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BY EMAIL

April 17, 2024

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Marconi:

**Re: Ontario Energy Board's (OEB) Own Motion Regarding EPCOR Natural Gas
Limited Partnership's (EPCOR) Request to Correct Certain Historical
Quarterly Rate Adjustment Mechanism Errors
OEB Staff Interrogatories
Ontario Energy Board File Number: EB-2024-0124**

In accordance with the OEB's Notice of Hearing and Procedural Order No. 1, please find attached OEB staff interrogatories for the above proceeding.

EPCOR's responses to interrogatories are due by April 25, 2024.

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

Yours truly,

Arturo Lau
Advisor, Natural Gas Applications

Encl.

OEB Staff Interrogatories
OEB Motion Regarding EPCOR's Request to Correct Certain
Historical Quarterly Rate Adjustment Mechanism Errors
EB-2024-0124

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*.

Staff. 1- Reference Price Error

Ref: EB-2024-0100 Application, Pg. 10
EB-2024-0100 IRRs, Staff 1-f
EB-2024-0100 Application, Schedule 2
EB-2023-0338 Application, Schedule 2
The OEB's [October 31, 2019 letter](#) on the correction of pass-through costs

Preamble:

There are two approaches EPCOR identified to correct the reference price error.

Approach 1: In the April 2024 QRAM application, EPCOR stated that by correcting the reference price for October to December 2023 in Schedule 2 of its application (i.e., from the erroneous reference price of \$0.179429/m³ to the approved reference price of \$0.161348/m³), the proposed reference price and inventory rate to clear the PGCVA and the GPRA starting in April 2024 would capture the discrepancy caused by the incorrect reference price recorded in Schedule 2 historically.

Approach 2: In EPCOR's response to interrogatories, EPCOR stated that applying a debit to the PGCVA of \$71,138 would also operate to correct the historical error.

The OEB's October 31, 2019 letter regarding the correction of pass-through costs states:

The OEB will determine on a case-by-case basis whether to make a retroactive adjustment based on the particular circumstances of each case, including factors such as:

- whether the error was within the control of the distributor
- the frequency with which the distributor has made the same error

- failure to follow guidance provided by the OEB
- the degree to which other distributors are making similar errors

Questions:

- a) Please describe in detail how EPCOR would implement Approach 2.
 - i. Please provide an updated schedule 2 reflecting this change.
- b) Please confirm that Approach 1 and Approach 2 result in the same debit to the PGCVA and the impact on customers is the same.
- c) Please advise which approach is preferred by EPCOR.
- d) Please provide a detailed discussion as to why EPCOR should be allowed to recover the debit associated with the Reference Price Error in the context of the OEB's October 31, 2019 letter.
- e) Please provide EPCOR South Bruce's ROE from 2019-present.
- f) Please provide a detailed discussion of the following:
 - i. How the error Reference Price Error occurred.
 - ii. The review process that EPCOR applies to its QRAM applications to ensure that its evidence is accurate prior to filing with the OEB.
 - iii. Whether EPCOR believes it has a rigorous QRAM preparation process that limits the potential for errors.
 - iv. Any changes that EPCOR has made to its QRAM preparation process to ensure errors of this nature do not occur in the future.

Staff. 2- Billing Error

Ref: EB-2024-0100, IR Responses, Staff 2 b) iii)

Preamble:

In January 2024, EPCOR discovered a billing issue whereby a number of system gas customers were incorrectly billed a lower volume during the period of April 2021 to January 2024. Approximately 75 customers were impacted.

EPCOR stated that the billing issue both impacts the cumulative inventory (gas

purchased compared to system gas volume sold to EPCOR customers), as well as the amount recorded in the GPRA. As such, the GPRA balance ending March 2023 (as recorded at the bottom of Schedule 8) should have been adjusted by -\$5,841.56 as well.

EPCOR noted that it has made billing adjustments and is recovering additional payments in alignment with its conditions of service:

A retroactive billing adjustment is required to correct the error when a Customer has been billed incorrectly. Billing errors may arise due to a Customer's error or EPCOR's error. Regardless of whether the Customer or EPCOR is responsible for the error, or whether the error results in an over or underbilling, errors will be corrected retroactively for a period of up to two (2) years for Residential Customers. For all other Customers, the error will be corrected retroactively for a period of up to six (6) years.

Questions:

- a) Please provide the number of customers impacted by the Billing Error by rate class.
- b) If there are residential customers that were impacted by the Billing Error and are past the two-year retroactive period, please confirm that EPCOR's shareholder is responsible for the cost variance related to the underbilling?
- c) Are there any customers that were impacted by the Billing Error and that are no longer served by EPCOR?
 - i. If so, please confirm that EPCOR's shareholder is responsible for the cost variance related to the underbilling?
- d) Please confirm that the -\$5841.56 adjustment has already been included in Schedule 8 as filed with EPCOR's April 2024 QRAM. If not, please advise whether further updates are necessary.

Staff. 3- Heat Value

Ref: EB-2024-0100, OEB staff letter, March 14, 2024

Preamble:

OEB staff stated that on March 13, 2024, EPCOR filed responses to OEB staff questions with respect to EPCOR's April 2024 QRAM for its Aylmer service area. In the response, EPCOR noted that it used a heat value of 39.09 MJ/m³ for both its Aylmer and South Bruce service areas as this was the heat value shown on Enbridge Gas Inc.'s (Enbridge Gas) website.

Enbridge Gas confirmed in response to OEB staff's questions with respect to its April 2024 QRAM application that the correct heat value for the Union South rate zone is 39.17 GJ/10³m³.

Questions:

- a) Please advise whether EPCOR maintains the heat value used in its application (i.e. 39.09 MJ/m³) is correct or if EPCOR believes that the heat value for the period covered by the April 2024 QRAM should be the value used in the Union South rate zone (i.e. 39.17 GJ/10³m³).
- b) Please provide the impact on the commodity rates and bill impact schedules of changing the heat value to Union South rate zone's heat value.
- c) Please advise whether EPCOR's QRAM methodology for the South Bruce service area will true-up to actual heat values (through the volume true-up) at the time of its next QRAM application.