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October 13, 2022

VIA E-MAIL

Ms. Nancy Marconi
Registrar (registrar@oeb.ca)
Ontario Energy Board
Toronto, ON

Dear Ms. Marconi:

**Re: EPCOR Natural Gas Limited Partnership (EPCOR)
Application for 2023 Rates – South Bruce Service Area - CVVA
Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)**

Please find attached the interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

A handwritten signature in black ink, appearing to read 'M. Garner', is written over a light blue horizontal line.

Mark Garner
Consultants for VECC/PIAC

Email:

Tim Hesselink, Senior Manager, Regulatory Affairs, EPCOR Electricity Distribution Ontario Inc.
thesselink@epcor.com

For interrogatory clarifications please contact Mark Garner at 647-408-4501 or markgarner@rogers.com

REQUESTOR NAME **VECC**
TO: **EPCOR– South Bruce Service Area**
DATE: **October 13, 2022**
CASE NO: **EB-2022-0184**
APPLICATION NAME **Application for 2023 Rates - CVVA**

VECC.1

Reference: IRM Application page 21-22 / OEB Staff.3 (i)

- a) Why was a customer volume variance account not proposed as part of EB-2016-0137/138/139 and specifically as part of EPCOR’s common infrastructure plan applications (CIP)? That is why, did EPCOR not make explicit its request for an account similar to the (former) Union Gas Normalized Average Consumption (NAC) Account?

- b) EPCOR was the successful proponent of that competitive process and received the necessary approvals by April 12, 2018. Why is this application the first time that the proposed Customer Volume Variance Account (CVVA) is being raised?

VECC.2

Reference: IRM Application page 21-22 / OEB Staff.3

- a) Please compare and provide any differences in the proposed CVVA and the (former) Union Gas NAC Account. Specifically, please provide a comparison as the NAC Account variance calculation and that proposed by EPCOR for the CVVA.

VECC.3

Reference: IRM Application

- a) What notification has EPCOR provided customers which would alert them to the possibility of retroactive adjustments to their bill(s) based on their own or their overall class consumption?
- b) Please provide the documents/wording of the CVVA that was provided to potential and actual customers.
- c) Please provide the current customer outreach form provided to potential new natural gas customers.

VECC.4

Reference: IRM Application, page 29

EPCOR states *“A customer base that has been steadily increasing from zero, and lack of data covering an annual usage cycle combined such that EPCOR was unable to complete any meaningful analysis to confirm the existence of a material usage shortfall until recently”*.

- a) Did EPCOR complete any studies (as part of EB-2016-0137/138/139) or otherwise) with respect to the expected average use for new customers in the South Bruce franchise? If yes, please provide those studies.

VECC.5

Reference: IRM Application, page 31

EPCOR states: *“While it is unclear what all the underlying drivers for the consumption shortfall for residential customers are, a material factor appears to be that a low number of customers have been connecting multiple gas appliances. In particular, EPCOR estimates that only 13% of customers have converted to gas water heaters, which are estimated to use an average of 400 - 500m³ annually.”*

- a) What efforts has EPCOR made to determine the reasons for the approximate 32% under estimation in average use?
- b) What steps and investments has EPCOR made to induce new customers to switch to natural gas appliances and specifically natural gas water heaters?

VECC.6

Reference: IRM Application, page 36 / OEB Staff.3 (k)

EPCOR states: *“For the year ended 2020, EPCOR incurred a loss of \$2,114,24027 and does not have the capability of absorbing the revenue losses due to the variances in volumes consumed versus forecast by mass market customers..”*

- a) Please provide the 2020 and 2021 Financial statements of EPCOR Natural Gas Limited Partnership.

VECC.7

Reference: IRM Application, page 22

EPCOR proposes to bring the balance in the Variance Account, together with any carrying charges, forward for approval for disposition in its annual Incentive Rate Adjustment Applications once the balance has been audited, or at such other time as EPCOR may request and the Board may order.

- a) Please calculate the CVVA rate riders, based on a one year disposition period and 2022 forecast year-end balances and as recovered from only existing 2022 year-end customers.

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