



Ontario | Commission
Energy | de l'énergie
Board | de l'Ontario

BY EMAIL

October 31, 2022

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

Dear Ms. Marconi:

**Re: EPCOR Natural Gas Limited Partnership (EPCOR)
Application for 2023 Rates – Aylmer Service Area
Ontario Energy Board File Number: EB-2022-0183**

Please find attached OEB staff's comments on the draft rate order filed in the above-referenced proceeding, pursuant to the OEB's Decision and Order issued on October 11, 2022.

EPCOR Natural Gas Limited Partnership is reminded that its response to OEB staff's comments is due by November 7, 2022.

Yours truly,

Arturo Lau
Advisor, Natural Gas

Encl.

cc: All parties in EB-2022-0183



ONTARIO ENERGY BOARD

OEB Staff Comments on Draft Rate Order

EPCOR Natural Gas Limited Partnership

Aylmer 2023 Rate Application

EB-2022-0183

October 31, 2022

Introduction

On June 27, 2022, EPCOR Natural Gas Limited Partnership (EPCOR) applied to the Ontario Energy Board (OEB) under section 36(1) of the *Ontario Energy Board Act, 1998* for changes to its natural gas distribution rates to be effective January 1, 2023 (the Application). The Application included a request to update its price cap adjustment (PCA), which includes an inflation factor less a productivity factor and stretch factor, to reflect the approved 2023 inflation factor when it becomes available. In its pre-filed evidence, EPCOR used 3.3% as a placeholder for the 2023 inflation factor.

The OEB approved the Application on October 11, 2022. The OEB ordered EPCOR to file a draft rate order that reflects the approved 2023 inflation factor.

On October 20, 2022, the OEB issued its [2023 Inflation Parameters letter](#). The OEB calculated the 2023 inflation factor for electricity distributors to be 3.7%. The letter noted that EPCOR uses the electricity distribution inflation factor for its service territories.

On October 24, 2022, EPCOR filed its draft rate order, including customer rate impacts and supporting information, using the updated inflation factor. The resulting PCA is 3.3% (3.7% inflation factor – (0% productivity factor + 0.4% stretch factor)).

On October 27, 2022, EPCOR filed a revised draft rate order with corrected delivery charges.

Comments

Price Cap Adjustment

OEB staff confirms that EPCOR appropriately applied the updated 2023 inflation factor in the PCA calculation. OEB staff has reviewed the rate schedules and has no concerns with the proposed monthly fixed delivery and volumetric charges.

Bill Impacts

The total annual bill impacts for typical general service customers resulting from the updated draft rate order are as follows:

Rate Class	Change to Delivery Charge		Change in Rate Rider		Total Change	
	(\$/year)	(%)	(\$/year)	(%)	(\$/year)	(%)
Rate 1- Residential	\$17.00	3.4%	-\$22.82	-71.1%	-\$5.82	-0.5%
Rate 1- Commercial	\$34.06	2.5%	-\$34.16	-45.0%	-\$0.10	0.0%
Rate 1- Industrial	\$78.96	2.1%	-\$65.89	-33.2%	\$13.07	0.1%

~All of which is respectfully submitted~