

**Ontario Energy Board Staff Questions**  
**2021 Custom IR Update – EPCOR Natural Gas LP Southern Bruce**  
**EB-2020-0233**

November 10, 2020

\*Please note responses to OEB staff questions, including supporting documentation, must not include personal information unless filed in accordance with rule 9A of the OEB's Rules of Practice and Procedure.

OEB Staff. 1- Administration

Ref: Exh A, Page 5.

ENGLP Southern Bruce's 2020 rates were effective January 1, 2020, and in light of the COVID-19 emergency, the Rate Schedules were approved to be implemented September 1, 2020. Any temporary forgone distribution revenue associated with the postponement may be tracked in a new sub-account.

- a. Please provide, if any, the amount of forgone revenue recorded in the aforementioned sub-account due to the postponement.

**ENGLP response:** ENGLP issued bills for its first connected customers in September 2020. As a result, ENGLP will not be tracking or claiming any lost revenue amounts due to immateriality.

- b. If there is a balance in the account due to the COVID-19 emergency, when is ENGLP expecting to dispose of the sub-account?

**ENGLP response:** ENGLP is currently tracking approximately \$600k in costs related to additional health and safety measures and to adhere to public health social distancing guidelines. ENGLP continues to monitor the ongoing OEB consultation (EB-2020-0133) before determining next steps and disposition timing.

OEB Staff. 2- Administration

Ref: Exh A, Page 6.

ENGLP Southern Bruce was not operational until the third quarter of 2020. As a result, most of the deferral and variance accounts as approved in EB-2018-0264 still had zero balances as of December 31, 2019.

- a. ENGLP had mentioned most of the deferral and variance accounts still have zero balances as of December 31, 2019. Please provide the list of accounts and the balance as of December 31, 2019.

**ENGLP response:** Only one account had a balance as of December 31, 2019 - The External Funding Variance Account ("EFVA"). The EFVA is to record the impact of the difference in timing and quantum of

external funding available to the project versus EPCOR's forecast as reflected in approved rates (EB-2018-0263 Rate Order, page 34). As of December 31, 2019, this account had a balance of \$576,782.

- b. If there are balances in the accounts, when is ENGLP expecting to dispose of the account balances?

**ENGLP response:** The balance in this account, together with carrying charges, will be brought forward for disposition as part of the annual IR application following receipt of the final payment. This is expected to take place in the filing for rates effective January 1, 2022.

OEB Staff. 3- GDP IPI

Ref: OEB letter, Re: 2021 Inflation Parameters, November 9, 2020

The OEB calculated the 2021 inflation factor for electricity distributors to be 2.2%. The OEB had issued a letter providing all utilities the discretion of electing the calculated IPI level per the OEB-approved methodology (offset by the applicable stretch factor and other adjustments for some plans) or a lower value or forgo the inflationary increase entirely.

- a. Has ENGLP considered to elect a lower inflation factor or forgo it for its Southern Bruce operation? If so, please provide the inflation factor that ENGLP is electing.

**ENGLP response:** ENGLP will be using the OEB approved methodology (2.2%) as part of the Custom IR annual increase calculation.

- b. If applicable, please file the necessary inflation factor updates to the model and application as required.

**ENGLP response:** A revised filing has been included with this submission.