



December 15, 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-2022-0184 – Phase 2: EPCOR Natural Gas Limited Partnership’s (“EPCOR”)
Customer Volume Variance Account – Southern Bruce**

Pursuant to Procedural Order No. 4, please find enclosed responses to the OEB Staff & Intervenor follow-up questions received on December 7, 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", is positioned below the word "Sincerely,".

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

**OEB Staff Interrogatories- Phase 2- Additional Evidence
EPCOR Natural Gas Limited Partnership
EB-2022-0184**

Question 1

Reference: OEB Staff.3 – CVVA – Year-End Account Balance and Accrual Determination

EPCOR stated that due to the variance in timing of year end close and billing of consumption (delayed until 1-2 months after usage has taken place), EPCOR will not be able to wait until these months are accumulated before finalizing the balance in the year end accounting books. Instead of deferring the disposition of the account balance by an additional year, EPCOR proposed to accrue for the final two months, using a consistent weather normalization process on projected usage for the purposes of financial reporting and will include a continuity schedule which accounts for the adjustments as part of the annual disposition filing.

Question:

1. Please confirm that this response means that actual volumes will be used for regulatory purposes (i.e., calculating the CVVA balance for recovery from ratepayers) and estimates will be used for financial reporting purposes.

EPCOR Response:

Confirmed

Question 2:

Reference: SEC-8

EPCOR states that in its ROE calculations “[c]apital expenditures for service connections out of scope of the original approved rate base have been added to match the out of scope customers included in the CVVA calculation”.

Question:

1. What is meant by “out of scope” and who are the “out of scope customers”?

EPCOR Response:

“Out of scope” refers to project investments to serve customers and or communities within the Southern Bruce service territory that were not part of the original Common Infrastructure Plan (CIP). “Out of scope customers” refer to customers and or communities that were not included in the CIP. An example of an of scope customer are those over and above the customer penetration rate that was included in the CIP, whose connection requires capital investment outside of what was included in the CIP.

For further clarity, in referring to the EB-2018-0264 settlement proposal: (Issue 2. Rate Base and Utility System Plan) it was stated¹:

The Parties agree that capital expenditures associated with expansion of the system beyond that identified in the CIP as approved would also be eligible for inclusion in EPCOR Southern Bruce’s rate base in the subsequent cost of service application.

¹ EB-2018-0264, Decision on Settlement Proposal and Procedural Order No. 6, October 3, 2019, Schedule A, page 6.