

VIA RESS and EMAIL

January 22, 2025

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario M4P 1E4

Dear Nancy Marconi:

**Re: EPCOR Natural Gas Limited Partnership (EPCOR)
EPCOR Aylmer – 2025-2029 Rates
Consumers Council of Canada (CCC) Comments on Draft Rate Order
OEB File No. EB-2024-0130**

In accordance with the OEB's Decision and Order, dated January 14, 2025, please find attached CCC's comments on the Draft Rate Order filed in the above noted proceeding.

Yours truly,



Lawrie Gluck
Consultant for the Consumers Council of Canada

cc: All parties in EB-2024-0130

EPCOR Natural Gas Limited Partnership (EPCOR) filed an application with the Ontario Energy Board (OEB), seeking approval for changes to the rates it charges for natural gas distribution in its Aylmer service territory effective January 1, 2025, through December 31, 2029.

A settlement conference was held from October 28 to 29, 2024. A settlement proposal representing a complete settlement of all issues was filed with the OEB on November 20, 2024 (Settlement Proposal). The OEB approved the Settlement Proposal in its January 14, 2025 Decision and Order.

As part of its January 14, 2025 Decision and Order, the OEB ordered EPCOR to file a Draft Rate Order that reflected:

- a rate implementation date of March 1, 2025
- incorporation of the OEB’s decision in EPCOR’s January 1, 2025 Quarterly Rate Adjustment Mechanism (QRAM) proceeding
- proposed rate riders to recover the foregone revenue requirement from January 1, 2025, to February 28, 2025 over the remaining 10 months of 2025
- 2025 total bill impacts for each rate class.

CCC has reviewed EPCOR’s Draft Rate Order filed on January 21, 2025 and has no concerns with the calculations set out therein. More specifically, CCC submits that:

- The forgone revenue rate rider calculation is appropriate; and
- The recovery of the Purchased Gas Transportation Variance Account (PGTVA) and Unaccounted for Gas Variance Account (UFGVA) balances over 10 months to align with the fiscal year is reasonable (and the calculation of the associate rate riders is appropriate).¹

CCC also agrees with EPCOR’s proposal to implement the approved \$0.0292/m³ transportation charge on March 1, 2025 with no change and to use the PGTVA to capture any transportation-related variances. CCC asks that EPCOR confirm, in its reply comments, that the January-February 2025 true-up in the PGTVA will be based on the reference price embedded in distribution rates for those months (i.e., \$0.0237/m³) and the actual transportation costs.

With respect to the bill impacts, CCC does not believe that the commodity-related bill impacts resulting from the January 1, 2025 QRAM proceeding² should be reflected. The change to the commodity rates (and the associated bill impacts) were approved, and communicated to customers³, at the time that the OEB issued its Decision and Interim Rate Order in that proceeding. Therefore, reflecting the commodity-related bill impacts in the current proceeding may lead to customer confusion. CCC does not believe that this change necessarily requires EPCOR to file an updated Draft Rate Order (as this is a bill impact presentment issue – not an issue with the

¹ CCC has had email correspondence with EPCOR regarding the March-December 2025 monthly volumes used in the forgone revenue and deferral and variance account (DVA) disposition calculations. EPCOR has advised that it will file as part of its reply comments an updated version of the detailed Load Forecast spreadsheet (with a correction to the monthly forecast tab). With this pending update, CCC is satisfied that the monthly volumes used in the relevant calculations are accurate.

² EB-2024-0337.

³ [Backgrounder - QRAMs](#)

commodity rates in the rate schedules). However, if the OEB intends to communicate the bill impacts resulting from the current proceeding to customers, it should exclude the commodity-related bill impacts in that communication.

CCC would also like to comment on the OEB-approved March 1, 2025 implementation date. While CCC is certainly not requesting a change to the OEB's Decision and Order that established March 1, 2025 as the implementation date, CCC believes that implementing annual rate changes (both rebasing and IRM) with the next available QRAM (in this circumstance, the April 1, 2025 QRAM) is beneficial. CCC notes that with a March 1 implementation, EPCOR Aylmer customers will see their rates change three times in a four-month period (January 1, March 1, and April 1). This creates customer confusion that could have been avoided by implementing the rate changes resulting from the current proceeding on April 1, 2025. CCC suggests that, in the future, annual rate changes should be implemented with the QRAM proceedings as has been common OEB practice for many years.

~ All of which is respectfully submitted ~