



EPCOR Natural Gas Limited Partnership

**Application for natural gas distribution rates and other charges
effective January 1, 2025, through December 31, 2029
for the Aylmer service territory**

DECISION ON ISSUES LIST

September 25, 2024

EPCOR Natural Gas Limited Partnership (ENGLP) filed an application with the Ontario Energy Board (OEB) on July 18, 2024, under section 36 of the *Ontario Energy Board Act, 1998*, seeking approval of natural gas distribution rates and other charges for the Aylmer service territory for the period commencing January 1, 2025 and ending December 31, 2029.

On September 5, 2024, the OEB issued Procedural Order No. 1 that, among other things, provided for the development of a proposed Issues List by OEB staff and the parties for the OEB's consideration.

OEB staff filed a proposed Issues List on September 10, 2024, and indicated that the parties had agreed on it. In addition, OEB staff's letter requested that the OEB waive the requirement under Rule 26.02(e)(ii) of the OEB's *Rules of Practice and Procedure* that interrogatories correspond to the issues list as parties may want to file interrogatories according to the exhibit numbers in the Application.

Findings

The OEB has reviewed the proposed Issues List and approves it for the purposes of this proceeding. The OEB has also considered the request to file interrogatories according to exhibit numbers and approves that request for this proceeding.

The OEB may update the Issues List as necessary to further define the scope of the proceeding.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The issues list attached as Schedule A is approved.

DATED at Toronto, **September 25, 2024**

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

SCHEDULE A

PROPOSED ISSUES LIST EB-2024-0130 ENGLP

Issue 1 : Administration

- a) Has ENGLP complied with the OEB directives from and since the utility's last cost of service proceeding (EB-2018-0336 and EB-2019-0276)?
- b) Are the proposed changes to ENGLP's Conditions of Service appropriate?
- c) Is the proposed effective date appropriate?

Issue 2 : Rate Base

- a) Are the proposed rate base amounts appropriate?
- b) Is the level of planned capital expenditures, and related in-service additions, appropriate, and is the rationale for planning and pacing choices appropriate and adequately explained, giving due consideration to:
 - customer feedback and preferences;
 - productivity;
 - benchmarking of costs;
 - reliability and service quality;
 - impact on distribution rates;
 - trade-offs with OM&A spending;
 - government-mandated obligations;
 - the objectives of ENGLP and its customers;
 - the utility system plan; and
 - the business plan.
- c) Is the working capital allowance for the 2025 Test Year appropriate?

Issue 3 : Operating Revenue

- a) Are the customer addition forecasts for the 2024 Bridge Year and 2025 Test Year appropriate?

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- b) Are the volume throughput and revenue forecasts for the 2024 Bridge Year and 2025 Test Year appropriate?
- c) Are the proposed Other Revenues for the 2025 Test Year appropriate?

Issue 4 : Operating Costs

- a) Is the level of planned OM&A expenditures appropriate and is the rationale for planning choices appropriate and adequately explained, giving due consideration to:
- customer feedback and preferences;
 - productivity;
 - benchmarking of costs;
 - reliability and service quality;
 - impact on distribution rates;
 - trade-offs with capital spending;
 - government-mandated obligations;
 - the objectives of ENGLP and its customers;
 - the utility system plan;
 - the business plan;
 - affiliate shared services; and,
 - corporate shared services and the corporate structure/status.
- b) Are the depreciation costs for the 2025 Test Year appropriate?
- c) Is the proposed shared services cost allocation methodology and the quantum appropriate?
- d) Is the gas transportation cost forecast for the 2025 Test Year appropriate?

Issue 5 : Deferral and Variance Accounts

- a) Is ENGLP's proposal for deferral and variance accounts, including the balances in the existing accounts and their disposition, requests for new accounts and the continuation or closure of existing accounts, appropriate?

Issue 6 : Cost of Capital, Taxes and Revenue Requirement

- a) Is the proposed cost of capital (interest on debt, return on equity) and capital structure appropriate?

- b) Are the proposed tax amounts appropriate?
- c) Have all impacts of any changes in accounting standards, policies, estimates and adjustments been properly identified and recorded, and is the ratemaking treatment of each of these impacts appropriate?
- d) Is the proposed calculation of the Revenue Requirement appropriate?

Issue 7 : Cost Allocation and Rate Design

- a) Are the proposed changes to cost allocation, rate design and revenue-to-cost ratios appropriate?
 - b) Are the proposed rates appropriate?
 - c) Are ENGLP's Schedule of Service Charges appropriate?

Issue 8 : Incentive Rate-setting Plan

- a) Is ENGLP's proposed Incentive Rate-setting Plan for the period 2026 to 2029 appropriate?

Issue 9 : Score Card

- a) Is ENGLP's proposed Score Card appropriate?