



Ontario | Commission
Energy | de l'énergie
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BY EMAIL

March 28, 2022

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
Registrar@oeb.ca

Dear Ms. Marconi:

**Re: Ontario Energy Board Staff Letter of Comment on Draft Rate Order
EPCOR Natural Gas Limited Partnership- South Bruce
April 2022 Quarterly Rate Adjustment Mechanism (GRAM) Application
OEB File Number: EB-2022-0100**

Please find attached OEB staff's letter of comment on EPCOR Natural Gas Limited Partnership- South Bruce's Draft Rate Order in the above-referenced proceeding.

Yours truly,

Arturo Lau
Case Manager, Natural Gas Applications

Encl.

cc: All parties in EB-2022-0100

Overview

EPCOR Natural Gas Limited Partnership (EPCOR) applied for an order or orders approving or fixing just and reasonable rates and other charges for the sale and distribution of natural gas commencing for its South Bruce operations on March 14, 2022 and revised its application on March 17, 2022 (the Application). The Application was made pursuant to section 36(1) of the *Ontario Energy Board Act, 1998* and in accordance with the Quarterly Rate Adjustment Mechanism (QRAM) established by the Ontario Energy Board (OEB) for dealing with changes in gas costs.¹

In the Application, EPCOR proposed to recover an existing \$380,000 Purchase Gas Commodity Gas Variance Account (PGCVA) credit (from the previous QRAM filing), over 24 months, instead of the usual 12 months, beginning in April 2022.

The OEB issued its Decision and Order, on March 24, 2022, which did not approve EPCOR's application to recover the PGCVA credit over 24 months. Instead, the OEB approved the recovery of the PGCVA credit over 12 months and directed EPCOR to file a draft rate order with customer rate impacts and supporting information

EPCOR filed a draft rate order, customer rate impacts, and supporting information on March 28, 2022 for rates effective April 1, 2022.

EPCOR's Draft Rate Order

EPCOR stated that based on the OEB's Decision and Order, the recovery of the PGCVA credit over 12 months results in a 33.5% (or \$107.91) annual commodity price increase and an annual total bill increase of 9.6% (or \$150.03).

EPCOR requested the following:

- a) an Order setting the reference price to \$0.206701 per m³, and
- b) an Order changing the rates and other charges from those authorized in the OEB's Decision and Rate Order dated December 16, 2021 in proceeding EB-2021-0309, to reflect a projected \$0.050214 per m³ increase in the gas supply charge from the OEB-approved level of \$0.149747 per m³ to a projected cost of \$0.199961 per m³.

EPCOR also requested that the OEB issue a Decision and Order by March 30, 2022 for

¹ EB-2008-0106

implementation effective April 1, 2022.

OEB Staff Position

OEB staff has reviewed the draft rate order along with the customer rate impacts and supporting information and is satisfied that the evidence submitted aligns with the OEB's Decision and Order dated March 24, 2022.