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November 26, 2024

**Sent by EMAIL, RESS e-filing**

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

Dear Ms. Marconi:

**Re: EB-2024-0338: Southern Bruce Quarterly Rate Adjustment Mechanism ("QRAM") Notice of Bill Impact Increase Estimate – January 2025**

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The purpose of this letter is to inform the Ontario Energy Board ("OEB") of the estimated change in the total bill portion of an average residential customer's bill that is expected when EPCOR Natural Gas Limited Partnership ("ENGLP") files its January 1, 2025 QRAM application for the Southern Bruce service territory.

Based on market pricing trends and preliminary calculations using proposed updates to distribution rates, the annual bill impact may increase by more than 10% for an average residential customer when the January 2025 QRAM is finalized. Should this remain in the final calculations, ENGLP's January 2025 QRAM application will include a proposal to mitigate the increase.

**Background:**

ENGLP currently has two rate applications in progress that will impact January 2025 rates. This includes the 2025 Custom IR update (EB-2024-0238) along with the EB-2024-0338 QRAM filing (this application). The Custom IR update includes updates to distribution rates, based on the approved escalation calculation, along with the disposition of certain approved deferral and variance accounts<sup>1</sup>.

In its 2025 Custom IR update (EB-2024-0238), OEB Staff commented<sup>2</sup>:

*OEB staff notes that if a distributor anticipates an increase or decrease of 25% or more on commodity portion of a customer's bill, the distributor is required to file a letter 14 days prior to filing its QRAM*

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<sup>1</sup> EB-2024-0238 Application, ENGLP\_APPL\_2025 Custom IR Update\_SB\_20240815, Page 10.

<sup>2</sup> EB-2024-0238 OEB Staff Submission, November 1, 2024, Pages 8-9.

*application. OEB staff submits that ENGLP should file a letter 14-days prior to filing its January 2025 QRAM application if ENGLP forecasts a total bill increase of 10% or over. This will allow for a more thorough review of the QRAM application than is currently feasible in the existing QRAM process timelines.*

This letter is being submitted in response to the comments above.

**Cost Drivers of the Commodity Bill Impacts:**

Based on current calculations, an average existing residential customer, (*using consumption of 2,149m<sup>3</sup> in alignment with the Common Infrastructure Plan*) would experience a 9.9% increase in their total annual bill:

Category	% Change
Commodity	1.5%
Distribution	1.1%
Rate Riders	7.2%
<b>Proposed Increase</b>	<b>9.9%</b>

ENGLP anticipates that the further increases in the market price of natural gas used in the final calculations for the January 2025 QRAM, may push the rate impacts beyond the 10% threshold.

**Next Steps:**

ENGLP expects to file its January 2025 QRAM application no later than December 10, 2024, but will endeavour to submit it earlier in anticipation of the OEB's holiday timeout period.

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

Sincerely,

Tim Hesselink  
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EPCOR Natural Gas Limited Partnership  
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