



Staff.1 - Administration

Reference:

Preamble:

Questions:

- a) Please confirm that the customer notice will be posted on the company's website.
- b) When does EPCOR expect to file its 2021 Custom IR update?

Responses:

- a) Confirmed.

- b) EPCOR expects to file its 2021 Customer IR update in QIII, 2020.



Staff.2 - Attachments

Reference:

Preamble: *EPCOR indicated that initial customer connections is forecast to be in late second quarter of 2020*

Questions:

- a) In light of the Owen Sound/M17 decision¹ and Ontario's declaration of emergency due to COVID-19², please provide an updated customer attachment forecast for each of residential, commercial and industrial customers in 2020.
- b) On April 16, 2020, the OEB issued a letter to all rate regulated electric distributors in 2020 IRM (see attached letter). In light of this, has EPCOR considered seeking a deferral for the 2020 annual increase given that the in-service date may overlap with the COVID-19 emergency period?

Responses:

- a) EPCOR anticipates that these events will impact its customer attachment rate. EPCOR is in the process of updating its customer attachment forecast for the Southern Bruce utility as part of its updated Gas Supply Plan. This Plan will be filed with the OEB by June 15, 2020.
- b) EPCOR is considering seeking a deferral for the 2020 annual increase. Given that the letter referenced is directed at electricity distributors, EPCOR intends to confirm with the OEB how such a deferral could be implemented.

¹ EB-2019-0183

² <https://news.ontario.ca/opo/en/2020/04/ontario-extends-declaration-of-emergency-to-continue-the-fight-against-covid-19.html>



Staff.3 – Effective Date

Reference:

Preamble: *EPCOR is proposing an effective date of January 1, 2020 for the adjusted 2020 rates. However, the application estimates that the initial customer connections are forecast to be in late second quarter of 2020. EPCOR stated that in the event the OEB's implementation date for 2020 distribution rates is later than the proposed effective date of January 1, 2020, EPCOR requests permission to recover the incremental revenue from the effective date of January 1, 2020 to the implementation date through a fixed-term rate rider.*

Questions:

- a) Assuming the implementation date aligns with the first in service date, why is EPCOR asking for a forgone revenue rider for a period in which they did not have, and are not forecasting to have, any customers?
- b) How does EPCOR plan to communicate the increase in rates for 2020 despite not having any customers yet? Is EPCOR planning to communicate to customers who have agreed to attach to EPCOR's system? Does the *Application for Natural Gas Service* form EPCOR uses for its prospective customers explain the rate plan (including the existence of annual inflationary adjustments) over the 10 year rate stability period?

Responses:

- a) EPCOR has requested authorization to implement a rate rider to address a situation in which the implementation date of the 2020 tariff is later than the first customer in service date. EPCOR has suggested an effective date for the rate rider of January 1, 2020 as a matter of administrative simplicity. An alternative would be to have the rate rider in effect upon the connection of its first customer (assuming the 2020 tariff had not been approved at that time); however, neither of those dates are currently known. The effective date of January 1, 2020 establishes a date in which all parties are sure there are no customers connected, and therefore there is no foregone revenue. If the implementation date were in advance of the first customer in service date, EPCOR would not require a rate rider as there would be no foregone revenue.
- b) EPCOR intends to communicate any increase in rates for 2020 to potential customers by
 - Posting the notice included in the application on EPCOR's website;
 - Providing a copy of the notice to potential customers who have submitted an application for service;
 - Updating the rates calculator on EPCOR's website; and
 - Posting a copy of the updated tariffs on EPCOR's website.



The industry standard *Application for Natural Gas Service* form that EPCOR uses for its prospective customers does identify the applicant by customer type (residential, commercial, industrial, seasonal). It does not explain the specifics of the rate plan for that customer type. EPCOR notes that annual inflationary increases are the standard in the industry as utilities typically apply for, and receive IRM based increases.



Staff.4 – Federal Carbon Charge

Reference:

Preamble: *EPCOR indicated the Federal Carbon Charge to be 3.91 cent/ m3. For EPCOR Alymer, there has been a proposal to increase the FCC to 5.87cents/m3 and a facilities carbon charge of 0.27 cents/m3.³*

Questions:

- a) Will EPCOR Southern Bruce be also applying for the increase in Federal Carbon Charge? If so when?

Responses:

- a) EPCOR has filed for the increase in the Federal Carbon Charge for the Alymer based utility (EB-2020-0076) and interim rates were approved on March 26, 2020. In discussion with Board Staff it has been agreed that EPCOR will update the evidence in EB-2020-0076 to include that relevant the Southern Bruce utility. This is consistent with the letter received from the Board on April 3, 2020, notifying EPCOR that Notice of Hearing will be issued after receipt of this outstanding evidence. EPCOR intends to file that update by the end of April.

³ EB-2020-0076.