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BY EMAIL

January 10, 2022

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Dear Ms. Marconi:

**Re: OEB Staff Interrogatories
EPCOR Natural Gas Limited Partnership
2022 Federal Carbon Pricing Program Application
OEB File Number: EB-2021-0268**

Pursuant to Procedural Order No. 1, please find attached the interrogatories of OEB staff in the above referenced proceeding.

Yours truly,

Alexander Di Ilio
Senior Advisor, Application Policy and Conservation

Encl.

ONTARIO ENERGY BOARD

OEB Staff Interrogatories

EPCOR Natural Gas Limited Partnership

2022 Federal Carbon Pricing Program Application

EB-2021-0268

January 10, 2022

EPCOR Natural Gas Limited Partnership
2022 Federal Carbon Pricing Program Application
EB-2021-0268
OEB STAFF INTERROGATORIES
January 10, 2022

Staff IR-1

Reference(s): EB-2021-0268 Application and Evidence, Appendix A

Preamble: According to the schedule provided in the Appendix A auditor's report, eligible customers (i.e., customers not exempt from the Federal Carbon Charge) in the South Bruce rate zone began consuming natural gas in December 2020, however federal fuel charges payments to the CRA and balances in the Federal Carbon Charge - Customer Variance Account (FCCCVA) and begin accruing in September 2020.

Question(s):

- (a) Please explain why EPCOR Natural Gas Limited Partnership (ENGLP) is making federal fuel charge payments to the CRA and accruing balances in the FCCCVA corresponding to the South Bruce rate zone in advance of those customers actual consumption of natural gas.
- (b) Considering the lack of historical natural gas consumption data for the South Bruce rate zone, please explain how the federal fuel charge payments to the CRA and the recording of balances in the FCCCVA were calculated.

Staff IR-2

Reference(s): EB-2021-0268 Application and Evidence, Clause 48

Preamble: ENGLP noted that South Bruce is not expecting any costs associated with company-use volumes for ENGLP's buildings and natural gas vehicle fleet and therefore, is not requesting a Facility Carbon Charge for the South Bruce rate zone.

Question(s):

- (a) Please confirm that customers in the South Bruce rate zone do not receive any benefit from ENGLP's Aylmer rate zone buildings and natural gas vehicle fleet.

Staff IR-3

- Reference(s):** (i) EB-2021-0268 Application and Evidence, Table 1
(ii) EB-2021-0268 Application and Evidence, Appendix A

Preamble: The Federal Fuel Charge is essentially a pass-through cost, where the amount charged to customers is equal to the amount remitted to the CRA. Any deviations from this are recorded in the FCCCVA or FCCFVA for the respective rate zone. In the current proceeding, ENGLP is seeking to recover from Aylmer rate zone ratepayers a total FCCCVA balance of \$56,044 and a total FCCFVA balance of \$3,053.

Question(s):

- (a) Considering the preamble above, please explain how such a large balance has accumulated in the Aylmer rate zone FCCCVA.
- (b) According to the auditor's report in Appendix A, the amount collected from customers with respect to the Customer and Facility Federal Carbon Charges and the amount remitted to the CRA for any given month are not equal for all twelve months audited. Considering the preamble above, please explain why significant deviations exist in the same month between the amount collected from customers and the amount remitted to the CRA for both the Aylmer and South Bruce rate zones.
- (c) Please confirm whether the outstanding amounts responsible for the 2020 balance in the Aylmer rate zone FCCCVA have subsequently been collected from the responsible customers in 2021 and recorded as a credit in the Aylmer rate zone 2021 FCCCVA.

Staff IR-4

- Reference(s):** EB-2021-0268 Application and Evidence, Clauses 53 and 54

Preamble: ENGLP stated that it incurs upstream costs associated with Enbridge's Facility Carbon Charge. These upstream costs are then recovered from ENGLP customers.

Question(s):

- (a) Please confirm that ENGLP is not requesting approval for any rate changes or disposition of any deferral or variance accounts associated with upstream costs (i.e., the Purchased Gas Transportation Variance Account or the Purchased Gas Commodity Variance Account) as part of the current application.

Staff IR-5

Reference(s): EB-2021-0268 Application and Evidence, Clause 34

Preamble: ENGLP calculated a total forecast cost associated with eligible greenhouse natural gas consumption volumes of \$184,244. An effective natural gas consumption volume of 18,820 m³ and a Federal Carbon Charge of \$0.0979 per m³ were noted as the inputs to this calculation.

Question(s):

- (a) OEB staff repeated the calculation for the total forecast cost associated with eligible greenhouse natural gas consumption volumes and arrived at a total cost of \$1,842.48. Please confirm the value for the total forecast cost associated with eligible greenhouse natural gas consumption volumes.
- (b) As it may be required, please update all downstream calculations that may be impacted resulting from part (a) of this question above.

Staff IR-6

Reference(s): (i) EB-2021-0268 Application and Evidence, Clause 39
 (ii) EB-2020-0076/EB-2021-0231, Staff IR-4 and Applicant IR Response

Preamble: The table that follows summarizes ENGLP’s forecast facility related natural gas consumption volumes from company use buildings and natural gas vehicles for the years 2020, 2021, and 2022.

Table 1: Summary of ENGLP’s Forecast Natural Gas Consumption Values for 2020, 2021, and 2022

Year	Natural Gas Use Case	Natural Gas Consumption Volume (m ³)
2020	Buildings	38,316
	Natural Gas Vehicles	8,245
	Total	46,561
2021	Buildings	64,275
	Natural Gas Vehicles	2,245
	Total	66,520
2022	Buildings	10,833
	Natural Gas Vehicles	20,381
	Total	31,214

Question(s):

- (a) Please explain why ENGLP experiences such year-over-year fluctuations in its forecast facility related natural gas consumption volumes. In the response, please explain why the allocation of volumes between buildings and natural gas vehicles also experiences such year-over-year fluctuations.
- (b) Please comment as to whether ENGLP expects its forecast facility related natural gas consumption volumes to normalize to a consistent yearly amount in the future. If so, please identify when such normalization is expected.

Staff IR-7

- Reference(s):**
- (i) EB-2021-0268 Application and Evidence, Clause 45
 - (ii) EB-2021-0268 Application and Evidence, Table 6

Preamble: References 1 and 2 were included as part of the Application and Evidence that discusses the GGEADA. Table 6 indicated that ENGLP is seeking to dispose of its Aylmer rate zone 2020 Greenhouse Gas Emissions Administration Deferral Account (GGEADA) balance with a fixed per customer rate rider. However, Clause 45 stated that FCCCVA balances are proposed to be recovered through a twelve-month fixed rate rider based on 2019 customer volumes, which does not appear to be related to the GGEADA.

Question(s):

- (a) Please confirm whether ENGLP is proposing to recover the 2020 balance in the GGEADA through a fixed rate rider per customer or a fixed rate rider based on 2019 customer volumes.
- (b) Considering the material in the preamble, please identify why the disposition of the FCCCVA is discussed in Clause 45.
- (c) As needed by the responses to parts (a) and (b) of this question, please update any impacted rate rider table(s) and bill impact calculations.

Staff IR-8

- Reference(s):**
- (i) EB-2021-0268 Application and Evidence, Clause 43
 - (ii) EB-2021-0268 Application and Evidence, Table 4

Preamble: Table 4 indicated that ENGLP is seeking to dispose of its Aylmer rate zone 2020 FCCFVA balance with a fixed per customer rate rider. Clause 43 stated that FCCFVA balances are proposed to be recovered through a twelve-month fixed rate rider based on projected customer volumes.

Question(s):

- (a) Please confirm whether ENGLP is proposing to recover the 2020 balance in the FCCFVA through a fixed rate rider per customer or a fixed rate rider based on projected customer volumes. If the latter, please identify the period for the projected customer volumes.
- (b) As needed by the responses to part (a) of this question, please update any impacted rate rider table(s) and bill impact calculations.

Staff IR-9

Reference(s): EB-2021-0268 Application and Evidence, Clauses 41 and 50

Preamble: ENGLP has calculated rate riders for the disposition of both the Aylmer and South Bruce rate zone FCCCVAs using projected customer volumes.

Question(s):

- (a) For both the Aylmer and South Bruce rate zone FCCCVA rate riders, please identify the period for the projected customer volumes.

Staff IR-10

Reference(s): EB-2021-0268 Application and Evidence, Clauses 41 and 50

Preamble: ENGLP has calculated the Aylmer and South Bruce FCCCVA rate riders for eligible greenhouses.

Question(s):

- (a) Please confirm whether the proposed FCCCVA rate riders for eligible greenhouses are applicable to their actual natural gas consumption or their reduced natural gas consumption (i.e., 20% effective volumes).

Staff IR-11

Reference(s): EB-2021-0268 Application and Evidence, Tables 1, 3, 5, and 7

Preamble: ENGLP has calculated forecast carrying charges on all outstanding DVA balances up to March 31, 2022.

Question(s):

- (a) Please confirm the carrying charge interest rate used to calculate the 2022 carrying charge in Tables 1, 3, 5, and 7.

Staff IR-12

Reference(s): EB-2021-0268 Application and Evidence, Clauses 26 and 35

Preamble: Effective January 1, 2022, the Government of Canada announced that the Ontario Emissions Standards (EPS) program will replace the Government of Canada's OBPS. EPCOR has one Rate 6 customer that holds an Exemption Certificate from the CRA under the OBPS.

Question(s):

- (a) Please confirm whether ENGLP's Rate 6 customer with an existing OBPS Exemption Certificate will be subject to the Ontario EPS.
- (b) If the response to part (a) of this question above is currently unknown, is ENGLP proposing to continue not charging the Rate 6 customer the Federal Carbon Charge, pending the CRA's determination?

Staff IR-13

Reference(s): EB-2021-0268 Application and Evidence, Table 9

Preamble: ENGLP records administrative costs associated with administering the Federal Carbon Charge in its Greenhouse Gas Emissions Administration Deferral Account (GGEADA). The administrative costs recorded in the GGEADA for the 2020 period was reduced by 96% compared to the administrative costs recorded in the GGEADA for the 2019 period.

Question(s):

- (a) Please explain why the administrative costs recorded in the GGEADA for the 2020 period were 96% less than that recorded in the GGEADA for the 2019 period.

Staff IR-14

Reference(s): EB-2021-0219 Application and Evidence, Exhibit C, Attachment 1

Preamble: In its Federal Carbon Charge application, Enbridge Gas Inc. has proposed minor Accounting Order amendments to its Federal Carbon Charge DVAs to reflect the transition from the Government of Canada's OBPS to the Ontario EPS.

Question(s):

- (a) Is ENGLP proposing similar amendments to its Federal Carbon Charge Accounting Orders to reflect the transition from the Government of Canada's OBPS to the Ontario EPS?