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December 13, 2023

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-2023-0338: Quarterly Rate Adjustment Mechanism (“QRAM”) Application ENGLP Natural Gas LP (“ENGLP”) Southern Bruce for rates effective January 1, 2024 – OEB Staff Question Response

Please find below the response to the following question received from OEB Staff via email on December 12:

In Schedule 2 of the application, the actual purchase cost submitted for January and February does not match the actual purchase cost for January and February submitted in EB-2023-0270. Please reconcile the difference between the two applications (Current QRAM and EB-2023-0270).

ENGLP Response:

Since the previous QRAM filing, ENGLP has slightly changed the methodology used to capture actual fuel costs incurred when procuring system gas supply to more accurately reflect the volumes/cost. These fuel costs should be captured in the Storage and Transportation Variance Account (“S&TVA”) instead of through the Purchased Gas Commodity Variance Account (“PGCVA”).

As part of gas procurement, fuel volume and costs are not isolated within our supplier purchases. For example, when procuring system gas supply of 100 GJ/d, ENGLP would actually procure 101 GJ/d of natural gas (100 GJ/d of system gas supply plus 1 GJ/d of

fuel). This allocation is based on Enbridge’s forecasted fuel percentage as reported in the M17 rates. Historically, we could continue to use Enbridge’s fuel percentage calculation to estimate the fuel usage (the cost of which would be captured in the S&TVA).

In the updated methodology, ENGLP would review actual GJs of fuel used as reported on Enbridge’s M17 invoice and subtract the volume and cost from the total procured volume. In ENGLP’s view, despite the immateriality of this change, the updated methodology provides a more accurate representation of fuel usage (and fuel cost) to be captured within the S&TVA.

The variance between the two methodologies is presented below:

Month	EB-2023-0270		EB-2023-0338		VARIANCE	
	(\$'s)	M ³	(\$'s)	M ³	(\$'s)	M ³
January	\$184,244	633,154	\$184,264	633,206	(21)	(52)
February	\$115,464	423,517	\$115,654	424,259	(190)	(742)
March	\$136,762	534,695	\$136,762	535,378	0	(683)
April	\$115,725	763,227	\$115,725	763,237	0	(10)

Following a conversation with OEB Staff this morning, ENGLP is clarifying that the updated process trues up the actual fuel volume and cost used between January and April 2023.

Going forward, ENGLP expects to continue to use this more robust methodology.

Sincerely,

Tim Hesselink, CPA
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