

BY EMAIL

September 10, 2024

Ms. Nancy Marconi
Registrar
Ontario Energy Board (OEB)
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
Registrar@oeb.ca

Dear Ms. Marconi:

**Re: Proposed Issues List
EPCOR Natural Gas Limited Partnership (ENGLP)
Application for natural gas distribution rates and other charges effective
January 1, 2025, through December 1, 2029 for the Aylmer service territory
OEB File Number: EB-2024-0130**

In accordance with Procedural Order No. 1, OEB staff advises the OEB that parties have come to an agreement regarding an issues list for ENGLP's application for 2025-2029 natural gas distribution rates and other charges for the Aylmer service territory. The proposed issues list is attached.

Further, parties are requesting that the OEB waive the requirement under rule 26.02(e)(ii) of the Rules of Practice and Procedure that the interrogatories correspond to the issues list. Parties are requesting that they may file interrogatories according to the exhibit numbers in the application. Parties believe this approach is more efficient and likely less costly.

Yours truly,

Tina Zhu
Senior Advisor, Generation & Transmission

Encl.

cc: All parties in EB-2024-0130

PROPOSED ISSUES LIST

EB-2024-0130

ENGLP

Issue 1 Administration

- a) Has ENGLP complied with the OEB directives from and since the utility's last cost of service proceeding (EB-2018-0336 and EB-2019-0276)?
- b) Are the proposed changes to ENGLP's Conditions of Service appropriate?
- c) Is the proposed effective date appropriate?

Issue 2 Rate Base

- a) Are the proposed rate base amounts appropriate?
- b) Is the level of planned capital expenditures, and related in-service additions, appropriate, and is the rationale for planning and pacing choices appropriate and adequately explained, giving due consideration to:
 - customer feedback and preferences;
 - productivity;
 - benchmarking of costs;
 - reliability and service quality;
 - impact on distribution rates;
 - trade-offs with OM&A spending;
 - government-mandated obligations;
 - the objectives of ENGLP and its customers;
 - the utility system plan; and
 - the business plan.
- c) Is the working capital allowance for the 2025 Test Year appropriate?

Issue 3 Operating Revenue

- a) Are the customer addition forecasts for the 2024 Bridge Year and 2025 Test Year appropriate?

- b) Are the volume throughput and revenue forecasts for the 2024 Bridge Year and 2025 Test Year appropriate?
- c) Are the proposed Other Revenues for the 2025 Test Year appropriate?

Issue 4 Operating Costs

- a) Is the level of planned OM&A expenditures appropriate and is the rationale for planning choices appropriate and adequately explained, giving due consideration to:
 - customer feedback and preferences;
 - productivity;
 - benchmarking of costs;
 - reliability and service quality;
 - impact on distribution rates;
 - trade-offs with capital spending;
 - government-mandated obligations;
 - the objectives of ENGLP and its customers;
 - the utility system plan;
 - the business plan;
 - affiliate shared services; and,
 - corporate shared services and the corporate structure/status.
- b) Are the depreciation costs for the 2025 Test Year appropriate?
- c) Is the proposed shared services cost allocation methodology and the quantum appropriate?
- d) Is the gas transportation cost forecast for the 2025 Test Year appropriate?

Issue 5 Deferral and Variance Accounts

- a) Is ENGLP's proposal for deferral and variance accounts, including the balances in the existing accounts and their disposition, requests for new accounts and the continuation or closure of existing accounts, appropriate?

Issue 6 Cost of Capital, Taxes and Revenue Requirement

- a) Is the proposed cost of capital (interest on debt, return on equity) and capital structure appropriate?
- b) Are the proposed tax amounts appropriate?
- c) Have all impacts of any changes in accounting standards, policies, estimates and adjustments been properly identified and recorded, and is the ratemaking treatment of each of these impacts appropriate?
- d) Is the proposed calculation of the Revenue Requirement appropriate?

Issue 7 Cost Allocation and Rate Design

- a) Are the proposed changes to cost allocation, rate design and revenue-to-cost ratios appropriate?
- b) Are the proposed rates appropriate?
- c) Are ENGLP's Schedule of Service Charges appropriate?

Issue 8 Incentive Rate-setting Plan

- a) Is ENGLP's proposed Incentive Rate-setting Plan for the period 2026 to 2029 appropriate?

Issue 9 Score Card

- a) Is ENGLP's proposed Score Card appropriate?