VIA RESS and EMAIL

November 4, 2026

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

Dear Ritchie Murray:

Re: EPCOR Natural Gas Limited Partnership (EPCOR)
2027 Rates – Southern Bruce – Phase 1
Consumers Council of Canada (CCC) Submission
OEB File No. EB-2026-0149

In accordance with Procedural Order No. 1, dated September 18, 2026, please find attached CCC's submission with respect to Phase 1 of EPCOR's 2027 rates application for its Southern Bruce service area.

Yours truly,

Lawrie Gluck

Lawrie Gluck
Consultant for the Consumers Council of Canada

cc: All parties in EB-2026-0149

EPCOR Natural Gas Limited Partnership (EPCOR)

2027 Rates – Southern Bruce – Phase 1

EB-2026-0149

Consumers Council of Canada Submission

November 4, 2026

Background

EPCOR Natural Gas Limited Partnership (EPCOR) filed its annual custom incentive ratemaking (CIR) update application with the Ontario Energy Board (OEB) on July 31, 2026, seeking approval for changes to its natural gas rates in its Southern Bruce service area effective January 1, 2027.

For the reasons that follow, CCC submits that the proposed allocation of the balance in the Contribution in Aid of Construction Variance Account (CIACVA) is not reasonable and should be revised.

CCC Submission

Contribution in Aid of Construction Variance Account (CIACVA)

The CIACVA records the revenue requirement impact of any differences between the actual capital contributions that EPCOR pays to Enbridge Gas related to Enbridge Gas's Owen Sound Transmission Reinforcement and the Dornoch Meter and Regulator Station, and the capital contribution included for these projects for the purposes of determining EPCOR's approved rates (i.e., a cost true-up).[1] The proposed balance for disposition in the CIACVA is approximately $303k.[2] EPCOR proposes to allocate the CIACVA balance to rate classes based on the "CIP distribution and non-distribution rate base" allocator.[3]

We note that, with respect to the upstream recovery component of the S&TVA, EPCOR instead uses the "CIP rate base associated with the Enbridge CIAC" allocator to assign the balance to rate classes.[4] This aspect of the S&TVA operates to recover the variance between the revenue requirement associated with the capital contributions to Enbridge Gas for the Owen Sound Transmission Reinforcement and the Dornoch Meter and Regulator Station that were included for the purposes of determining EPCOR's approved rates, and the Upstream Recovery Charges collected from customers (i.e., a revenue true-up).[5] The same allocator is used to assign the underlying revenue requirement for these capital contributions between Rates 1, 6 and 11 (through the S&TVA) and Rate 16 (through the TVA).[6]

[1] Application, p. 16.
[2] Application, p. 16.
[3] Application, p. 17.
[4] Application, p. 35.
[5] Application, Appendix D, p. 133.
[6] S&TVA Workbook, Upstream Allocation Tab.

EPCOR's proposal with respect to the CIACVA results in the application of two different allocators to assign costs to rate classes for the same underlying cost driver (i.e., capital contributions to Enbridge Gas). CCC submits that this is not appropriate.

As the CIACVA is designed explicitly to address cost variances associated with the capital contributions paid to Enbridge Gas, the "CIP rate base associated with the Enbridge CIAC" allocator better aligns the recovery of the CIACVA balance with the assignment of the related Enbridge Gas capital contribution costs in rates. Therefore, this allocator should be applied to the CIACVA. The result of this approach is shown in the table below.[7]

Table 1 - EPCOR and CCC Proposed Rate Class Allocation Variance

($000)	**Rate 1**	**Rate 6**	**Rate 11**	**Rate 16**	**Total**
EPCOR Proposed - Rate Base Allocation ($)	$180	$64	$8	$51	$303
CCC Proposed - Enbridge CIAC Allocation ($)	$114	$69	$0	$119	$303
Variance ($)	**-$66**	**$5**	**-$8**	**$68**	**$0**

We recognize that the CIACVA balance has been disposed of using the same allocator proposed by EPCOR in the current proceeding since 2022.[8] However, CCC has not participated in the previous proceedings where the CIACVA balance was approved for disposition. In addition, EPCOR acknowledged that either of the rate base or Enbridge CIAC allocator is appropriate.[9] CCC submits that the proposed allocator does not accurately reflect the allocation of Enbridge Gas-related capital contributions included in rates and should be corrected, and that the prior approvals do not preclude doing so in the current proceeding.

~ All of which is respectfully submitted ~

[7] CCC-3(e). Totals may not sum due to rounding.
[8] CCC-3(d).
[9] CCC-3(d).