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October 11, 2022

Sent by EMAIL, RESS e-filing

Ms. Nancy Marconi
Registrar
Ontario Energy Board
27-2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Marconi,

**Re: EB-2022-0028: EPCOR Electricity Distribution Ontario Inc (“EEDO”)
2023 Cost of Service – Additional IR Responses**

In accordance with Procedural Order 3, please find enclosed EPCOR Electricity Distribution Ontario Inc.’s responses to additional interrogatories received in response to the updated evidence filed September 14, 2022.

Please feel free to contact me if you have any questions regarding this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. Hesselink", written over a light blue horizontal line.

Tim Hesselink, CPA, CGA
Senior Manager, Regulatory Affairs
EPCOR Natural Gas Limited Partnership
(705) 445-1800 ext. 2274
THesselink@epcor.com

CC: All parties in the proceeding

**RESPONSES TO INTERROGATORIES ON UPDATED EVIDENCE
RECEIVED BY THE
SCHOOL ENERGY COALITION**

1-SEC-50

[Updated Evidence, p. 3] EPCOR has requested to amend the requested effective date for new rates in its application from January 1, 2023 to October 1, 2023.

- a) When does EPCOR intend to file its next rebasing application?
- b) Does EPCOR plan to file an Incentive Rate-Making Mechanism application for rates effective January 1, 2024?

EEDO Response:

- a) EEDO plans to file its next rebasing application for rates effective January 1, 2028.
- b) Yes. EEDO plans to file an IRM for rates effective January 1, 2024 in order to align rates with the company's fiscal year. As part of the consideration with an October 1, 2023 revised effective date, EEDO is foregoing the May 2023 inflationary increase.

1-SEC-51

[Updated Evidence, p. 3] EPCOR has requested to delay the implementation of its 2023 rates from January 1, 2023 to October 1, 2023. As a result EPCOR would forego $\frac{3}{4}$ of any increase in its distribution revenue for 2023.

- a) If EPCOR's request is approved, what capital work would be deferred as a result of less revenue?
- b) If EPCOR's request is approved, what would be the impact on Operations, Maintenance & Administration programs?

EEDO Response:

- a) If EEDO's request is approved, EEDO expects that it would continue with its current capital plan as filed, taking into account any changes in priority and resource constraints that may be encountered in the normal course of operations. A deferral of the planned investments could contribute to decreased reliability or system operational issues.
- b) If EEDO's request is approved, EEDO expects that it would continue with its current OM&A plan as filed. The costs incurred in the OM&A test year budget reflect EEDO's expected cost to run the utility safely and efficiently. This is the same assumption that EEDO has taken into account during the 5-year deferral period.

1-SEC-52

[Updated Evidence] EPCOR has filed updated evidence,

- a) When does it expect a decision from the Ontario Energy Board (OEB)?
- b) Does EPCOR plan to update any information between receiving the OEB's decision and implementing its October 1, 2023 rates, e.g. cost of capital parameters?

EEDO Response:

- a) Based on the OEB's performance standards, EEDO would expect a decision approximately 140 days after the settlement conference. A November settlement conference would indicate a decision in April 2023.
- b) EEDO does not plan to update any information after the decision is issued. Cost of capital parameters are not typically issued until November.

1-SEC-53

[EEDO_2023 Tariff Schedule & Bill Impact Model_20220914, Tabs 2 & 5] Tab 2 shows Smart Metering Entity Charge - effective until December 31, 2022 and Tab 5 for rates effective October 1, 2023 shows Smart Metering Entity Charge - effective until December 31, 2023. What are EPCOR's plans for collecting the Smart Metering Entity Charge between January 1, 2023 and October 1, 2023?

EEDO Response:

- a) EEDO will be following the direction from the OEB in EB-2022-0137 and has requested an updated rate order to reflect the revised SME charge.

1-SEC-54

[Updated Evidence] Please provide an update to SEC's previous IRs if required as a result of EPCOR's Updated Evidence.

EEDO Response:

- a) No additional updates are required as a result of the updated evidence.

**RESPONSES TO INTERROGATORIES ON UPDATED EVIDENCE
 RECEIVED BY THE
 ONTARIO ENERGY BOARD STAFF**

Exhibit 9 – Deferral and Variance Accounts

9-Staff-88

Updated DVA Continuity Schedule

Ref: Updated DVA Continuity Schedule

In the updated DVA Continuity Schedule, the last table in tab 7 shows a reconciliation of the DVA account balances between the continuity schedule (tab 3), allocation (tab 5) and rate riders calculated (tab 7). A variance is calculated between the Allocation and Calculated columns. The reconciliation is reproduced below:

	Continuity Schedule	Allocation	Calculated	Variance
Group 1 Total	\$1,414,584	\$1,414,584	\$1,414,584	-
Group 2 Total	\$ 757,663	\$564,299	\$ 564,299	-
LRAMVA Total	\$ 193,364	\$193,364	\$193,364	-
COVID 19 Total	\$ 22,411	\$ 22,411	\$ 22,411	-

The Group 2 amount in the Continuity Schedule column does not agree to the amounts in the Allocation and Calculated columns. There appears to be a formula error in the Continuity Schedule Group 2 amount, where the LRAMVA has been included when it should be excluded as it is shown on a separate line.

- a) Please confirm and revise the DVA Continuity Schedule as needed.

EEDO Response:

- a) The formula used to calculate the 'Group 2 Total' amount on the 'Continuity Schedule' column included the LRAMVA Total. The amounts in the 'Allocation' and 'Calculated' columns are correct. No adjustment is required to the DVA continuity schedule or calculation of rate riders.

RESPONSES TO INTERROGATORIES ON UPDATED EVIDENCE
RECEIVED BY THE
VULNERABLE ENERGY CONSUMERS COALITION

10. Effective Date – Updated Evidence

10.0-VECC-1

Reference: Updated Evidence, page 2

“While the rebase proceeding was underway, in August 2022, EEDO had discussions with the Town of Collingwood regarding the timing of EEDO’s requested effective date for new rates. As a result of these discussions, EEDO reviewed and confirmed that the Share Purchase Agreement between EPCOR and the Town of Collingwood for Collus PowerStream Corporation (CollusLDC) (now operating as EEDO) contains a requirement to have EEDO maintain existing rates for customers for five years following the closing date of October 1, 2018, adjusted solely by the Board’s Price Cap Incentive rate-setting option (the “Sale Purchase Agreement”). EEDO has since confirmed with the Town of Collingwood that it intends to abide by its contractual commitment.”

a) Please provide the referenced agreement which set out the provisions to maintain existing rates.

EEDO Response:

a) The agreement can be found in the archived documents for EB-2017-0373/0374 located on the OEB’s RESS portal:

<https://www.rds.oeb.ca/CMWebDrawer/Record?q=CaseNumber%3DEB-2017-0373&sortBy=recRegisteredOn-&pageSize=400>

Document: Collingwood_APPL_MAADs_Schedule A to E_20171222

Schedule E – The EPCOR Agreement - section 6.11 Future Distribution Rates

**RESPONSES TO INTERROGATORIES ON UPDATED EVIDENCE
RECEIVED BY ENVIRONMENTAL DEFENCE**

1. References: Evidence Update
Exhibit 8 – Bill Impacts and Tariff Schedule
Exhibit 9 – DVA Continuity Schedule

Question:

- (a) Please provide an update to any of the responses to the Environmental Defence interrogatories that would be impacted by the amendments to EPCOR's evidence or confirm that no updates are required.

EEDO Response:

- a) EEDO confirms that no updates are required.