ONTARIO ENERGY BOARD | COMMISSION DE L'ÉNERGIE DE L'ONTARIO

BACKGROUNDER

DECISION AND RATE ORDER

EB-2025-0096 – AYLMER
EB-2025-0097 – SOUTH BRUCE

MARCH 27, 2025

EPCOR Natural Gas Limited Partnership's Natural Gas Bills are Decreasing

The Ontario Energy Board (OEB) has approved new natural gas prices for EPCOR Natural Gas Limited Partnership's (EPCOR) customers in its Aylmer and South Bruce service areas. Prices take effect April 1, 2025. EPCOR customers using a typical amount of natural gas can expect an average annual bill decrease of $147.73 or $181.42, depending on their service area.

Table 1 – Total Annual Bill Impact

Service Area and Typical Annual Usage for a Residential Customer	EPCOR Aylmer 2,065 m^3	EPCOR South Bruce 2,149 m^3
Total Annual Bill – Current	$1,185.56	$1,855.76
– Beginning April 1, 2025	**$1,037.83**	**$1,674.34**
Total Annual Bill Impact	**-$147.73**	**-$181.42**
Percentage Change	-12.5%	-9.8%

**Bill impacts will vary depending on how much natural gas individual customers use. Natural gas use is generally lowest during the summer months.*

BACKGROUND

Several factors contribute to the changes in natural gas customers' bills for the period April 1 to June 30, 2025. They include:

Federal Carbon Charge

Effective April 1, 2025, the federal carbon charge has been eliminated. The annual bill impact for a typical residential customer resulting from the elimination of the federal carbon charge is a decrease of $314.91 or $327.72, depending on the service area. Customer bills will show federal carbon charges incurred for any natural gas usage up to and including March 31, 2025.

Market Prices

The market price of natural gas is increasing due to low natural gas inventory levels and colder than normal weather in prior periods. The annual commodity bill impact is an increase of $84.21 or $146.33 depending on the service area.

Other Rate Changes

Included in Table 1 are rate changes and temporary rate adjustments previously approved by the OEB in EPCOR Aylmer's application for 2025 rates[1] that were effective March 1, 2025. For Aylmer customers, this results in a bill increase of approximately $83.

ABOUT THE QRAM AND NATURAL GAS MARKET PRICES

The QRAM (quarterly rate adjustment mechanism) is the process by which the OEB adjusts the prices that natural gas customers pay for the natural gas they use and to reflect changes in natural gas market prices.

Natural gas is a commodity that is bought and sold on North American energy markets. At any given time, its price fluctuates based on a variety of factors including supply and demand, seasonal changes, levels of stored natural gas, and major weather events. EPCOR updates its forecast of market prices every three months and uses that forecast to seek the OEB's approval of its proposed changes to natural gas commodity prices. These proposed changes cover:

- **Future costs:** Based on a forecast of market prices for natural gas over the next 12-month period.
- **Past costs**: Based on the difference between what the utility previously forecast their customers would pay and what their customers actually paid. This kind of adjustment is needed because the gas prices charged to customers are based on forecasts, which are never 100% accurate. The adjustment for past costs can increase or lower the rate accordingly. For example, if a utility collected more from customers than it paid for gas in the past, the difference is credited back to customers through a lower rate. Likewise, if not enough was collected by the utility, the rate will be higher.

These price changes are approved to take effect on the 1st of the month in January, April, July and October each year.

The OEB does not allow natural gas distributors to earn a profit on the sale of gas, regardless of market fluctuations in price.

SUPPORT FOR CUSTOMERS

Support programs are available for customers who need assistance with their bill payments. You need to meet certain criteria to qualify for these programs:

- **Low-income Energy Assistance Program (LEAP)**
  This program provides a grant towards a customer's electricity and/or natural gas bill if they're behind on their bill payments and may face having their service shut off. It is for emergency situations. See OEB.ca/BillHelp
- **Rules for low-income customers**
  Electricity utilities, natural gas utilities and unit sub-metering providers follow customer service rules specific to low-income customers. These include waiving security deposits and allowing longer payment times under arrears payment plans. See OEB.ca/BillHelp

[1] EB-2024-0130, January 14, 2025

ABOUT THE OEB

The OEB is the independent regulator of Ontario's electricity and natural gas sectors. It protects the interests of consumers and supports the delivery of clean, reliable and affordable energy for the people, farms and businesses of Ontario. Its goal is to deliver public value through prudent regulation and independent adjudicative decision-making which contributes to Ontario's economic, social and environmental development. You can learn more about the OEB at oeb.ca.

Independence in the hearing and determination of matters is a key element of the OEB's mandate, established through legislative structures, the Memorandum of Understanding between the Minister of Energy and Electrification and the Chair of the OEB, and by-laws that set out clear lines of communication between government and the OEB. Commissioner panels hear and determine matters independently, with legislative protections and other instruments to ensure decisions are free from interference by the CEO, the Board of Directors and government. This also includes the Chief Commissioner when not assigned to the specific case.

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Ce document est aussi disponible en français.

This Backgrounder was prepared by OEB staff to inform Ontario's energy consumers about the OEB's decision and is not for use in legal or regulatory proceedings. It is not part of the OEB's reasons for decision; those may be found in the Decision and Rate Order issued March 27, 2025, which is the official OEB document.