confirm that the first table (actual volumes – Rate 1 to Rate 5) excludes EPCOR's Large Final Emitter (LFE).
 - i. On page 26, please confirm that the second table (actual volumes – Rate 1 to Rate 5) includes EPCOR's LFE.

Staff IR-5

Topic: 2017 and 2018 GGECO – Customer Related and Facility-Related

Ref: pp. 16-17; and p. 24 and p. 26 (Appendix C)

Preamble:

On pages 16-17, EPCOR outlines its GHG variance accounts for customer-related and facility-related obligation costs.

Questions:

- a) Please complete the table below:

GGECO – Customer-related	2017	2018			Total
Account Details		Jan 1 – Jul 3	Jul 4 – Sept 30	Oct-Dec	
Obligation Cost Variance					
Deferral Interest					
Balance					

- b) Please complete the table below:

GGECO – Facility-related	2017	2018			Total
Account Details		Jan 1 – Jul 3	Jul 4 – Sept 30	Oct-Dec	
Obligation Cost Variance					
Deferral Interest					
Balance					

- c) Please explain what “purchased credit allocation (97.1%)” means for customer-related? Please explain how this number was calculated.
- d) Please explain what “purchased credit allocation (2.9%)” means for facility-related? Please explain how this number was calculated.