



Ontario  
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BY EMAIL

October 28, 2021

Christine E. Long  
Registrar  
Ontario Energy Board  
2300 Yonge Street, 27th Floor  
Toronto ON M4P 1E4

Dear Ms. Long:

**Re: EPCOR Natural Gas Limited Partnership (EPCOR)  
Application for 2022 Rates – Aylmer Service Area  
Ontario Energy Board File Number: EB-2021-0215**

In accordance with Procedural Order #1, please find attached the Ontario Energy Board (OEB) staff interrogatories in the above proceeding. The applicant has been copied on this filing.

EPCOR Natural Gas Limited Partnership's responses to interrogatories are due by November 10, 2021.

Any questions relating to this letter should be directed to Arturo Lau, Advisor at 416-440-8109 or [Arturo.Lau@oeb.ca](mailto:Arturo.Lau@oeb.ca). The Board's toll-free number is 1-888-632-6273.

Yours truly,

Arturo Lau  
Applications Division

Encl.

**OEB Staff Interrogatories**  
**Distributor Full Name**  
**EB-2021-0215**

Please note, EPCOR Natural Gas Limited Partnership is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff interrogatories and any other supporting documentation, do not include personal information (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

**OEB Staff.1 – Earnings Dead Band Off-Ramp**

Ref: 2022 Incentive Rate Adjustment Application, page 13-14

EPCOR stated:

EPCOR's 2020 regulated return on equity (ROE) was 5.42%, which is 356 basis points below the approved deemed return on equity of 8.98%. There were two main contributing factors: unplanned maintenance of the Integrated Grain Processors Co-operative (IGPC) pipeline and lower than projected sales volumes. Although the values were outside of the +/- 300 basis points window, EPCOR anticipates that this was a unique set of circumstances and expects to recover back to expected ROE levels in 2021.

- a) What would have contributed to a lower than projected sales volume?
- b) Are there any other known issues with respect to the IGPC pipeline that would require additional maintenance on the pipeline? How does EPCOR plan to prevent further unplanned maintenance on the IGPC pipeline?

**OEB Staff.2- Purchase Gas Transportation Variance Account (PGTVA)**

Ref: 2022 Incentive Rate Adjustment Application, page 17-20  
2022 Incentive Rate Adjustment Application, Appendix D, page 89 (Auditor's report)

EPCOR has proposed to dispose of the PGTVA balances as of December 31, 2020 including interest as of the same date. In the Auditor's Report for the PGTVA Rates 1-5, the 2020 PGTVA balance is \$91,376 (including interest to Dec 31, 2021).

- a) The summary states a total projected disposition amount of \$190,097, however Table 6- Projected Total PGTVA Amount for Disposal shows a balance of \$38,804 and Table 3- Deferral & Variance Account Amounts and Table 7- Calculation of Proposed PGTVA Rate Rider both state a recovery of \$91,377.

Please confirm the projected disposition amount and update the table(s) as required.

### **OEB Staff.3- Loss on Disposal of Meters Deferral Account (LDMDA)**

Ref: 2022 Incentive Rate Adjustment Application, page 20-21

EPCOR requested to dispose the LDMDA balance as of December 31, 2020 including associated carrying charges to the date of implementation.

- a) Please provide the number of meters that is associated with the amount requested for disposition.
- b) Please forecast the number of meters and amount for disposition that will be disposed of until rebasing?
  - I. When is EPCOR expecting to cease booking amounts in the LDMA for disposition?
  - II. What is the methodology used to select meters for disposal and how are the disposition amount per meter calculated? Please provide explanation with a sample calculation.
- c) Did EPCOR begin recording the loss on disposal of the meters in 2020?

### **OEB Staff.4- System Integrity Capital Deferral Account (SICDA)**

Ref: 2022 Incentive Rate Adjustment Application, page 21-22  
2022 Incentive Rate Adjustment Application, Appendix D, page 94  
EB-2018-0336, Decision and Order- Phase 2, October 24, 2019 (Most recent Cost of Service)  
EB-2020-0234, Decision and Order, January 28, 2020 (2021 IRM)

EPCOR requested to dispose the SICDA balance (including associated carrying charges) as of December 31, 2020. EPCOR also stated that “amounts requested for disposition in future years will no longer include amounts related to the Putnam Station to Colloden Line or Springwater Road pipelines.”

In EPCOR- Aylmer’s most recent cost of service application, the OEB approved the Bradley Station project and the Bradley to Wilson pipeline’s net book values to be included in 2020 rate base. In EPCOR- Aylmer’s 2021 IRM, the OEB approved Springwater Pipeline and Putnam to Culloden projects’ net book values in rate base.

EPCOR appears to have allocated the SICDA balance to rate classes using a volumetric allocator.

- a) Please provide the breakdown of the principal balance by capital project and provide a detailed calculation supporting the principal balance in the account.

- b) Please confirm that EPCOR does not intend to record further balances for Putnam Station to Colloden Line or Springwater Road pipelines beyond December 31, 2020 as those projects were included in rate base in the 2021 IRM?
  - I. Besides what is being requested for disposition in the current proceeding, please confirm that no further balances are expected to be recorded in the SICDA beyond December 31, 2020.
- c) Please confirm that EPCOR has used a volumetric allocator to allocate the SICDA balance to rate classes. Please provide rationale supporting this approach.