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December 10, 2024

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-2024-0338: Quarterly Rate Adjustment Mechanism ("QRAM") Application
ENGLP Natural Gas LP ("ENGLP") Southern Bruce for rates effective January 1, 2025
Responses to OEB Staff Questions**

Please find enclosed EPCOR Natural Gas Limited Partnership's responses to OEB Staff's questions received December 9, 2024.

Please do not hesitate to contact me if you have any questions.

Yours truly,

Tim Hesselink, CPA
Senior Manager, Regulatory Affairs
EPCOR Natural Gas Limited Partnership
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249-225-5104

1. Please discuss EPCOR's preferred plan (i.e. mitigation or no mitigation).

ENGLP Response: ENGLP considers the customer impacts to be an important element of any rate application. ENGLP also notes that there some uncertainty in the true annual impacts as commodity rates can change either favourably or unfavourably over the course of a year which would alter the 10.2% annual increase.

From an implementation standpoint, both options are feasible without issue.

With that stated, given the proximity to the 10% value (0.2%) and that customers will ultimately pay less with a 12 month implementation (referring to question 2 below), ENGLP would recommend 'no mitigation'.

ENGLP would defer to the Board's judgement on this matter.

2. Please provide the carrying cost to extend the recovery of the CVVA from 12 to 18 months. Please assume the latest OEB-prescribed interest rates through 2025 (i.e. 4.40%)

ENGLP Response: ENGLP was approved for a CVVA recovery of \$327,452¹. Assuming a consistent customer count, carrying charges over a 12 month period at a 4.40% rate would equal \$6,604 (Table 2-1). Carrying charges over an 18 month period would equal \$10,206 (Table 2-2), resulting in an increase of \$3,602.

Table 2-1 – 12 Month Recovery

12 months	Recovery	Balance \$327,452	Carrying Charges 4.40%
Jan-25	\$27,288	\$300,164	\$1,101
Feb-25	\$27,288	\$272,877	\$1,001
Mar-25	\$27,288	\$245,589	\$900
Apr-25	\$27,288	\$218,301	\$800
May-25	\$27,288	\$191,014	\$700
Jun-25	\$27,288	\$163,726	\$600
Jul-25	\$27,288	\$136,438	\$500
Aug-25	\$27,288	\$109,151	\$400
Sep-25	\$27,288	\$81,863	\$300

¹ EB-2024-0238 Decision and Rate Order, December 3, 2024, Page 4.

Oct-25	\$27,288	\$54,575	\$200
Nov-25	\$27,288	\$27,288	\$100
Dec-25	\$27,288	\$0	\$0
Total			\$6,604

Table 2-2 – 18 Month Recovery

18 months	Recovery	Balance	Carrying Charges
		\$327,452	4.40%
Jan-25	\$18,192	\$309,260	\$1,134
Feb-25	\$18,192	\$291,068	\$1,067
Mar-25	\$18,192	\$272,877	\$1,001
Apr-25	\$18,192	\$254,685	\$934
May-25	\$18,192	\$236,493	\$867
Jun-25	\$18,192	\$218,301	\$800
Jul-25	\$18,192	\$200,110	\$734
Aug-25	\$18,192	\$181,918	\$667
Sep-25	\$18,192	\$163,726	\$600
Oct-25	\$18,192	\$145,534	\$534
Nov-25	\$18,192	\$127,342	\$467
Dec-25	\$18,192	\$109,151	\$400
Jan-26	\$18,192	\$90,959	\$334
Feb-26	\$18,192	\$72,767	\$267
Mar-26	\$18,192	\$54,575	\$200
Apr-26	\$18,192	\$36,384	\$133
May-26	\$18,192	\$18,192	\$67
Jun-26	\$18,192	\$0	\$0
Total			\$10,206

3. EPCOR in its application recognizes that the OEB approved the October 2024 QRAM proposed rates on an interim basis pending the OEB staff's report on EPCOR's GSP, which has not yet been released. Please confirm if EPCOR expects rates to remain interim until the OEB staff report on EPCOR's GSP is issued.

ENGLP Response: Confirmed. As per page 2 of the EB-2024-0267 Decision and Interim Order:

As such, the OEB will approve the proposed rates on an interim basis pending OEB staff's release of its report including recommendations to the OEB on the 2024 GSP and pending the OEB's response to that report.

4. On pages 14 and 15 of the application there is the following wording: “This is consistent with ENGLP Aylmer’s...”. Please confirm if this should state South Bruce instead of Aylmer. If so, please correct this going forward in the next QRAM application.

ENGLP Response: Confirmed. This will be adjusted on the next QRAM filing.

5. In Schedule 9, Quarterly Bill Impacts, the Rate Riders for Quarter Starting January 1, 2025 total \$104.34. Please verify that this number is correct and please provide the calculation.

ENGLP Response: This value is incorrect. The original Schedule 9 value of \$104.34 included a CVVA rate rider calculated using a 12 month time period instead of 3. The corrected calculation detail is included below. An updated Schedule 9 follows this response.

	Quarter Starting 01-Jan-24 <u>EB-2023-0338</u>	Quarter Starting 01-Jan-25 <u>EB-2024-0338</u>
Average Residential Consumption for Quarter	902.5	902.5
Rates		
Rate Rider for Delay in Revenue Recovery (\$/m ³)	0.016330	0.016330
ECVA Rate Rider (\$/m ³)	0.001727	0.002481
CIACVA Rate Rider (\$/m ³)	0.023327	0.023088
MTVA Rate Rider (\$/m ³)	-0.022906	0.005052
ORDA Rate Rider (\$/m ³)	-0.000893	-0.002738
CVVA Rate Rider (\$/month)	N/A	5.37
Amount (\$)		
Rate Rider for Delay in Revenue Recovery	\$14.74	\$14.74
ECVA Rate Rider	\$1.56	\$2.24
CIACVA Rate Rider	\$21.05	\$20.84
MTVA Rate Rider	(\$20.67)	\$4.56
ORDA Rate Rider	(\$0.81)	(\$2.47)
CVVA Rate Rider	<u>\$0.00</u>	<u>\$16.11</u>
Total	\$15.87	\$56.01

EPCOR NATURAL GAS LIMITED PARTNERSHIP

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Jan-24 <u>EB-2023-0338</u>	Quarter Starting 01-Jan-25 <u>EB-2024-0338</u>	\$ Change	Percent Change
Average Residential Consumption for Quarter	902.5	902.5		
Monthly Charges	\$85.35	\$87.00	\$1.65	1.9%
Delivery Charges	\$261.87	\$267.12	\$5.24	2.0%
Upstream Charges	\$37.65	\$37.65	\$0.00	0.0%
Rate Riders	\$15.87	\$56.01	\$40.14	252.9%
Federal Carbon Charge (if applicable)	\$111.82	\$137.63	\$25.81	23.1%
Facility Carbon Charge	\$0.01	\$0.01	\$0.00	
Total Commodity Charges	<u>\$139.08</u>	<u>\$122.89</u>	<u>(\$16.19)</u>	<u>-11.6%</u>
Total Customer Charges	\$651.66	\$708.31	\$56.66	8.7%

ANNUAL BILL IMPACT

	01-Oct-24 <u>EB-2024-0267</u>	<u>No Rate Mitigation</u>			<u>Rate Mitigation</u>		
		01-Jan-25 <u>EB-2024-0338</u>	\$ Change	Percent Change	01-Jan-25 <u>EB-2024-0338</u>	\$ Change	Percent Change
Average Residential Consumption	2,149.0	2,149.0			2,149.0		
Monthly Charges	\$341.40	\$348.00	\$6.60	1.9%	\$348.00	\$6.60	1.9%
Delivery Charges	\$625.74	\$638.26	\$12.52	2.0%	\$638.26	\$12.52	2.0%
Upstream Charges	\$89.66	\$89.66	\$0.00	0.0%	\$89.66	\$0.00	0.0%
Rate Riders	\$37.79	\$159.45	\$121.66	321.9%	\$137.97	\$100.18	265.1%
Federal Carbon Charge (if applicable)	\$327.72	\$327.72	\$0.00	0.0%	\$327.72	\$0.00	0.0%
Facility Carbon Charge	\$0.03	\$0.03	\$0.00	0.0%	\$0.03	\$0.00	0.0%
Total Commodity Charges	<u>\$261.25</u>	<u>\$292.63</u>	<u>\$31.38</u>	<u>12.0%</u>	<u>\$292.63</u>	<u>\$31.38</u>	<u>12.0%</u>
Total Customer Charges	\$1,683.59	\$1,855.76	\$172.17	10.2%	\$1,834.28	\$150.69	9.0%

RATES USED (1)

	01-Jan-24 <u>EB-2023-0338</u>	01-Oct-24 <u>EB-2024-0267</u>	<u>No Mitigation</u> 01-Jan-25 <u>EB-2024-0338</u>	<u>Mitigation</u> 01-Jan-25 <u>EB-2024-0338</u>
	28.45	28.45	29.00	29.00
Monthly Charge				
Delivery Charge - first 100 m3	0.294035	0.294035	0.299921	0.299921
Delivery Charge - next 400 m3	0.288243	0.288243	0.294012	0.294012
Delivery Charge - after 500 m3	0.279729	0.279729	0.285328	0.285328
Upstream Charges - Recovery	0.014740	0.014740	0.014740	0.014740
Upstream Charges - Tport Storage	0.026982	0.026982	0.026982	0.026982
Rate Rider for Delay in Revenue Recovery	0.016330	0.016330	0.016330	0.016330
ECVA Rate Rider	0.001727	0.001727	0.002481	0.002481
CIACVA Rate Rider	0.023327	0.023327	0.023088	0.023088
MTVA Rate Rider	-0.022906	-0.022906	0.005052	0.005052
ORDA Rate Rider	-0.000893	-0.000893	-0.002738	-0.002738
CVVA Rate Rider	N/A	N/A	5.370000	3.580000
Federal Carbon Charge (if applicable)	0.123900	0.152500	0.152500	0.152500
Facility Carbon Charge	0.000011	0.000013	0.000013	0.000013
Gas Supply Charge	0.154105	0.121568	0.136170	0.136170