

## Decision on EPCOR Natural Gas Limited Partnership's Major Rates Application

On January 14, 2025, the Ontario Energy Board (OEB) issued its [Decision and Order](#) on EPCOR Natural Gas Limited Partnership's (EPCOR) application to change the rates it charges for natural gas distribution in its Aylmer service territory effective January 1, 2025.

The OEB approved the settlement proposal agreed upon by EPCOR and intervenors in the proceeding, concluding that it will result in reasonable outcomes for both EPCOR and its customers.

As a result of this Decision and Order, the estimated total annual bill impact for a typical residential customer<sup>1</sup> in 2025 will be an increase of \$51 (or 4%).

Key elements of the OEB-approved settlement proposal include the following:

- A \$315K reduction (4%) to the 2025 distribution revenue requirement relative to the amount requested in EPCOR's application, resulting in a revised distribution revenue requirement of \$7.62M.
- EPCOR will gradually increase the fixed proportion of gas distribution rates for R1-Residential and R1- General Service customers over five years (2025 to 2029)<sup>2</sup>. If the annual bill impact of this change is more than 10% in any given year for customers with low annual consumption, EPCOR will propose a rate mitigation plan.

## INTERVENORS

Intervenors are individuals or groups who have permission to participate in a hearing before the OEB because they have a substantial interest in the proceeding. The Consumers Council of Canada and Pollution Probe were intervenors in this proceeding.

## 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](http://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

<sup>1</sup> R1 – Residential Rate Class – A customer that requires delivery of natural gas to any residential building served through one meter and containing no more than three dwelling units.

<sup>2</sup> Currently, 50% of monthly distribution charges are fixed and 50% are variable; the forecast is to migrate to 98% fixed and 2% variable over five years. Fixed charges are the same amount regardless of how much natural gas is used, while variable charges change based on usage.

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.

## **Contact Us**

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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 Order issued January 14, 2025, which is the official OEB document.*