

December 19, 2024

EPCOR Natural Gas Limited Partnership Natural Gas Prices are Changing

The Ontario Energy Board (OEB) has approved new natural gas prices for EPCOR Natural Gas Limited Partnership’s (EPCOR) customers in its Aylmer¹ and South Bruce² service areas to take effect January 1, 2025.

REASONS FOR CHANGES TO NATURAL GAS BILLS

Quarterly Rate Adjustment Mechanism (QRAM)

Several factors contribute to the change in natural gas prices approved for EPCOR’s QRAM for the January 1 to March 31 period, including the market price which is increasing with the start of the winter withdrawal season and forecasted colder than normal weather for the winter season.

Total Annual Bill Impact

As noted in Table 1, beginning January 1, 2025, the total annual bill impact* for residential customers using a typical amount of natural gas in each service area will be:

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

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 natural gas, regardless of fluctuations in market price.

Other Rate Changes

The OEB also sets rates that natural gas distributors can charge for the delivery and storage of natural gas.

Any changes to those rates that are approved by the OEB between QRAM decisions, typically also take effect on the first day of the next calendar quarter.

Table 1

Service Area and Typical Annual Usage for a Residential Customer	EPCOR Aylmer 1,780 m ³	EPCOR South Bruce 2,149 m ³
Total Annual Bill – Current	\$1,063.24	\$1,683.59
– Beginning January 1, 2025	\$1,057.54	\$1,855.76
Total Annual Bill Impact	(\$5.70)	\$172.17
Percentage Change	(0.5%)	10.2%

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

¹ The natural gas prices for EPCOR’s Aylmer service area have been approved on an interim basis pending the final outcome of EPCOR’s 2025-2029 rates application and potentially other related proceedings (EB-2024-0130, EB-2024-0239 and EB-2024-0139).

²The natural gas prices for EPCOR’s South Bruce service area will continue to be interim pending the outcome of the ongoing consultation on EPCOR’s 2024 Gas Supply Plan (EB-2024-0139).

Other Rate Changes

Also taking effect on January 1, 2025, and included in Table 1, are rate changes and temporary rate adjustments previously approved by the OEB in the following proceedings:

- EPCOR's application for 2025 rates for its Aylmer service area, which were approved on an interim basis³
 - For Aylmer customers, this results in a bill decrease of approximately \$14.
- EPCOR's application for 2025 rates for its South Bruce service area⁴
 - For South Bruce customers, this results in a bill increase of approximately \$141.

About the QRAM

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.

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

Resources to Support Natural Gas Customers

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](https://www.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](https://www.oeb.ca/BillHelp)

³ [EB-2024-0130](#), December 3, 2024. EPCOR's 2024 distribution rates for the Aylmer service area were extended and made interim pending the approval of 2025 rates. Certain temporary rate adjustments are set to expire at the end of 2024, leading to a decrease in bills.

⁴ [EB-2024-0238](#), December 3, 2024.

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 Interim Rate Orders issued today, which are the official OEB documents.