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October 13, 2023

Sent by EMAIL, RESS e-filing

Nancy Marconi
Registrar
Ontario Energy Board
27-2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Marconi:

**Re: EB-2023-0160: EPCOR Natural Gas Limited Partnership's ("EPCOR") 2024
Incentive Rate Adjustment Application – Aylmer – Reply Submission**

The comments below are EPCOR's reply to the OEB Staff submission of October 5, 2023.

Reference: Page 5:

Typically, in EPCOR's annual rate filings, there is a draft rate order process to allow EPCOR to update: (a) the inflation factor to reflect the latest OEB-approved inflation factor; and (b) the interest rate applied to the deferral account balances for Q4.

OEB staff is of the view that no draft rate order process is required in the current proceeding as the latest inflation factor has already been applied in the PCA and any update to the interest rates would result in an immaterial change to the deferral account balances. However, OEB staff requests that EPCOR provide its views on the need for a draft rate order process in its reply submission.

EPCOR is in agreement with the comments from OEB Staff that a draft order process is not necessary. An update of the rate used to calculate the Q4 2023 deferral account carrying charges (from 4.98% to 5.49%) would result in a \$300 increase in the DVA balance recoverable by EPCOR. EPCOR also notes that foregoing this update, albeit immaterial, is to the benefit of EPCOR's customers.

EPCOR has no additional commentary to add to the record in response to OEB Staff's submission.

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

Sincerely,

Tim Hesselink, CPA
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EPCOR Natural Gas Limited Partnership
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