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BY EMAIL

September 1, 2023

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 2024 Rates – Aylmer Service Area
Ontario Energy Board File Number: EB-2023-0160**

In accordance with Procedural Order #1, please find attached the Ontario Energy Board (OEB) staff interrogatories in the above proceeding. The applicant has been copied on this filing.

EPCOR Natural Gas Limited Partnership's responses to interrogatories are due by September 21, 2023.

Any questions relating to this letter should be directed to Arturo Lau, Advisor at Arturo.Lau@oeb.ca. The Board's toll-free number is 1-888-632-6273.

Yours truly,

Arturo Lau
Advisor, Natural Gas

Encl.

**OEB Staff Interrogatories
EPCOR Natural Gas Limited
EB-2023-0160**

Please note, EPCOR Natural Gas Limited Partnership (EPCOR) is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff interrogatories and any other supporting documentation, do not include personal information (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

OEB Staff.1 – Inflation Factor

Ref: 2024 Incentive Rate Adjustment Application, page 9

EPCOR stated:

For the purposes of this Application, EPCOR has used an inflation factor of 4.8%, which is the IPI issued by the Board for the year 2024. EPCOR proposes to update the PCA and rates as part of this proceeding once the 2023 value is announced.

Question(s):

- a) Please confirm that the 4.8% IPI used by EPCOR is the final inflation factor and requires no further updates.

OEB Staff.2 – Earnings Dead Band Off-Ramp

Ref: 2024 Incentive Rate Adjustment Application, page 13

EPCOR's 2022 regulated return on equity (ROE) was 4.24%, which is below the +/- 300 basis points dead band of the approved deemed return on equity of 8.98%.

Question(s):

- b) What contributed to the reduced ROE in 2022?
 - i. Does EPCOR expect the reduced earnings to persist into 2023 and beyond?

OEB Staff.3 – Regulatory Expense Deferral Account (REDA)

Ref: 2024 Incentive Rate Adjustment Application, page 16-17

EPCOR proposed to recover the costs related to the Demand Side Management Evaluation Process proceeding from customers in Rates 1-5. The REDA balances are proposed to be recovered through the implementation of a twelve-month fixed rate rider commencing on January 1, 2024. The calculation of the proposed rate rider is shown in Table 9.

EPCOR stated that Rate 6 has been excluded from this recovery as the amounts requested for disposition relate to a hearing that does not impact this rate class.

Question(s):

- a) Please confirm that Rate 6 was omitted from the REDA rate rider calculation due to EB-2015-0245- DSM Evaluation Process not being applicable to Rate 6 customers.