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January 4, 2023

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-2022-0245 EPCOR Natural Gas Limited Partnership ("ENGLP")
2023 Federal Carbon Pricing Program Application – OEB Staff IR Responses**

Enclosed are ENGLP's responses to OEB Staff questions received December 12, 2022 regarding the above noted hearing.

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

Sincerely,

Tim Hesselink, CPA, CGA
Senior Manager, Regulatory Affairs
EPCOR Natural Gas Limited Partnership
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Encl.

EPCOR Natural Gas Limited Partnership (ENGLP)
Responses to OEB Staff Questions
EB-2022-0245

Staff Question-1

Reference(s): EB-2022-0245 Application and Evidence, Clause 41 & 42

Preamble: ENGLP notes that in accordance with the previous Decision and Order for EB-2021-0268, ENGLP has revised their allocation methodology of anticipated facility costs for 2023 to include both Aylmer and Southern Bruce operations. ENGLP is proposing to allocate the facility costs as follows:

- Company use natural gas vehicles (NGV) – 100% to Aylmer since South Bruce has a separate fleet that does not include NGV, and
- Company use buildings based on forecast volume (m^3) of all customers – this results in a cost allocation of 75% to Aylmer and 25% to South Bruce

Question(s):

(a) Please confirm that Rate 16 customers in the South Bruce rate zone was included in ENGLP's forecast volume of all customers (29,778,616 m^3) resulting in the 25% allocation of facility charge since facility charge is applicable to all rate classes without exception. Per Clause 42, ENGLP only notes that consumption of Rate 6 customers in Aylmer rate zone was included resulting in the 75% allocation.

ENGLP Response: Confirmed

(b) If the forecasted volume of all customers does not include Rate 16, please provide a justification as to why consumption for this customer class in South Bruce was excluded. As it may be required, please update all calculations of the facility carbon charge allocation, and the corresponding proposed rate riders and bill impacts for both rate zones that may be impacted from part (a) of the question above.

ENGLP Response: N/A based on above response.

(c) Please confirm if ENGLP anticipates a significant change in forecast volume (m^3) for both rate zones (specifically in South Bruce given the continual growth of this region) rendering a significant change to the current 75%/25% facility cost allocation split between Aylmer and South Bruce in the near future. If so, what is the magnitude of the change and how does ENGLP plan to deal with the bill impacts to customers.

ENGLP Response: Volume forecasts for the facility charge were projected based on recent connection data for the 2023-2024 period, which takes in account continued growth in the Southern Bruce rate zone as part of the ongoing expansion project. The magnitude is not quantifiable at this time.

Aylmer is not projecting a significant change in volumes.

As the total expected 2023-2024 facility costs are only $3,624, ENGLP does not consider the bill impacts to be material. In support of this comment:

- The total facility costs are not anticipated to increase as a result of the change in Southern Bruce customers/usage.

- While the Southern Bruce allocation is expected to increase, the total billing determinants for the facility charge will increase, reducing the overall rate rider for both Aylmer and Southern Bruce customers.

Staff Question-2

Reference(s): EB-2022-0245 Application and Evidence, Clause 34

Preamble: ENGLP calculated a total forecast cost associated with eligible greenhouse natural gas consumption volumes of $653,148. An effective natural gas consumption volume of 52,716 m^3 and a Federal Carbon Charge of $0.1239 per m^3 were noted as the inputs to this calculation.

Question(s):

(a) OEB staff repeated the calculation for the total forecast cost associated with eligible greenhouse natural gas consumption volumes and arrived at a total cost of $6,531.51. Please confirm the value for the total forecast cost associated with eligible greenhouse natural gas consumption volumes.

ENGLP Response: ENGLP confirms that the OEB Staff calculation is correct. The $653,148 should have been divided by 100 in order to properly calculate the expected costs.

(b) As it may be required, please update all downstream calculations that may be impacted resulting from part (a) of this question above.

ENGLP Response: Table 1 - Projected Aylmer Customer Costs *(found on page 12 of the original application)* has been revised below, showing a reduction in the anticipated effective greenhouse volume costs based on the response to Staff Question 2a) above.

The revised Aylmer customer related costs are projected to be $3,596,883, instead of $4,243,499. There is no impact to any of the rates applied for as part of this application.

Table 1 Revised: Projected Aylmer Customer Costs

Line No.	Customer-Related Costs	Volumes (m^3)	FCC Rate (¢/m^3)	Cost Forecast ($)
1	Customer-Related Forecast Volume	28,977,816	12.39	$3,590,351
2	*Eligible Greenhouse Volumes*	*263,579*		
3	Effective Volumes (20%)	52,716	12.39	$6,531
4	**Total Customer-Related Costs ($)**			**$3,596,883**