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BY EMAIL

September 20, 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 – South Bruce Service Area
Ontario Energy Board File Number: EB-2023-0161**

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 October 5, 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 Partnership
EB-2023-0161**

Please note, EPCOR Natural Gas Limited Partnership 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 – Energy Content Variance Account

Ref: 2024 Incentive Rate Adjustment Application, page 12-13

EPCOR noted the allocation methodology for the ECVA has been adjusted slightly from previous disposition to allocate based on the year the balance accumulated as opposed to the year the balance was disposed. Despite the immaterial difference in methodology, EPCOR believes this approach is more consistent with the accounting order.

Question(s):

- a) Please compare the allocation methodology of the proposed ECVA to the historical ECVA.
 - I. Please calculate the rate riders using the historical allocation methodology.
 - II. Please provide and compare the bill impact for each type of customer in each rate class using the proposed and historic allocation methodology.
- b) Why does EPCOR believe the proposed allocation methodology approach is more consistent with the accounting order?

OEB Staff.2- Municipal Tax Variance Account (MTVA)

Ref: 2024 Incentive Rate Adjustment Application, page 16-17
2023 Incentive Rate Adjustment Application, Decision and Order (Phase 1),
November 3, 2022

EPCOR proposed to allocate the MTVA balance based on the total CIP distribution and non-distribution rate base for all rate classes (consistent with the CIACVA).

In the 2023 Rates Decision, the OEB found that the property tax allocator should be used for the MTVA (as was agreed to by EPCOR in its reply submission.)

Question(s):

- a) Please explain why EPCOR believes that using the total CIP distribution and non-distribution rate base as the allocator for 2024 is more appropriate than the previously OEB-approved property tax allocator for the MTVA.
 - i. Please make any necessary updates to the application if EPCOR believes that using the previously OEB-approved allocator is more appropriate.

OEB Staff.3- Other Revenue Deferral Account (ORDA)

Ref: 2024 Incentive Rate Adjustment Application, page 12-13
2024 Incentive Rate Adjustment Application, Appendix D - Auditor's Report

EPCOR proposed to refund the ORDA balance of \$10,053 as of December 31, 2022, including interest to December 31, 2023. EPCOR proposed to refund the balance in the ORDA to all rate classes based on the total CIP distribution and non-distribution rate base for all rate classes. EPCOR requested a 12-month volumetric rate rider for the disposition of the account.

Question(s):

- a) Please confirm that this is the first time that EPCOR has sought disposition of the balance in the ORDA.
- b) Please explain why EPCOR believes that the ORDA should be allocated based on the CIP distribution and non-distribution rate base for all rate classes.
- c) Please provide EPCOR's view on allocating the ORDA balance to rate classes based on:
 - i. The amount of other revenue actually generated by each rate class.
 - ii. An OM&A-based allocation.
- d) Please provide a revised Table 15 that compares each rate class based on using the following allocations:
 - a. CIP distribution and non-distribution rate base;
 - b. Amount of other revenue actually generated by each rate class;
 - and
 - c. OM&A-based allocation.
- e) OEB staff notes in the ORDA portion of the auditor's report, the majority of the activity is in line 4592- Miscellaneous Revenue, specifically in September, November, and December 2022. Please provide a detailed discussion of the debits and credits that are in the 4592- Miscellaneous Revenue (and comprise the balance in the ORDA).