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BY EMAIL

September 11, 2026

Ritchie Murray
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ritchie Murray:

**Re: EPCOR Natural Gas Limited Partnership (ENGLP)
Application for 2026 Rates – Aylmer Service Area
Ontario Energy Board File Number: EB-2026-0148**

In accordance with Procedural Order No. 1, please find attached the Ontario Energy Board (OEB) staff interrogatories in the above proceeding. The applicant has been copied on this filing.

EPCOR Natural Gas Limited Partnership's responses to interrogatories are due by September 25, 2026.

Any questions relating to this letter should be directed to Arturo Lau at Arturo.Lau@oeb.ca. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Arturo Lau

Digitally signed by Arturo
Lau
Date: 2026.09.11 10:47:01
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Arturo Lau
Senior Advisor, Natural Gas

Encl.

**OEB Staff Interrogatories
EPCOR Natural Gas Limited Partnership
EB-2026-0148**

Please note, EPCOR Natural Gas Limited Partnership 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*.

OEB STAFF - 1

Reference: ENGLP_AYLMER_IRM_APPL_20260710, pg 14
ENGLP_AYLMER_IRM_APPL_20260710, pg 23

Preamble:

ENGLP stated that in 2025, ENGLP's annual ROE was 298 basis points above the OEB-approved ROE of 9.00%, and as a result, the Earnings Sharing Mechanism has been triggered, resulting in a payment to customers of \$77,368. The primary driver compared to 2025 test year, was a decrease in OM&A costs (caused by an increase of capital transfers, lower than anticipated meter reading costs and 'one-time costs' included in the test year, which were not incurred in actuals). ENGLP anticipates OM&A levels to return to expected levels in 2026.

ENGLP is proposing to allocate the Earnings Sharing Mechanism Deferral Account (ESMDA) balance based on the approved EB-2024-0130 revenue requirement (adjusted for cost of capital).

ENGLP is proposing to return the ESMDA balance to customers in Rate Classes 1-5 through the implementation of a 12-month volumetric rate rider commencing on January 1, 2027 (recovery methodology). The rate rider will be calculated by taking the total disposition amount over the total weather normalized volumetric deliveries for Rate Classes 1-5 for the period January 1, 2025 through December 31, 2025.

Question(s):

- a) Please confirm whether 2025 is the first year in which a balance has been recorded in the ESMDA. If not, please provide details of any prior ESMDA balances recorded and disposed of.
- b) Please provide a reconciliation of 2025 actual OM&A to the 2025 test-year OM&A approved in EB-2024-0130, identifying each variance, which is either greater than \$50,000 or 10% of the forecasted amount. At a minimum, please identify variances

associated with: capital transfers, meter reading costs, one-time costs included in the test year, and any other material OM&A variances.

- c) For each variance identified in part (b), please:
 - i. explain the reason for the variance;
 - ii. indicate whether the variance is expected to persist in 2026 and 2027; and
 - iii. discuss whether the variance is expected to result in increased costs in future years, including any impacts on compliance requirements, service quality, operations, or maintenance activities.
- d) Please explain the rationale for the proposed ESMDA allocation methodology, based on the revenue requirement allocator, explaining why this is appropriate.
- e) Please provide the document referenced in Footnote 12, namely: "EB-2024-0130 revenue requirement, WACC adjusted - ENGLP_AYLMER_IRM_Rate Model_REPLYSUB_20251113 - Tab H1 Distribution Revenue"
- f) Please explain the rationale for the proposed ESMDA recovery methodology (i.e. volumetric).
- g) Please provide the ESMDA allocation, resulting rate riders and illustrative bill impacts using the "Distribution Revenue" allocator found in EB-2024-0130, ENGLP_Cost Allocation_Settlement_20241120, Tab "Allocators".
- h) Please indicate whether ENGLP considered using the "Distribution Revenue" allocator. If so, please explain why such an approach was not proposed. If not, please explain why it was not considered.

OEB STAFF - 2

Reference: ENGLP_AYLMER_IRM_APPL_20260710, pg 17

Preamble:

ENGLP is proposing to allocate the Purchased Gas Transportation Variance Account (PGTVA) balance based on the 2025 actual volumes per rate class for Rate 1-5, consistent with the values reported in the 2026 Gas Supply Plan update.

ENGLP stated it is proposing to recover the PGTVA balance from the customers in Rate Classes 1-5 through the implementation of a 12-month volumetric rate rider commencing on January 1, 2027. The rate rider will be calculated by taking the total disposition amount over the total weather normalized volumetric deliveries for Rate Classes 1-5 for the period January 1, 2025 through December 31, 2025.

Question(s):

- a) Please confirm if the proposed allocation and recovery methodology is consistent with what was approved in previous PGTVA dispositions. If not confirmed, please explain the differences from the previously approved methodology and provide the rationale for the proposed approach.

OEB STAFF - 3

Reference: ENGLP_AYLMER_IRM_APPL_20260710, pg 18-20

Preamble:

Page 18 of the application states that the calculated Unaccounted for Gas (UFG) % for 2025 was 4% of purchased volumes.

ENGLP is proposing to allocate the Unaccounted for Gas Variance Account (UFGVA) balance based on the 2025 volumes per rate class for Rate 1-5, consistent with the values reported in the 2026 Gas Supply Plan update.

ENGLP is proposing to recover the UFGVA balance from the customers in Rate Classes 1-5 through the implementation of a 12-month volumetric rate rider commencing on January 1, 2027. The rate rider will be calculated by taking the total disposition amount over the total weather normalized volumetric deliveries for Rate Classes 1-5 for the period January 1, 2025 through December 31, 2025.

Question(s):

- b) Please provide the historical UFG % for the Aylmer service area from 2020-2025 by year.
- c) Please indicate whether the 2025 UFG level is considered abnormal or representative of historical operations and if this is also expected in future operations.
- d) Please explain the principal causes of the 2025 UFG level of 4%.
- e) Please identify any operational initiatives or plans to reduce UFG levels.
- f) Please confirm if the proposed allocation and recovery methodology is consistent with what was approved in previous UFGVA dispositions. If not confirmed, please explain the differences from the previously approved methodology and provide the rationale for the proposed approach.
- g) Please confirm if the proposed allocation uses the actual 2025 volumes.

OEB STAFF - 4

Reference: ENGLP_AYLMER_IRM_APPL_20260710, pg 20-23
ENGLP_AYLMER_IRM_APPL_20260710, pg 94

Preamble:

ENGLP has included settlements related to the disposition of approved deferral and variance accounts (ADVADA) in the following hearings: EB-2020-0234, EB-2020-0076, EB-2021-0215, EB-2021-0268 and EB-2022-0183.

Page 94 of the application provides the continuity schedule in Appendix E.

ENGLP is proposing to allocate the ADVADA balance based on the 2021-2023 actual volumes per rate class for Rate 1-5, consistent with the values reported in the 2026 Gas Supply Plan update.

ENGLP is proposing to recover the ADVADA balance from the customers in Rate Classes 1-5 through the implementation of a 12-month volumetric rate rider commencing on January 1, 2027. The rate rider will be calculated by taking the total disposition amount over the total weather normalized volumetric deliveries for Rate Classes 1-5 for the period January 1, 2025 through December 31, 2025.

Question(s):

- a) Please confirm that no changes to the principal balance of the ADVADA related to the mentioned hearings have occurred since December 2023.
- b) Please explain why ENGLP did not seek disposition of the ADVADA related to hearings EB-2020-0234, EB-2020-0076 and EB-2021-0215 balances in an earlier proceeding, considering the two-year adjustment window ended in December 2024.
- c) Please provide a continuity schedule of all outstanding balances recorded in the ADVADA, including the hearings not requested for disposition in this application, grouped by disposition year and originating proceeding, showing the opening balance, amounts recovered/refunded, carrying charges, and the remaining balance as of December 31, 2025.
- d) Please confirm if the proposed allocation and recovery methodology is consistent with what was approved in previous ADVADA dispositions. If not confirmed, please explain the differences from the previously approved methodology and provide the rationale for the proposed approach.

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Reference: ENGLP_AYLMER_IRM_APPL_20260710, pg 20-23

Question(s):

- a) Please provide a schedule of all approved deferral and variance accounts applicable to the Aylmer service area that have not been requested in this application for disposition, showing:
 - i. the account name;
 - ii. the December 31, 2025 principal balance;
 - iii. the December 31, 2025 carrying charge balance; and
 - iv. the rationale for not seeking disposition and the anticipated proceeding in which ENGLP expects to request disposition.