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March 16, 2025

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-2025-0097: Quarterly Rate Adjustment Mechanism ("QRAM") Application
ENGLP Natural Gas LP ("ENGLP") Southern Bruce for rates effective April 1, 2025
Responses to OEB Staff Questions**

Please find enclosed EPCOR Natural Gas Limited Partnership's responses to OEB Staff's submission received March 12, 2025. This submission includes responses to Staff questions (1-4), along with one point of clarification (5).

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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1. Rate Mitigation

To aid in the OEB's decision making process, OEB staff requests that EPCOR comments on if it considered any other rate mitigation options. OEB staff would also like EPCOR to provide the estimated carrying costs from deferring the PGCVA balance until the next QRAM application, assuming the latest OEB-prescribed interest rates through 2025 (i.e. 4.23%).

ENGLP Response:

ENGLP did not consider any other rate mitigation options beyond the PGCVA deferral.

The monthly interest amount for April to July 2025 for the \$390,000 PGCVA credit ENGLP included from March 2025 is \$1,183. The total estimated interest cost would be \$3,549 until the Q3 2025 QRAM application. This is calculated using the most recent OEB approved Deferral and Variance accounts interest rate of 3.64%.

$\$390,000 \times 3.64\% / 12 = \$1,183$ per month

$\$1,183$ per month $\times 3$ months = \$3,549

2. CNG Pilot

OEB staff would like EPCOR to clarify a discrepancy in the application relating to the CNG pilot. EPCOR stated that this application includes volumes of 58,587 m³ of CNG purchased during the period of October - December 2024. However, in Schedule 3 of the application, it states that the total CNG purchases for that period were 28,587 m³. OEB staff would like EPCOR to clarify which number is correct. OEB staff makes no other submissions on this topic other than to support the approval of rates on a final basis consistent with the OEB staff position in the Gas Supply Plan report. OEB staff looks forward to EPCOR's further options analysis for Southern Bruce in its future applications.

ENGLP Response:

ENGLP confirms the total CNG purchases during the period of October to December 2024 is 28,587 m³.

3. Schedule 9:

OEB staff noted in Schedule 9, Quarterly Bill Impacts, under both rate mitigation and no rate mitigation options, that the Rate Riders for Quarter Starting April 1, 2025 total \$82.04. OEB staff requests EPCOR to verify that this number is correct and to provide the calculation.

ENGLP Response:

ENGLP confirms the Rate Rider for Quarter starting April 1, 2025 should be \$33.71 for both rate mitigation and no rate mitigation options.

As per listed information below, the calculation for the Quarter Rate Rider amount is $398.1 \times (0.01633 + 0.002481 + 0.023088 + 0.005250 - 0.002738) + 3 \times 5.37 = \33.71

	2025-04-01	2025-05-01	2025-06-01
Average Residential Consumption (m ³)	195.5	125.6	77.0
Average Residential Consumption for Quarter (m ³)	398.1		
	EB-2024-0238 Approved		
Rate Rider for Delay in Revenue Recovery (\$/m ³)	0.01633		
ECVA Rate Rider (\$/m3)	0.002481		
CIACVA Rate Rider (\$/m3)	0.023088		
MTVA Rate Rider (\$/m3)	0.005052		
ORDA Rate Rider (\$/m3)	-0.002738		
CVVA Rate Rider (\$/mth)	5.37		
Total Rate Rider (\$)	\$ 33.71		

The reason for the error is the CVVA rate rider was calculated using a 12 month period instead of a 3 month period.

4. Region Labeling:

OEB staff noted the following references in the application:

1. On Page 18: "This is consistent with ENGLP Aylmer's past proposals..."
2. On Page 19: "This is consistent with ENGLP Aylmer's proposal..."

OEB staff requests EPCOR to confirm if "Aylmer" should be replaced with "Southern Bruce".

ENGLP Response:

ENGLP confirms that "Aylmer" should be replaced with "Southern Bruce".

5. Rate Confirmation

ENGLP Comments:

ENGLP notes that there are inconsistent references in the cover letter and application regarding the changes in PGCVA reference price and Gas Commodity Charge. For clarity, ENGLP confirms that the table below contains the correct values as applied for the PGCVA reference price, GPRA recovery and Gas Commodity Charge (found on page 20 in the application).

Table 3 - Changes in Gas Commodity Charge (with Rate Mitigation)

	EB-2024-0338 01-Jan-25	Proposed 01-Apr-25	Variance
PGCVA Reference Price	\$0.136192	\$0.168136	\$0.031944
<u>GPRA Recovery</u>	<u>(\$0.000022)</u>	<u>\$0.001753</u>	<u>\$0.001775</u>
Gas Commodity Charge	\$0.136170	\$0.169889	\$0.033719

This is consistent with Page 3 of the application where ENGLP requests:

“an Order changing the rates and other charges from those authorized the Board’s Decision and Interim Rate Order dated December 19, 2024 in proceeding EB-2024-0338, to a Final Approval which reflects a projected \$0.033719 per m3 increase in the gas supply charge from the Board approved level of \$0.136192 per m3 to a projected cost of \$0.169889 per m3.”