



Ontario  
Energy  
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BY EMAIL

October 31, 2022

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

Dear Ms. Marconi:

Re: **EPCOR Natural Gas Limited Partnership (EPCOR)**  
**Application for 2023 Rates – South Bruce Service Area – Phase 1**  
**Ontario Energy Board File Number: EB-2022-0184**

On July 18, 2022, EPCOR filed a Custom IR update application to establish 2023 rates (the Application). In its pre-filed evidence, EPCOR used 3.3% as a placeholder for the 2023 inflation factor. The Application included a request to update its incentive rate adjustment to reflect the OEB's approved 2023 inflation factor when it becomes available. The formula for determining the IR adjustment is as follows:

$$\text{Incentive Rate (IR) Adjustment} = [(1.0 - 0.314) \times 0.0127] + [0.314 \times \text{Inflation factor}]$$

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 an updated rate schedule, including customer rate impacts and supporting information, using the updated inflation factor. Using the approved 2023 inflation factor of 3.7% in the formula yields an IR adjustment of 2.03%.

On October 28, 2022, EPCOR filed a revised updated rate schedule reflecting its reply to OEB staff's submission in which it agreed to adjust the allocation methodology for the Municipal Tax Variance Account (MTVA) to use the property tax allocator.<sup>1</sup>

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<sup>1</sup> EPCOR Reply Submission, October 7, 2022

Incentive Rate Adjustment (IR)

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

Bill Impacts

The total annual bill impacts for typical general service customers resulting from the Application are as follows:

Rate Class	Change in Fixed Delivery	Change in Volumetric Delivery	Change Rate Rider	Total Change	
				\$	%
Rate 1- Existing Residential	\$6.40	\$12.15	\$(6.69)	\$11.86	0.61%
Rate 1- New Residential	\$6.40	\$11.68	\$(6.43)	\$11.65	0.62%
Rate 1- Commercial	\$6.40	\$26.25	\$(14.62)	\$18.04	0.47%
Rate 1- Agricultural	\$6.40	\$26.40	\$(14.70)	\$18.10	0.47%

Any questions relating to this letter should be directed to Arturo Lau, Advisor at [Arturo.Lau@oeb.ca](mailto:Arturo.Lau@oeb.ca).

Yours truly,

Arturo Lau  
Advisor, Natural Gas

cc: Tim Hesselink, EPCOR