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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-2023-0274 EPCOR Natural Gas Limited Partnership (“ENGLP”)
2024 Federal Carbon Pricing Program Application
Responses to OEB Staff Questions**

Please find enclosed EPCOR Natural Gas Limited Partnership’s responses to OEB Staff questions received regarding the above noted application.

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

Sincerely,

Tim Hesselink, CPA
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-2023-0274**

Staff Question-1

Reference(s): EB-2023-0274 Application and Evidence, Page 12-14
EB-2022-0245 Interrogatory Responses, Staff Question-1(c)

Preamble: Consistent with ENGLP's federal carbon application in the prior year, ENGLP is proposing to allocate 2024 facility costs between its Aylmer and Southern Bruce operations as follows:

- Company use natural gas vehicles (NGV): 100% to Aylmer since Southern Bruce has a separate fleet that does not include NGV, and
- Company use buildings: 75% to Aylmer and 25% to Southern Bruce based on forecast volume (m³) of all customers. 2024 volume projections were based on actual 2022 data for Aylmer and forecasted data for Southern Bruce since historical growth will not adequately capture additional connections expected in 2024 and 2025 due to the timing of customer connections in the Southern Bruce expansion project.

Question(s):

- (a) Per ENGLP's interrogatory response to staff question-1(c) under EB-2022-0245, a significant change in volumes is not expected for Aylmer, and growth is expected to continue in Southern Bruce. However, cost allocation for company-use buildings remain at 75%/25% per ENGLP's current year application. Please confirm if ENGLP anticipates a significant change in forecast volume (m³) for Southern Bruce given the connections expected in 2024 and 2025 from the expansion project. Will it render a change to the 75%/25% facility cost allocation 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: As presented in Table 4 of the application (reproduced below), ENGLP is proposing to allocate the costs for company use buildings based on:

- Aylmer - the historical 2022 Aylmer volumes
- Southern Bruce - the forecasted 2024 customer volumes

Table 4 – Projected Combined Volume Allocations

Line No.	Particulars	Forecast Volume (m ³)	% of Total
1	Aylmer	93,526,635	75%
2	Southern Bruce	<u>31,494,809</u>	<u>25%</u>
		125,021,444	100%

This 75% / 25% allocation takes into account forecasted volumes and is coincidentally the same as in the previous filing.

We do not anticipate a significant change in volumes, but expect to recalculate the allocation annually in future FCPP applications.

- (b) Does ENGLP plan on changing their forecast volumes methodology from forecast to actual prior year volumes (like Aylmer) once growth stabilizes in Southern Bruce? If so, when does ENGLP anticipate this to happen?

ENGLP Response: Yes. ENGLP expects to align these two methodologies as the Southern Bruce consumption profile stabilizes. ENGLP anticipates that this would happen after the year 2025 has been completed. The data would be used for an application filed in 2026, for rates effective April 1, 2027.

Staff Question-2

Reference(s): EB-2022-0245 Application and Evidence, Page 17

Preamble: Per ENGLP's 2023 federal carbon application, ENGLP deferred disposition of any deferral and variance account balances related to the Greenhouse Gas Pollution Pricing Act (GGPPA) until 2024 because of adjustments to the Customer Carbon Charge Variance Account (CCCVA) in 2022. In its current application, ENGLP deferred disposition once again since further adjustments were required as a result of ENGLP's review of internal CRA remittance processes related to GGPPA obligations.

Question(s):

- a) In its prior and current year application, ENGLP notes that it will defer disposition until all final adjustments are made. Please confirm when ENGLP anticipates the internal review process to be completed. Does ENGLP anticipate any further delays in being able to request the disposition of its deferral and variance account balances in 2025?

ENGLP Response: ENGLP is currently in process of finalizing the review of the historical DVA balances and historical remittances to CRA. Should this be completed before regulatory books are closed, the balances will be adjusted in the year 2023. If more time is needed, the adjustments will appear in 2024.

ENGLP notes that balances in CCCVA deferral account are expected to substantially reduced for Aylmer and Southern Bruce resulting in an immaterial disposition as a result of this exercise.