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BY EMAIL

December 7, 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 2
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). On September 27, Procedural Order No. 2 was issued which bifurcated the application into two phases: Phase 1 addressed all issues excluding the Customer Volume Variance Account (CVVA) issue and Phase 2 addresses the CVVA issue.

For Phase 2 of the proceeding, the OEB granted intervenor status to all OEB-approved intervenors in EPCOR South Bruce's 2019-2028 Custom IR proceeding. The School Energy Coalition (SEC) and Vulnerable Energy Consumers Coalition (VECC) filed letters noting their intention to participate in Phase 2 of the proceeding.

On November 7, 2022, the OEB issued Procedural Order No. 3 providing for additional evidence to be filed, interrogatories and a tentatively scheduled technical conference. The OEB ordered that OEB staff and intervenors file a shared letter advising if a technical conference would be beneficial.

OEB staff and intervenors do not have enough supplemental questions to warrant a full technical conference. However, OEB staff and intervenors have a few brief follow-up questions to the interrogatories. If these questions can be answered by EPCOR in writing, then OEB staff and the intervenors believe no further discovery will be required.

OEB staff and intervenors ask that EPCOR respond to the following questions by December 16, 2022.

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.

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”?

Any questions relating to this letter should be directed to Arturo Lau, Advisor at Arturo.Lau@oeb.ca.

Yours truly,

Arturo Lau
Advisor, Natural Gas

cc: Tim Hesselink, EPCOR