February 18, 2010

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
27th Floor
Toronto, ON M4P 1E4
Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: 2010 IRM Rate Application – Submissions
EB-2009-0221

Enclosed please find *ENWIN's* Submissions as provided for in the Board's Notice of Application dated November 10, 2009 in the above noted matter.

The Submissions are being submitted through the Board's web portal. Two paper copies will follow by mail.

Yours very truly,

***ENWIN* Utilities Ltd.**

Per: Andrew J. Sasso
Director, Regulatory Affairs

cc: Martin Benum, OEB Staff (email only)
Michael Buonaguro, VECC (email only)

IN THE MATTER OF the *Ontario Energy Board Act, 1998,* being Schedule B to the *Energy Competition Act, 1998,* S.O. 1998, c.15;

AND IN THE MATTER OF an Application by EnWin Utilities Ltd. for an Order or Orders approving or fixing a proposed schedule of adjusted distribution rates, retail transmission rates and other charges, effective May 1, 2010.

SUBMISSIONS

1. On October 20, 2009, EnWin Utilities Ltd. (the "Applicant") applied to the Ontario Energy Board (the "Board") pursuant to section 78 of the *Ontario Energy Board Act, 1998* for approval of its proposed adjusted distribution rates, retail transmission rates and other charges for the period May 1, 2010 through April 30, 2011.

2. The starting basis for the proposed IRM adjusted rates is the Board's Decision and Order in the Applicant's 2009 Cost of Service Rate Application (EB-2008-0227), which was issued on April 9, 2009. The corresponding Tariff of Rates and Charges were set by Order dated May 1, 2009 and have been in effect since that same day. The Applicant followed the methodology set out in the Board's "Filing Requirements for Incentive Regulation Mechanisms for Annual Rate Adjustments", issued on July 22, 2009.

3. The Notice of Application provided for intervention by interested parties. The Applicant's application was interrogated by Board Staff and the Vulnerable Energy Consumers Coalition ("VECC"). The Applicant responded to those interrogatories on January 6, 2010.

4. The Notice of Application also provided for submissions by intervenors. VECC made submissions on January 27, 2010 and Board Staff made submissions on February 3, 2010. The Applicant does not object to the Board's consideration of Board Staff's submissions, despite the fact that they were filed 6 days after the filing deadline.

5. These submissions are provided in accordance with the Applicant's opportunity to do so as set out in the Notice of Application.

REGARDING VECC SUBMISSIONS

Residential Class Rate Design

6. VECC recommended that the Board accept the revised treatment of fixed/volumetric split of Residential distribution rates as filed through the interrogatory responses. The Applicant agrees with this submission.

Cost Eligibility

7. VECC repeated its request for cost eligibility. VECC expresses some concern that the Board's criteria for cost eligibility for this proceeding may not currently encompass the work VECC performed. The Applicant supports the request by VECC for cost eligibility.

8. Ratemaking ought to take a long-term perspective. In the current context, Cost of Service ("COS") ratemaking had future year implications and requirements, including a requirement for the Applicant to implement a fix/volumetric split of a particular nature, provided that implementation was possible. It was responsible of VECC to raise the issue in this proceeding because the Board should address COS implications in coming to its decision, including the issue of Residential rate design.

9. The Applicant's support for cost eligibility should not be read as support for the cost award. The Applicant will evaluate the cost claim by VECC when it is filed, in accordance with the Board's normal procedures.

REGARDING BOARD STAFF SUBMISSIONS

Benchmarking and Stretch Factors

General Background

10. The Applicant acknowledges Board Staff's summary of the benchmarking (i.e. comparators and cohorts) and 3rd Generation IRM ("3GIRM") policy development proceedings. The Applicant was an active participant in those proceedings, including making a presentation during a Stakeholder Meeting on May 6, 2008.

11. In that presentation, the Applicant urged Board Staff and its consultant to approach ratemaking with the objective of good outputs. Such outputs would be scrutinized, LDC-specific, broadly-considered rates. It was emphasized that upon the conclusion of a COS proceeding, the Board should not forget what it has learned about an LDC. Instead, the Board should have regard for its findings (e.g. significant load loss issues, significant CapEx demands) in the IRM years that adjust the COS-based rates.

12. The Applicant advocated that the process be facilitated by an LDC re-raising those issues in the 3GIRM application. The process would be limited to the available 3GIRM ratemaking tools, such as the Stretch Factor. The process would be open to the scrutiny of Board Staff and intervenors to ensure the completeness of the evidentiary record and to raise alternative arguments. Feedback from Board Staff was very positive and the Applicant left with the distinct impression that 3GIRM was going to differ from its predecessor not only from a model perspective, but in terms of bringing greater flexibility.

Implementation of 3GIRM

13. Since the Board released its Report on 3GIRM in EB-2007-0673, the Board has had opportunity to carefully implement it. In the vast majority of cases, 3GIRM is implemented exactly as articulated in the Report. However, this has not always been the case. The Board has recognized that in order to achieve its overriding statutory purposes, in some cases it is necessary to depart from the Report.

14. Specifically, the Report states: "The Board has determined that the plan term for 3rd Generation IR will be fixed at three years (i.e., rebasing year plus three years). The rates of the distributor are not expected to be subject to rebasing before the end of the plan term other than through an eligible off-ramp."[1] However, in its May 15, 2008 Decision in EB-2007-0680, the Board set rates for Toronto Hydro-Electric System Limited on a multi-year basis.

15. The Board followed-up that treatment of Toronto Hydro in 2008 with its more recent permission to allow the LDC to bring a COS application in EB-2009-0139. These Board Decisions have allowed Toronto Hydro to not participate in 3GIRM altogether.

16. The Applicant applauds the Board's flexibility with Toronto Hydro and submits that it is a correct balancing of the need to maintain efficient regulation without sacrificing the need to set just and reasonable rates that are appropriate for each LDC that comes before it.

17. The Applicant also notes that the Board's treatment of Toronto Hydro has not "opened a floodgate". The vast majority of LDCs continue to follow the standard ratemaking methodology, including as set out in the 3GIRM Board Report.

[1] EB-2007-0673, Report of the Board, July 14, 2008, p. 7.

Contextualizing the Proposal

18. The Applicant does not propose to abandon 3GIRM altogether. The Applicant recognizes that it is most cost-effective for all parties, including the Board, Board Staff, intervenors, and the Applicant, for the Applicant to not file COS.

19. The Applicant's proposal uses the Board's mechanics for 3GIRM ratemaking. The mechanics call for a Stretch Factor and the Applicant has proposed a Stretch Factor. The deviation is that the Applicant proposes that the Board use a Stretch Factor based on Board judgment rather than a Stretch Factor based on the PEG Benchmarking Report.

20. In order to go even further to keep the proposal consistent with 3GIRM ratemaking, the Applicant proposes that the Board use the same 0.2%, 0.4% and 0.6% scale that is in place for standard 3GIRM. It is that the Applicant's circumstances that warrant the selection of the least impactful Stretch Factor value (0.2%). This proposal has not re-opened the issue of calculating Stretch Factors established in EB-2007-0673, just Stretch Factor selection.

21. As has been the case with the Board's treatment of Toronto Hydro, the Applicant suggests that this alternative approach will not "open the floodgates". The onus is always on the Applicant to raise the issues and provide the evidence in support of its proposed rates and ratemaking treatment.

22. In this case, the Applicant has set out the considerations necessary for the Board to dispose of this matter by granting the Applicant's request. If the Application did not contain sufficient evidence, Board Staff, VECC or another intervenor would have posed interrogatories to complete the record. No interrogatories were filed on this topic. The record is complete.

Responses to Board Staff Submissions

23. Board Staff has opposed the Applicant's proposal on the basis that "it is inappropriate to introduce judgments and exceptions to the Board's report."[2]

24. As the Toronto Hydro Decisions demonstrate, the Board has introduced judgments and exceptions. Moreover, the Toronto Hydro Decisions are not aberrations. In fact, in this proceeding, Board Staff is requesting that the Board depart from the EDDVAR Report insofar as Account 1588 – Global Adjustment is concerned.

25. The Applicant submits that the Board's approach is correct; it is always appropriate for the Board to "introduce judgments and exceptions" to the Board's reports. The Board is not bound by its own reports and must introduce judgments and exceptions as natural and prudent steps of implementing generic policy in specific circumstances in order to determine just and reasonable rates.

26. The Applicant has been prudent in its proposal; the deviation from the Report is confined to only what is necessary to effect reasonable rates. Excluding the Applicant from the mechanical selection of a Stretch Factor is a narrow deviation and warranted given the facts.

Response to Data Error Correction

27. The Applicant acknowledges the Board Staff statement that Board Staff and its consultant have corrected the data error reported in September 2008 such that it will not impact rates effective May 1, 2010. In the event that the Board denies the Applicant's proposal, the Applicant requests that the Board ensure sufficient data is released to the Applicant once the

[2] Board Staff submission, p. 4.

annual update is performed, such that the Applicant will be able to verify the calculations.

Tax Sharing Rate Rider

28. Board Staff submitted that when rate riders are calculated for the credit to customers in the amount of $175,095, the results are a kWh rate rider that rounds to fewer than 4 decimal places and a kW rate rider that rounds to fewer than 2 decimal places.

29. The Application as filed calculated kWh rate riders of greater than 4 decimal places (e.g. Residential and GS<50kW rate riders of $0.0001) and kW rate riders of greater than 2 decimal places (e.g. GS>50kW rate rider of $0.02 and Large Use – Regular rate rider of $0.01).

30. In light of this, Board Staff's submission does not seem to make sense. If the numbers should be other than what is set out in the Application due to problems with the Board's model or the Applicant's use of the model, then Board Staff should have addressed this issue in interrogatories. No questions were posed on this topic in interrogatories.

31. In this instance, disposition results in a credit to customers. Given that the Applicant is proposing to credit customers and the conflict between the Board's model and Board Staff's submission is not explained in Board Staff's submission, the Applicant recommends that the Board approved the rate riders as calculated by the Board's model.

32. The Applicant recommends that through the Draft Rate Order, the Applicant present the Board with rate riders of 4 decimal places for both kWh and kW billing determinants. The Applicant currently has rate riders for both kWh and kW that are calculated using 4 decimal places and it would be least cumbersome for implementation and least confusing to

customers to continue to use rate riders calculated to 4 decimal places.

Disposition of Deferral Accounts

General Background

33. The Applicant notes that in EB-2008-0227, the Board order disposition of Account 1588, including sub-account Global Adjustment, on the basis set out in the Application. It is one acceptable methodology.

34. Board Staff has proposed a new rate policy for disposition of Account 1588-GA.

35. For the reasons set out in the Applicant's response to Board Staff interrogatory 4(c) and for the reasons articulated below regarding the proposed policy change in respect of HST, the Applicant expresses concern with Board Staff proposing industry-wide policy changes during individual rate proceedings.

36. The Applicant acknowledges that there is precedent for the approach proposed by Board Staff.[3]

Clarification of Interrogatory Response

37. Board Staff states at page 7 of its submission that the Applicant "indicated that the rate rider should not apply to RPP customers, and should exclude customers in the MUSH sector." That is not the Applicant's position.

38. It may be that the Applicant's interrogatory response, which was quoted in part by Board Staff, was not sufficiently clear. To be clear: if the Board approves a rate rider and is of the

[3] EB-2009-0405, Enersource Rate Proceeding, Board Decision dated January 29, 2010.

opinion that the rate rider should apply to subset of customers rather than to all customers as set out in the Application, the Applicant is of the position that the rate rider should apply to all customers that are non-RPP during the operation of the rate rider. For example, if the Board approves the rate rider for rates effective May 1, 2010 through April 30, 2011, the Applicant recommends that the Board order the Applicant to implement the rate rider without regard for when those non-RPP customers became non-RPP customers. Any customer that is non-RPP when the monthly bill is created should have the rate rider on the bill.

<u>Response to Board Staff Submissions on "Unusual Result"</u>

39. Board Staff recommended that the Board not grant the Applicant's request to credit customers $1,532,740. Board Staff's basis is set out at page 8: the Applicant's credit balance is "the exception for Ontario electricity distributors" leading to an "unusual result".

40. The Applicant notes that in the event that the Board Staff proposed policy for disposition was in place prior to the filing of the Application, the Applicant would have set out the information Board Staff sought here in interrogatories. That would have provided Board Staff additional opportunity to work through its understanding of the Applicant's result.

41. The Applicant's result may be influences by a few factors. In the Board's Decision for Enersource, the Board noted "to the extent that any given LDC's load characteristics vary from provincial characteristics underpinning that provincial estimate [of the Provincial Benefit], a balance in the global adjustment sub-account will arise."[4]

42. The Applicant provided Board Staff with load information in response to interrogatories. The Applicant suggests that one reason for the Applicant's balance may be as a result of an

[4] Ibid, p. 8.

unusual load profile. The Applicant has raised the fact that its load profile is unique in various proceedings, including in this proceeding where the Applicant cited it as one reason why the Applicant is not being properly benchmarked in the PEG methodology.

43. A couple additional possible reasons stem from the fact that the Applicant was granted disposition for 1588 in EB-2008-0227. It may be that recent changes in Provincial Benefit levels have been mitigated by ongoing disposition. It may also be that these recent changes in Provincial Benefit when combined with the significant load loss issues facing the Applicant, especially in the industrial sector, converge to create an unusual result.

44. Finally, as noted by Board Staff, the Applicant's changes to implement the EDDVAR report and thus recalculate historical and going-forward data from the previous accrual approach to the EDDVAR –preferred billed approach impacted its balance as compared to previous filings.

45. The Applicant submits that ordering rate riders interim is unnecessary and inappropriate. The Applicant has provided explanation for the factors that impact its amount for disposition and has attempted to fully resolve any outstanding concerns through interrogatory responses and these submissions. The Applicant's balances will be audited as part of normal processes and if any issue arises it would be considered in the normal course of the Applicant's next COS proceeding.

46. Given that there is no alternative figure advanced by Board Staff or otherwise and given that the Applicant has fully responded to all interrogatories and submissions regarding this amount, sufficient justification is in place for the Board to establish a reasonable rate rider.

Response to Board Staff Submissions on "Disposition Group"

47. The Applicant disagrees with Board Staff position expressed at page 8: that disposition should "exclude the MUSH sector and other designated customers that were on RPP." The Applicant recommends disposition to all non-RPP customers.

48. Board Staff did not offer a precedent where the Board has ordered disposition for particular customers (e.g. non-RPP Residential) rather than a class of customers (e.g. Residential). In this way, the proposed treatment of 1588-GA in this and other 2010 rate proceedings is already unusual in that there are no non-RPP rate classes. Rates are being proposed for groupings other than rate classes.

49. However, the Applicant suggests that it pushes the envelope too far to order disposition for customers not based on their characteristics at the time of disposition, but their characteristics at an earlier date.

50. Customers come into and move out of rate classes and change non-rate class characteristics (e.g. RPP status) on a regular basis. They do so for any number of reasons. It is unclear to the Applicant why customers that were forced to change rate class due to a Regulation should receive a different treatment on a go-forward basis than those that voluntarily changed rate class in the days, months or years prior. Or, moreover, why customers that became or ceased being designated customers would receive different rate treatment on that basis.

51. The Applicant is aware that the Board ordered disposition in the Enersource case such that MUSH and other designated customers where excluded from the rate rider. The Applicant has not had the opportunity to fully review the EB-2009-0405 file to understand all the arguments that were made and what set of facts applied in that case. The Applicant submits

that the Board should also take into account the Applicant's capacity to implement solutions in making its Decision.

<u>Response to Board Staff Submissions on "Implementation of Rate Rider"</u>

52. As the Applicant has noted, implementation of a rate rider is possible in its systems. Disposition among all non-RPP customers as of the bill date can be readily implemented with relatively minor system modifications. Disposition among all non-RPP customers, but for MUSH/designate customers would be more difficult and time consuming.

53. First, the Applicant requires clarification whether all MUSH/designate customers are to be excluded or whether it is just those that were forced off RPP on November 1, 2009 or whether it is those that left RPP status at some point prior to November 1, 2009.

54. Second, the Applicant is not confident that the necessary systems changes can be made between the time of the Board's Decision (presumably mid-to-late March) and an effective date of May 1, 2010. Accordingly, the Applicant proposes that if the Board chooses to exclude MUSH/designate customers, that the Board order the rate rider in effect from November 1, 2010 through April 30, 2011. This will provide maximum opportunity to set-up systems, correspond to an existing rate change date and address Board Staff's concern that disposition conclude no later than April 30, 2011.

55. For the sake of completeness, the Applicant does note that the November 1, 2010 existing rate change is for RPP, which by definition will not apply to those receiving the rate rider disposition. Nevertheless, for the sake of administrative simplicity, the Applicant prefers November 1, 2010 for its internal processes for managing rate changes.

Retail Transmission Service Rates

56. As is normally the case during rate proceedings, additional information has become available for the Uniform Transmission Rates ("UTR") since the Application was filed. Prior to this proceeding, there was notice that UTR would be changing. It is accepted within the 3GIRM methodology to make adjustments to the corresponding Retail Transmission Service Rates ("RTSR") prior to the Rate Order.

57. Enclosed as Appendix A, the Applicant has included the portions of the Board's model relevant for setting RTSR. The Applicant notes, as was the case in the Application and in many previous rate proceedings, the Applicant does not charge the Transformation Connection Service Rate to all customer classes and therefore each of the rates within the UTR framework have been applied as applicable to each customer class through RTSR.

Accounting for HST

General Background

58. In EB-2008-0227, the Board set the Applicant's base rates. These base rates included many components. Among the components were expenditures, some of which would have included associated PST as an embedded amount. These were 2009 forecasted expenditures. There was no breakdown of the expenditures into 1) products and services and 2) the PST on those products and services. The PST component was and remains embedded in base rates, indistinguishable from products and services. There has never been a filing that reconciles 2009 forecast PST with 2009 actual PST nor a forecast of 2010 PST.

59. On October 20, 2009, the Applicant filed the Application. It did not propose any special

treatment for PST. Neither the 3GIRM Filing Requirements nor the 3GIRM models provided for a special treatment of PST. Neither the 3GIRM Filing Requirements nor the 3GIRM models identified the PST within base rates.

60. On November 16, 2009, the Minister of Finance introduced Bill 218 and on December 15, 2009, *Ontario Tax Plan for More Jobs and Growth Act, 2009* received Royal Assent. As a result, the Ontario Provincial Legislature created or amended no fewer than 23 statutes. One of the consequences of these changes was the development of a new tax, the HST. The HST is not a one-for-one substitute for the existing GST-PST regime, though in many cases it will replace the GST-PST regime. Further, there are many rules related to implementation, with many but not all changes to the GST-PST-HST regime to take effect on July 1, 2010.

Board Staff Proposal

61. In its interrogatories filed on December 11, 2009, Board Staff asked 2 general questions:

1) Would *ENWIN* agree to capture in a variance account the reductions in OM&A and capital expenditures?

2) Are there other alternatives that the Board might consider to reflect the reductions in OM&A and capital expenditures if this bill is enacted?

62. In its January 6, 2010 responses to interrogatories, the Applicant challenged the creation of a variance account at this time and in this context. The Applicant also questioned the lack of evidence and detail to support Board Staff's proposal.

63. On February 3, 2010, Board Staff did not file any evidence, but made slightly over 1 page of

arguments supporting the creation of a deferral account to track "the potential savings" from the implementation of the HST after July 1, 2010.

Responses to Board Staff Submissions

64. The Applicant recommends that the Board reject the Board Staff proposal for many reasons. Rather than simply listing the strongest reasons, the Applicant is providing the Board with a fairly comprehensive list of concerns. Ordinarily, the focus in a rate proceeding would be on the key concerns, but because Board Staff proposes to use this rate proceeding as a quasi-policy development proceeding, it is prudent for the Board to have regard to as full a range of issues as is possible. This is especially the case because the Board's decision in this proceeding in respect of the Board Staff HST proposal could become a persuasive precedent in future proceedings involving PST-HST.

Procedural Concerns

65. First, the Applicant has learned through conversations with the Electricity Distributors' Association ("EDA") and other LDCs that the Board Staff strategy for rolling out this proposed change in rate policy is being conducted in a shotgun approach by making the proposal in every or at least a great many ongoing rate applications. This is not an appropriate manner of developing new rate policy. It risks incomplete information coming forward in any given application. It denies Board Staff itself the opportunity to develop a knowledgeable position through the dialogue associated with policy proceedings. It puts Board Staff's rate group in the role of the policy group, which may mean that certain skills, knowledge and abilities are not being brought to bear that would normally be brought to bear in the development of policy. There was seemingly no external expert consultant brought in

to advise Board Staff and if such a consultant was brought in that perspective was not open to challenge in a public context where alternative perspectives might have had influence. Finally, conducting policy development with broad industry applicability during a rate proceeding risks inconsistent decisions by different panels.

66. In EB-2009-0193, the Enersource Hydro Mississaugua Inc. 2010 3GIRM rate proceeding, the Board considered the distinction between rate and policy proceedings. In its Decision dated December 15, 2009, the Board considered Enersource's proposal to significantly change rate policy by aligning its rate year with its financial year. The Board found "that other distributors, particularly those that are reporting issuers, may also be interested in a change in rate year to January 1. The implications of such a change need to be examined more fully, in a Board policy context."[5]

67. Second, it is not an acceptable argument that since this change in rate policy involves a deferral account, the policy issues can be set aside for a future period. As is set out in later points, deferral accounts involve real resourcing and financial implications for LDCs.

68. Third, variance accounts are generally used to track variances that arise as a result of a policy, not as a result of the absence of a policy. The Applicant is intimately aware of the potential implications of vagueness in rate policy, as this is at the heart of the lengthy EB-2008-0381 combined proceeding on the disposition of PILs Account 1562. While that may be an extreme example, it is a very real one. All parties need to be very careful about suggesting or approving a deferral account in the absence of clear policy that sets the parameters for the account and its implementation.

[5] EB-2009-0193, Board Decision, December 15, 2009, p. 3.

69. Fourth, since the proposed policy was not part of the Application there is inadequate notice to interested parties, including the Applicant. The EDA, tax experts, ratepayer groups, and others may have become involved in this and other proceedings if it had been known in advance that there would be an issue in respect of PST or HST. Those parties are precluded from effectively contributing to the dialogue, including the setting of parameters for the proposed deferral account.

70. Fifth, given that First Reading for Bill 218 occurred after the Applicant filed its Application, the Applicant could not have reasonably been expected to address this issue or related issues in its Application. This precludes an important opportunity to introduce evidence and provide interested parties with notice of that evidence. By way of contrast, the Applicant made very detailed arguments in respect of the Stretch Factor issue in the Application in order to provide proper notice to any party wishing to confront the topic.

Uncertainty of HST

71. Sixth, the HST is not proposed to come into force until after May 1, 2010 and it is within the power of the Legislature to not implement it or to make changes to the nature of implementation. As this industry has recently witnessed in relation to the *Green Energy and Green Economy Act, 2009*, certain parts of a statute may receive Royal Assent, but not be implemented (e.g. certain GEA conservation and smart grid provisions).

72. Unlike changes to income tax rates or capital tax rates, the nuances of the change to GST-PST are less clear. It is not clear to the Applicant that there is sufficient evidence available at this time for the Board to implement an accurate structure for the deferral account. If that evidence is available, the Applicant is unaware of it and it has certainly not been put on the

record.

Evidentiary Basis

73. Seventh, Board Staff essentially asks the Board to take judicial notice that the HST will reduce costs based on “governments’ pronouncements”. No such automatic adoption of those pronouncements is appropriate. Governments are political creatures and can be expected to make many pronouncements that, for various reasons, do not come to fruition.

74. The Applicant is not aware of any government pronouncement that LDCs will specifically enjoy cost reductions and is not aware of any section of the statute, regulation, ministerial directive, or other provision that ensures bottom-line LDC savings. If any such pronouncement or rule exists, Board Staff has not filed it for consideration by the Applicant or the Board. LDCs, the Applicant included, are not typical corporations and what leads to cost-savings and enhanced profitability in the market-at-large is not necessarily what leads to better financial results among LDCs. Again, this does not appear to have been considered in the Board Staff proposal and is deserving of consideration in a policy context.

75. Eighth, Board Staff did not even include the source for the “government pronouncements”. There is not sufficient evidence on the record to accept these government pronouncements as a basis for a Board decision, let alone for the creation of new policy or a new deferral account outside of the regular policy-setting context.

Comparison with Market

76. Ninth, the function of economic regulators, such as the Board, is sometimes characterized as a market-substitute. Even to the extent LDCs do resemble corporations in the market-at-

large there is no experience in the market to show that the HST will lead to cost reductions.

77. Tenth, without incremental funds for the staff and systems changes needed to implement the tracking, the shareholder would be forced to absorb the cost of the change to HST. This is contrary to the government expectation that companies will see savings, which puts LDCs out of step with the market. As or more importantly, Board Staff has not offered any reason why the shareholder should absorb these costs.

Cost-Benefit

78. Eleventh, the Applicant's understanding of the "government pronouncements" is that cost reductions will reduce as a result of a decrease in the paperwork associated with tracking and filings to government agencies. The Board Staff proposal is to increase paperwork for tracking and filings to a government agency. This may offset or even overmatch the cost reductions.

79. The rational alternative is to allow the cost savings, whatever they might be, to flow through to the Applicant untracked. If the Applicant's expenditure levels do in fact drop, then those lower levels will had a rate mitigating effect when rates are next rebased, as is ordinarily the case for costs savings. Under this approach, the customer obtains the benefit of the savings from COS onward without paying for incremental tracking and filing.

80. Twelfth, Board Staff has not offered any evidence on what the cost savings would be for the Applicant. Neither has it provided even an estimate for a typical LDC or for the industry as a whole. As the Applicant noted in its interrogatory response, in EB-2008-0227, Ms. Nowina stated "You are probably aware that the Board doesn't want to lightly increase the number of

deferral accounts we have."[6] In order for the Board to create a new deferral account or to use an existing deferral account for a new purpose, there ought to be some demonstration by the proponent that there is net material value in doing so. In this case, that has not been done.

81. Thirteenth, Board Staff has taken an entirely one-sided view. In the interrogatories and the submissions, Board Staff has focused entirely on presumed cost savings. Board Staff has not addressed cost increases. During a policy proceeding, Board Staff would be expected to weigh multiple perspectives and present a holistic picture to the Board for consideration. For whatever reason, Board Staff has not taken that approach in this proceeding. This hardly seems sufficient, particularly when none of them explore issues of likely concern to LDCs, such as cost increases associated with the HST and cost increases associated with establishing a deferral account and tracking HST.

82. Fourteenth, there are likely costs to the Applicant as a result of the HST. Though the Applicant has not engaged a consultant to evaluate potential cost increases, one that is more obvious include the potential impact on bad debt expenses as a result of increases to the customer bill from a tax rate of 5% to 13%. Bad debt is a significant expense that is embedded in rates and which Board Staff has not proposed to amend. Bad debt could present a significant issue given that ratepayers will not only be paying more for the electricity bill, but will be paying more for many other products and services. The causes of changes in bad debt are notoriously difficult to track given the range of factors that influence it. Even if the Applicant had permission to track these costs, which Board Staff has not proposed, it is not clear what methodology would be used, especially where causality is practically impossible to know.

[6] EB-2008-0227, Settlement Proposal Presentation to the Panel, February 19, 2009, Transcript p. 16.

83. Another increased cost will be to the working capital and Board Staff does not appear to have proposed capturing the incremental HST that the Applicant will pay but not immediately recover. Chief among these is likely the cost of power purchased from the IESO.

84. Fifteenth, it is possible that vendors, knowing that the Applicant will be remitting HST instead of only GST, will increases prices either in the immediate or longer term. The Applicant readily acknowledges that this suggestion is speculative, just as the assertion of cost savings is speculative. The point is that the Board Staff proposal puts all the cost risk on the Applicant. Even if the costs are tracked, the Applicant has no recourse to resolve cost increases until its next COS, which could be 3 years from now.

85. Sixteenth, there are costs to setting up and administering deferral and variance accounts, particularly one that is as nuanced as the one proposed by Board Staff. The introduction of HST is not simply a matter of changing a number or two as is the case for corporate income tax, capital tax changes, or changes to the GST. PST is deeply embedded within accounts and expenditures. The Applicant envisions every invoice, purchase card statement, and other procurement being diverted from normal processing to include review and tracking. Based on this volume of material and the need to make the diversion as quick as possible in order to minimally impact normal operations, it is reasonable to expect a full-time resource. Given that the rules are new and complex, the tracking would likely require some significant accounting and tax knowledge and could not simply be administered by a clerical resource. The Applicant’s rough estimate is $100,000 for tracking and reporting. Board Staff has not had regard to these costs and certainly has not made a prediction of costs. It may very well be that the costs of tracking will exceed the benefits of HST.

Implementation

86. Seventeenth, Board Staff's submission is not clear about what would be tracked. A variance account tracks the variance between two numbers. Board Staff has made it clear that one number would be the actual 13% HST paid. A first issue is that the 13% rate does not apply to all purchases. Beyond that and focusing on the other side of the equation, it is unclear what this number should be compared against. Should the variance be:

1) 13% less 5% of each invoice? If so, it represents a marked departure from the forecast methodology normally used in ratemaking. Given that not all expenditures will attract HST, it will require a manual solution to intercept, evaluate and track every a vast number of expenditures in 2010 and presumably each year until the Applicant rebases in 2-3 years.

2) 2010 Actual HST vs. 2009 COS PST? If so, there is no such number set out in approved rates or rate models and it would introduce a marked departure by incorporating an estimate of an imbedded component of approved rate base. Further, there is no recognition of increasing cost levels for 2010.

3) 2010 Actual HST vs. 2009 COS PST + 2010 IRM adjustment? If so, there is no such number set out in approved rates or rate models and it would introduce a marked departure by incorporating an estimate of an imbedded component of approved rate base.

4) 2010 Actual HST vs. 2009 Actual PST? If so, 2009 audited data is not yet available, it has not been put before the Board. Further, there is no recognition of increasing cost levels for 2010.

5) 2010 Actual HST vs. 2009 Actual PST + 2010 IRM adjustment? If so, 2009 audited data is not yet available, it has not been put before the Board.

Single-Issue Ratemaking

87. Eighteenth, based on the costs above, it is clear that there are more issues at play than simply unidirectional cost savings. Unlike income tax changes, HST will reasonably affect a number of elements within base rates. In situations such as this, the Board has made it clear that it is generally opposed to single-issue ratemaking because of the surprising degree of integration among various elements of rate base. Given that Board Staff is proposing this issue, the Applicant submits that the onus is on Board Staff to demonstrate that the Board should deal with the single issue of HST cost reductions to the exclusion of the other elements of the Applicant's cost structure. In that Board Staff has not addressed the HST cost increase side of the equation in its submission, the Applicant submits that Board Staff has not met its onus.

88. Nineteenth, Board Staff has advance this incremental cost issue to update recent events, but has not proposed updates to account for other recent events such as load loss and cost of capital updates. The Applicant notes load loss and cost of capital in particular because it would be relatively easy to make those adjustments in an IRM year; vastly less complex and vastly more precise than extracting PST-HST data.

89. Twentieth, Board Staff has not used the term Z-Factor, but that may be its basis for asserting a change to policy for HST and not for load loss and cost of capital updates. However, a Z-Factor adjustment is clearly not contemplated when under an IRM rate-setting regime unless the Z-Factor event surpasses a threshold. For the Applicant, the threshold is 0.5% of its

distribution revenue requirement or approximately $250,000. The Applicant submits that the event should be considered a "net event", taking into account the cost increases as well as decreases. Board Staff has not offered any evidence, on a net or gross basis, that the change to HST will cross that threshold.

Conclusion

90. In conclusion, it is unfortunate that the Applicant and other LDCs are being put to the task of debating an industry-wide policy issue during individual rate proceedings. The Applicant would much prefer to discuss and debate policy in a more amendable setting than at the tail-end of its rate proceeding. It is particularly unfortunate, because despite the space and time given to this issue in this submission, the real value of costs savings may be trivial. However, the Applicant feels compelled to address this issue in depth as it may represent the early stages of a troubling approach to policy by Board Staff. It is also the case that what may seem like a straight-forward issue and a simple implementation to Board Staff can present real difficulty and costs to the Applicant.

Other

91. The Applicant reiterates by reference its requests as set out in its Application, subject to the modifications to the Residential rate design and Retail Transmission Service Rates as noted herein.

92. The Applicant notes that disposition of Account 1588-GA was proposed on a different basis than is set forth in Board Staff's submission and in the discussion herein. As noted herein, if disposition is ordered through a rate rider applicable to all non-RPP customers, the Applicant is prepared to implement that rate rider on May 1, 2010. If the rate rider is to exclude MUSH

and other designate customers, the Applicant seeks clarification of whether this applies to all MUSH and other designate customers, just those removed from RPP on November 1, 2009 or those that left RPP on a prior date. If the rate rider is to exclude MUSH and other designate customers, the Applicant requests disposition effective November 1, 2010 through April 30, 2011.

93. The Applicant requests that any new rate riders be set to 4 decimal places.

DATED at Windsor, Ontario, this 18th day of February, 2010.

ENWIN UTILITIES LTD.

Andrew J Sasso

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Per: Andrew J. Sasso

APPENDIX A

Name of LDC: ENWIN Utilities Ltd.
File Number: EB-2009-0221
Effective Date: May 1, 2010

Applied For TX Network General

Method of Application	Uniform Percentage
Uniform Percentage	15.600%

Rate Class	Applied to Class
Residential	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount
Retail Transmission Rate – Network Service Rate	$/kWh	0.005700	15.600%	0.000889	0.006589

Rate Class	Applied to Class
General Service Less Than 50 kW	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount
Retail Transmission Rate – Network Service Rate	$/kWh	0.005200	15.600%	0.000811	0.006011

Rate Class	Applied to Class
General Service 50 to 4,999 kW	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount
Retail Transmission Rate – Network Service Rate	$/kW	1.800500	15.600%	0.280878	2.081378

Rate Class	Applied to Class
General Service 3,000 to 4,999 kW	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount

Retail Transmission Rate – Network Service Rate	$/kW	2.440200	15.600%	0.380671	2.820871

Rate Class	Applied to Class
Large Use - Regular	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount
Retail Transmission Rate – Network Service Rate	$/kW	2.477800	15.600%	0.386537	2.864337

Rate Class	Applied to Class
Large Use - 3TS	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount
Retail Transmission Rate – Network Service Rate	$/kW	2.477800	15.600%	0.386537	2.864337

Rate Class	Applied to Class
Large Use - Ford Annex	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount
Retail Transmission Rate – Network Service Rate	$/kW	2.477800	15.600%	0.386537	2.864337

Rate Class	Applied to Class
Unmetered Scattered Load	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount
Retail Transmission Rate – Network Service Rate	$/kWh	0.005200	15.600%	0.000811	0.006011

Rate Class	Applied to Class
Sentinel Lighting	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount
Retail Transmission Rate – Network Service Rate	$/kW	1.647400	15.600%	0.256994	1.904394

Rate Class	Applied to Class
Street Lighting	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount
Retail Transmission Rate – Network Service Rate	$/kW	1.645300	15.600%	0.256667	1.901967

Rate Class	Applied to Class
Standby Power - APPROVED ON AN INTERIM BASIS	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount

Name of LDC: ENWIN Utilities Ltd.
File Number: EB-2009-0221
Effective Date: May 1, 2010

Applied For TX Line Connection

Method of Application: Distinct Percentage

Rate Class	Applied to Class
Residential	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.004100	5.200%	0.000200	0.004300

Rate Class	Applied to Class
General Service Less Than 50 kW	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.003800	5.200%	0.000200	0.004000

Rate Class	Applied to Class
General Service 50 to 4,999 kW	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.333200	5.200%	0.069300	1.402500

Rate Class	Applied to Class
General Service 3,000 to 4,999 kW	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount

Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.806900	5.200%	0.094000	1.900900

Rate Class	Applied to Class
Large Use - Regular	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount
Retail Transmission Rate – Line Connection Service Rate	$/kW	0.536500	4.300%	0.023100	0.559600

Rate Class	Applied to Class
Large Use - 3TS	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount
Retail Transmission Rate – Line Connection Service Rate	$/kW	0.536500	4.300%	0.023100	0.559600

Rate Class	Applied to Class
Large Use - Ford Annex	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount
Retail Transmission Rate – Line Connection Service Rate	$/kW	0.536500	4.300%	0.023100	0.559600

Rate Class	Applied to Class
Unmetered Scattered Load	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.003800	5.200%	0.000200	0.004000

Rate Class	Applied to Class
Sentinel Lighting	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.219800	5.200%	0.063400	1.283200

Rate Class	Applied to Class
Street Lighting	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.218400	5.200%	0.063400	1.281800

Rate Class	Applied to Class
Standby Power - APPROVED ON AN INTERIM BASIS	No

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount

Name of LDC: ENWIN Utilities Ltd.
File Number: EB-2009-0221
Effective Date: May 1, 2010

Applied For TX Transformation Connection

Method of Application	Uniform Percentage
Uniform Percentage	5.600%

Rate Class	Applied to Class
Residential	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount

Rate Class	Applied to Class
General Service Less Than 50 kW	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount

Rate Class	Applied to Class
General Service 50 to 4,999 kW	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount

Rate Class	Applied to Class
General Service 3,000 to 4,999 kW	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount

Rate Class	Applied to Class
Large Use - Regular	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount
Retail Transmission Rate – Transformation Connection Service Rate	$/kW	1.319600	5.600%	0.073898	1.393498

Rate Class	Applied to Class
Large Use - 3TS	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount

Rate Class	Applied to Class
Large Use - Ford Annex	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount

Rate Class	Applied to Class
Unmetered Scattered Load	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount

Rate Class	Applied to Class
Sentinel Lighting	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount

Rate Class	Applied to Class
Street Lighting	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount

Rate Class	Applied to Class
Standby Power - APPROVED ON AN INTERIM BASIS	Yes

Rate Description	Vol Metric	Current Amount	% Adjustment	$ Adjustment	Final Amount

Name of LDC: ENWIN Utilities Ltd.
File Number: EB-2009-0221
Effective Date: May 1, 2010

Calculation of Bill Impacts

Residential

Monthly Rates and Charges	Metric	Current Rate	Applied For Rate
Service Charge	$	11.70	10.70
Service Charge Rate Adder(s)	$	-	1.00
Service Charge Rate Rider(s)	$	-	-
Distribution Volumetric Rate	$/kWh	0.0195	0.0199
Distribution Volumetric Rate Adder(s)	$/kWh	-	-
Low Voltage Volumetric Rate	$/kWh	-	-
Distribution Volumetric Rate Rider(s)	$/kWh	-	- 0.0023
Retail Transmission Rate – Network Service Rate	$/kWh	0.0057	0.0066
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0041	0.0043
Wholesale Market Service Rate	$/kWh	0.0052	0.0052
Rural Rate Protection Charge	$/kWh	0.0013	0.0013
Standard Supply Service – Administration Charge (if applicable)	$/kWh	0.25	0.25

Consumption	800	kWh	0	kW
RPP Tier One	600	kWh	*Load Factor*	

Loss Factor 1.0377

Residential	Volume	RATE $	CHARGE $	Volume	RATE $	CHARGE $	$	%	% of Total Bill
Energy First Tier (kWh)	600	0.0570	34.20	600	0.0570	34.20	0.00	0.0%	34.09%
Energy Second Tier (kWh)	231	0.0660	15.25	231	0.0660	15.25	0.00	0.0%	15.20%
Sub-Total: Energy			**49.45**			**49.45**	**0.00**	**0.0%**	**49.30%**
Service Charge	1	11.70	11.70	1	10.70	10.70	-1.00	(8.5)%	10.67%
Service Charge Rate Adder(s)	1	0.00	0.00	1	1.00	1.00	1.00	0.0%	1.00%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.0%	0.00%
Distribution Volumetric Rate	800	0.0195	15.60	800	0.0199	15.92	0.32	2.1%	15.87%
Distribution Volumetric Rate Adder(s)	800	0.0000	0.00	800	0.0000	0.00	0.00	0.0%	0.00%
Low Voltage Volumetric Rate	800	0.0000	0.00	800	0.0000	0.00	0.00	0.0%	0.00%
Distribution Volumetric Rate Rider(s)	800	0.0000	0.00	800	-0.0023	-1.84	-1.84	0.0%	-1.83%
Total: Distribution			**27.30**			**25.78**	**-1.52**	**(5.6)%**	**25.70%**
Retail Transmission Rate – Network Service Rate	831	0.0057	4.74	831	0.0066	5.48	0.74	15.6%	5.46%
Retail Transmission Rate – Line and Transformation Connection Service Rate	831	0.0041	3.41	831	0.0043	3.57	0.16	4.7%	3.56%
Total: Retail Transmission			**8.15**			**9.05**	**0.90**	**11.0%**	**9.02%**
Sub-Total: Delivery (Distribution and Retail Transmission)			**35.45**			**34.83**	**-0.62**	**(1.7)%**	**34.72%**
Wholesale Market Service Rate	831	0.0052	4.32	831	0.0052	4.32	0.00	0.0%	4.31%
Rural Rate Protection Charge	831	0.0013	1.08	831	0.0013	1.08	0.00	0.0%	1.08%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.0%	0.25%
Sub-Total: Regulatory			**5.65**			**5.65**	**0.00**	**0.0%**	**5.63%**
Debt Retirement Charge (DRC)	800	0.00700	**5.60**	800	0.00700	**5.60**	**0.00**	**0.0%**	**5.58%**
Total Bill before Taxes			**96.15**			**95.53**	**-0.62**	**(0.6)%**	**95.23%**
GST	96.15	5%	**4.81**	95.53	5%	**4.78**	**-0.03**	**(0.6)%**	**4.77%**
Total Bill			**100.96**			**100.31**	**-0.65**	**(0.6)%**	**100.00%**

Rate Class Threshold Test

Residential

kWh	250	600	800	1,400	2,250
Loss Factor Adjusted kWh	260	623	831	1,453	2,335
kW					
Load Factor					
Energy					
Applied For Bill	$ 14.82	$ 35.72	$ 49.45	$ 90.50	$ 148.71
Current Bill	$ 14.82	$ 35.72	$ 49.45	$ 90.50	$ 148.71
$ Impact	$ -	$ -	$ -	$ -	$ -
% Impact	0.0%	0.0%	0.0%	0.0%	0.0%
% of Total Bill	37.7%	46.4%	49.3%	53.1%	55.2%
Distribution					
Applied For Bill	$ 16.11	$ 22.29	$ 25.82	$ 36.40	$ 51.40
Current Bill	$ 16.58	$ 23.40	$ 27.30	$ 39.00	$ 55.58
$ Impact	-$ 0.47	-$ 1.11	-$ 1.48	-$ 2.60	-$ 4.18
% Impact	-2.8%	-4.7%	-5.4%	-6.7%	-7.5%
% of Total Bill	41.0%	29.0%	25.7%	21.4%	19.1%
Retail Transmission					
Applied For Bill	$ 2.84	$ 6.79	$ 9.05	$ 15.84	$ 25.45
Current Bill	$ 2.55	$ 6.10	$ 8.15	$ 14.24	$ 22.88
$ Impact	$ 0.29	$ 0.69	$ 0.90	$ 1.60	$ 2.57
% Impact	11.4%	11.3%	11.0%	11.2%	11.2%
% of Total Bill	7.2%	8.8%	9.0%	9.3%	9.4%
Delivery (Distribution and Retail Transmission)					
Applied For Bill	$ 18.95	$ 29.08	$ 34.87	$ 52.24	$ 76.85
Current Bill	$ 19.13	$ 29.50	$ 35.45	$ 53.24	$ 78.46
$ Impact	-$ 0.18	-$ 0.42	-$ 0.58	-$ 1.00	-$ 1.61
% Impact	-0.9%	-1.4%	-1.6%	-1.9%	-2.1%
% of Total Bill	48.2%	37.8%	34.7%	30.7%	28.5%
Regulatory					
Applied For Bill	$ 1.94	$ 4.30	$ 5.65	$ 9.70	$ 15.43
Current Bill	$ 1.94	$ 4.30	$ 5.65	$ 9.70	$ 15.43
$ Impact	$ -	$ -	$ -	$ -	$ -
% Impact	0.0%	0.0%	0.0%	0.0%	0.0%
% of Total Bill	4.9%	5.6%	5.6%	5.7%	5.7%
Debt Retirement Charge					
Applied For Bill	$ 1.75	$ 4.20	$ 5.60	$ 9.80	$ 15.75
Current Bill	$ 1.75	$ 4.20	$ 5.60	$ 9.80	$ 15.75
$ Impact	$ -	$ -	$ -	$ -	$ -
% Impact	0.0%	0.0%	0.0%	0.0%	0.0%
% of Total Bill	4.4%	5.5%	5.6%	5.8%	5.8%
GST					
Applied For Bill	$ 1.87	$ 3.67	$ 4.78	$ 8.11	$ 12.84
Current Bill	$ 1.88	$ 3.69	$ 4.81	$ 8.16	$ 12.92
$ Impact	-$ 0.01	-$ 0.02	-$ 0.03	-$ 0.05	-$ 0.08
% Impact	-0.5%	-0.5%	-0.6%	-0.6%	-0.6%
% of Total Bill	4.8%	4.8%	4.8%	4.8%	4.8%
Total Bill					
Applied For Bill	$ 39.33	$ 76.97	$ 100.35	$ 170.35	$ 269.58
Current Bill	$ 39.52	$ 77.41	$ 100.96	$ 171.40	$ 271.27
$ Impact	-$ 0.19	-$ 0.44	-$ 0.61	-$ 1.05	-$ 1.69
% Impact	-0.5%	-0.6%	-0.6%	-0.6%	-0.6%

Rounding Applied 0.040000

Name of LDC: ENWIN Utilities Ltd.
File Number: EB-2009-0221
Effective Date: May 1, 2010

Calculation of Bill Impacts

General Service Less Than 50 kW

Monthly Rates and Charges	Metric	Current Rate	Applied For Rate
Service Charge	$	26.18	25.48
Service Charge Rate Adder(s)	$	-	1.00
Service Charge Rate Rider(s)	$	-	-
Distribution Volumetric Rate	$/kWh	0.0162	0.0164
Distribution Volumetric Rate Adder(s)	$/kWh	-	-
Low Voltage Volumetric Rate	$/kWh	-	-
Distribution Volumetric Rate Rider(s)	$/kWh	- 0.0006	- 0.0024
Retail Transmission Rate – Network Service Rate	$/kWh	0.0052	0.0060
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0038	0.0040
Wholesale Market Service Rate	$/kWh	0.0052	0.0052
Rural Rate Protection Charge	$/kWh	0.0013	0.0013
Standard Supply Service – Administration Charge (if applicable)	$/kWh	0.25	0.25

Consumption	**2,000**	**kWh**	**0**	**kW**	***Loss Factor***	***1.0377***
RPP Tier One	**750**	**kWh**	***Load Factor***			

General Service Less Than 50 kW	Volume	RATE $	CHARGE $	Volume	RATE $	CHARGE $	$	%	% of Total Bill
Energy First Tier (kWh)	750	0.0570	42.75	750	0.0570	42.75	0.00	0.0%	17.45%
Energy Second Tier (kWh)	1,326	0.0660	87.52	1,326	0.0660	87.52	0.00	0.0%	35.73%
Sub-Total: Energy			**130.27**			**130.27**	**0.00**	**0.0%**	**53.19%**
Service Charge	1	26.18	26.18	1	25.48	25.48	-0.70	(2.7)%	10.40%
Service Charge Rate Adder(s)	1	0.00	0.00	1	1.00	1.00	1.00	0.0%	0.41%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.0%	0.00%
Distribution Volumetric Rate	2,000	0.0162	32.40	2,000	0.0164	32.80	0.40	1.2%	13.39%
Distribution Volumetric Rate Adder(s)	2,000	0.0000	0.00	2,000	0.0000	0.00	0.00	0.0%	0.00%
Low Voltage Volumetric Rate	2,000	0.0000	0.00	2,000	0.0000	0.00	0.00	0.0%	0.00%
Distribution Volumetric Rate Rider(s)	2,000	-0.0006	-1.20	2,000	-0.0024	-4.80	-3.60	300.0%	-1.96%
Total: Distribution			**57.38**			**54.48**	**-2.90**	**(5.1)%**	**22.24%**
Retail Transmission Rate – Network Service Rate	2,076	0.0052	10.80	2,076	0.0060	12.46	1.66	15.4%	5.09%
Retail Transmission Rate – Line and Transformation Connection Service Rate	2,076	0.0038	7.89	2,076	0.0040	8.30	0.41	5.2%	3.39%
Total: Retail Transmission			**18.69**			**20.76**	**2.07**	**11.1%**	**8.48%**
Sub-Total: Delivery (Distribution and Retail Transmission)			**76.07**			**75.24**	**-0.83**	**(1.1)%**	**30.72%**
Wholesale Market Service Rate	2,076	0.0052	10.80	2,076	0.0052	10.80	0.00	0.0%	4.41%
Rural Rate Protection Charge	2,076	0.0013	2.70	2,076	0.0013	2.70	0.00	0.0%	1.10%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.0%	0.10%
Sub-Total: Regulatory			**13.75**			**13.75**	**0.00**	**0.0%**	**5.61%**
Debt Retirement Charge (DRC)	2,000	0.00700	**14.00**	2,000	0.00700	**14.00**	**0.00**	**0.0%**	**5.72%**
Total Bill before Taxes			**234.09**			**233.26**	**-0.83**	**(0.4)%**	**95.24%**
GST	234.09	5%	**11.70**	233.26	5%	**11.66**	**-0.04**	**(0.3)%**	**4.76%**
Total Bill			**245.79**			**244.92**	**-0.87**	**(0.4)%**	**100.00%**

Rate Class Threshold Test

General Service Less Than 50 kW

kWh	1,000	2,000	7,500	15,000	20,000
Loss Factor Adjusted kWh	1,038	2,076	7,783	15,566	20,755
kW					
Load Factor					
Energy					
Applied For Bill	$ 61.76	$ 130.27	$ 506.93	$ 1,020.61	$ 1,363.08
Current Bill	$ 61.76	$ 130.27	$ 506.93	$ 1,020.61	$ 1,363.08
$ Impact	$ -	$ -	$ -	$ -	$ -
% Impact	0.0%	0.0%	0.0%	0.0%	0.0%
% of Total Bill	46.5%	53.2%	58.9%	60.1%	60.3%
Distribution					
Applied For Bill	$ 40.44	$ 54.40	$ 131.18	$ 235.88	$ 305.68
Current Bill	$ 41.78	$ 57.38	$ 143.18	$ 260.18	$ 338.18
$ Impact	-$ 1.34	-$ 2.98	-$ 12.00	-$ 24.30	-$ 32.50
% Impact	-3.2%	-5.2%	-8.4%	-9.3%	-9.6%
% of Total Bill	30.4%	22.2%	15.2%	13.9%	13.5%
Retail Transmission					
Applied For Bill	$ 10.38	$ 20.76	$ 77.83	$ 155.66	$ 207.55
Current Bill	$ 9.34	$ 18.69	$ 70.05	$ 140.09	$ 186.80
$ Impact	$ 1.04	$ 2.07	$ 7.78	$ 15.57	$ 20.75
% Impact	11.1%	11.1%	11.1%	11.1%	11.1%
% of Total Bill	7.8%	8.5%	9.0%	9.2%	9.2%
Delivery (Distribution and Retail Transmission)					
Applied For Bill	$ 50.82	$ 75.16	$ 209.01	$ 391.54	$ 513.23
Current Bill	$ 51.12	$ 76.07	$ 213.23	$ 400.27	$ 524.98
$ Impact	-$ 0.30	-$ 0.91	-$ 4.22	-$ 8.73	-$ 11.75
% Impact	-0.6%	-1.2%	-2.0%	-2.2%	-2.2%
% of Total Bill	38.2%	30.7%	24.3%	23.0%	22.7%
Regulatory					
Applied For Bill	$ 7.00	$ 13.75	$ 50.84	$ 101.43	$ 135.16
Current Bill	$ 7.00	$ 13.75	$ 50.84	$ 101.43	$ 135.16
$ Impact	$ -	$ -	$ -	$ -	$ -
% Impact	0.0%	0.0%	0.0%	0.0%	0.0%
% of Total Bill	5.3%	5.6%	5.9%	6.0%	6.0%
Debt Retirement Charge					
Applied For Bill	$ 7.00	$ 14.00	$ 52.50	$ 105.00	$ 140.00
Current Bill	$ 7.00	$ 14.00	$ 52.50	$ 105.00	$ 140.00
$ Impact	$ -	$ -	$ -	$ -	$ -
% Impact	0.0%	0.0%	0.0%	0.0%	0.0%
% of Total Bill	5.3%	5.7%	6.1%	6.2%	6.2%
GST					
Applied For Bill	$ 6.33	$ 11.66	$ 40.96	$ 80.93	$ 107.57
Current Bill	$ 6.34	$ 11.70	$ 41.18	$ 81.37	$ 108.16
$ Impact	-$ 0.01	-$ 0.04	-$ 0.22	-$ 0.44	-$ 0.59
% Impact	-0.2%	-0.3%	-0.5%	-0.5%	-0.5%
% of Total Bill	4.8%	4.8%	4.8%	4.8%	4.8%
Total Bill					
Applied For Bill	$ 132.91	$ 244.84	$ 860.24	$ 1,699.51	$ 2,259.04
Current Bill	$ 133.22	$ 245.79	$ 864.68	$ 1,708.68	$ 2,271.38
$ Impact	-$ 0.31	-$ 0.95	-$ 4.44	-$ 9.17	-$ 12.34
% Impact	-0.2%	-0.4%	-0.5%	-0.5%	-0.5%

Rounding Applied -0.080000