

Board Staff Interrogatories

2011 IRM3 Electricity Distribution Rates EnWin Utilities Ltd. ("EnWin") EB-2010-0079

2011 IRM Retail Transmission Service Rates ("RTSR") Workform

1. Ref: "Sheet B1.2 2009 Distributor Billing Determinants" of the workform is reproduced below.

2009 Distributor Billing Determinants					
Enter the most recently reported RRR billing determinants					
Loss Adjusted Metered kWh	No	Update Sheet			
Loss Adjusted Metered kW	No				
Rate Class	Vol Metric	Metered kWh A	Metered kW B	Applicable Loss Factor C	Load Factor D = A / (B * 730)
Residential	kWh	608,088,215	0		
General Service Less Than 50 kW	kWh	221,722,944	338,169		
General Service 50 to 4,999 kW	kW	909,055,054	2,411,700		51.66%
General Service 3,000 to 4,999 kW	kW	51,306,802	130,057		54.07%
Large Use - Regular	kW	271,865,804	550,085		67.74%
Large Use - 3TS	kW	328,211,300	739,223		60.85%
Large Use - Ford Annex	kW	50,208,449	95,070		72.38%
Unmetered Scattered Load	kWh	4,647,072	0		
Sentinel Lighting	kW	1,013,069	2,791		49.75%
Street Lighting	kW	16,930,328	48,739		47.61%
Total		2,463,049,038	4,315,835		

- a) Please confirm that the data entered in Column A (metered kWh) is metered data (i.e. no loss factor applied). If a loss factor has been applied to the data in Column A, please re-file the data for Column A and Board staff will make the relevant corrections to the RTSR Workform.
- b) Board staff has been unable to verify whether the billing determinants entered in for the Large Use rate classes are correct. Please provide evidence supporting these billing determinants.

2011 IRM3 Shared Tax Savings Workform

2. Ref: Sheet "B1.1 Rate Class and Re-Based Billing Determinants & Rates" of the workform is reproduced below.

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Rate Class and Re-Based Billing Determinants & Rates									
Last COS Re-based Year				2009					
Last COS OEB Application Number				EB-2008-0227					
Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Rate ReBal Base Service Charge D	Rate ReBal Base Distribution Volumetric Rate kWh E	Rate ReBal Base Distribution Volumetric Rate kW F
RES	Residential	Customer	kWh	76,317	641,214,701		10.70	0.0199	
GSL750	General Service Less Than 50 kW	Customer	kWh	7,013	238,998,501		25.17	0.0162	
GS750	General Service 50 to 4,999 kW	Customer	kW	1,189	946,836,557	2,431,356	101.96		4.7075
GS750	General Service 3,000 to 4,999 kW	Customer	kW	3	55,374,071	141,807	2,088.29		1.9306
LU	Large Use - Regular	Customer	kW	6	277,467,527	539,536	7,570.26		2.1824
LU	Large Use - 3TS	Customer	kW	3	339,147,498	637,577	26,806.00		2.7235
LU	Large Use - Ford Annex	Customer	kW	1	75,421,885	133,262	101,528.13		0.0000
USL	Unmetered Scattered Load	Connection	kWh	893	4,189,811		10.16	0.0000	
Sen	Sentinel Lighting	Connection	kW	748	964,529	2,586	11.66		0.0000
SL	Street Lighting	Connection	kW	23,413	16,887,318	48,555	4.70		0.0000

- a) It appears the rebalanced fixed and volumetric charges for the general service 50 to 4,999 kW and street lighting class has not been entered from sheet "E1.1 Rate Rebalanced Base Distribution Rates" of the 2011 IRM3 Rate Generator model. Please confirm the correct figures and Board staff will make the necessary changes.

2011 IRM3 Revenue Cost Ratio Adjustment Workform

3. Ref: Sheet "C1.2 Revenue Offsets Allocation" of the workform is reproduced below.

Revenue Offsets Allocation			
The purpose of this sheet is to allocate the Revenue Offsets (miscellaneous revenue) found in the last COS to the various rate classes in proportion to the allocation from the Cost Allocation informational filing.			
Rate Class	Informational Filing Revenue Offsets A	Percentage Split C= A / B	Allocated Revenue Offsets E = D * C
Residential	1,973,377	64.10%	1,566,414
General Service Less Than 50 kW	428,570	13.92%	340,187
General Service 50 to 4,999 kW	537,062	17.44%	426,305
General Service 3,000 to 4,999 kW	14,840	0.48%	11,780
Large Use - Regular	55,002	1.79%	43,659
Large Use - 3TS	594	0.02%	472
Large Use - Ford Annex	332	0.01%	264
Unmetered Scattered Load	6,838	0.22%	5,428
Sentinel Lighting	5,307	0.17%	4,213
Street Lighting	56,795	1.84%	45,082
	3,078,717	100.00%	2,443,803

- a) Board staff is unable to verify the informational filing revenue offsets. Please provide supporting evidence for these inputs.

2011 IRM Deferral and Variance Account Workform

4. Ref: Sheet "D1.6 Deferral Variance – Continuity Schedule Final" of the workform is reproduced below.

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Deferral Variance - Continuity Schedule Final											
	Account Number	Opening Principal Amounts as of Jan-1-10	Adjustments - Please explain	Principal Amounts to be disposed	Opening Interest Amounts as of Jan-1-10	Interest on Board-approved 2008 amounts prior to transfer Jan-1, 2010 to Date of Transfer	Adjustments - Please explain	Projected Interest on Dec 31-09 balance from Jan. 1, 2010 to Dec 31, 2010	Projected Interest on Dec 31-09 balance from Jan. 1, 2011 to April 30, 2011	Interest Amounts to be disposed	Total Claim
Account Description		A	B	C = A + B	D	E	F	G	H	I = D + E + F + G + H	J = C + I
L/V Variance Account	1550	0		0	0			0	0	0	0
RSUA - Wholesale Market Service Charge	1580	(589,974)		(589,974)	(166,952)	164,077		(4,256)	(1,726)	(8,857)	(598,831)
RSUA - Retail Transmission Network Charge	1584	(20,864)		(20,864)	(13,125)	11,851		(151)	(61)	(1,486)	(22,380)
RSUA - Retail Transmission Connection Charge	1586	84,807		84,807	64,104	(63,617)		612	245	1,347	86,154
RSUA - Power (Excluding Global Adjustment)	1588	(26,873)		(26,873)	(993,807)	383,522		(194)	(79)	(10,557)	(37,430)
RSUA - Power (Global Adjustment Sub-account)		4,678,053		4,678,053	338,832	(319,734)		33,747	13,688	66,533	4,744,586
Recovery of Regulatory Asset Balances	1590	(29)		(29)	3,885	(3,885)		(0)	(0)	(0)	(29)
Residual Balance Disposition and recovery of DelVar Balances Account (2008)	1595	0		0	0			0	0	0	0
Total		4,125,120	0	4,125,120	(167,063)	172,214	0	29,759	12,070	46,980	4,172,100

Account 1586 currently has a debit balance of \$86,154, which would imply that EnWin has been undercharging the retail transmission connection charge. However, according to EnWin's RTSR Adjustment Workform a decrease to the retail transmission connection charge has been calculated, which would imply that EnWin has been overcharging customers.

a) Please explain why there appears to be a difference.

2011 IRM3 Rate Generator Model

5. Ref: Sheet "J2.7 Tax Change Rate Rider" of the model is reproduced below.

Tax Change Rate Rider						
Rate Rider		Tax Change				
Sunset Date		30/04/2012 DD/MM/YYYY				
Metric Applied To		All Customers				
Method of Application		Both Distinct				
Rate Class	Applied to Class	Fixed Amount	Fixed Metric	Vol Amount	Vol Metric	
Residential	Yes	0.000000	Customer - 12 per year	-0.000300	kWh	
General Service Less Than 50 kW	Yes	0.000000	Customer - 12 per year	-0.000200	kWh	
General Service 50 to 4,999 kW	Yes	0.000000	Customer - 12 per year	-0.040200	kW	
General Service 3,000 to 4,999 kW	Yes	0.000000	Customer - 12 per year	-0.018700	kW	
Large Use - Regular	Yes	0.000000	Customer - 12 per year	-0.024200	kW	
Large Use - 3TS	Yes	0.000000	Customer - 12 per year	-0.032100	kW	
Large Use - Ford Annex	Yes	0.000000	Customer - 12 per year	-0.069300	kW	
Unmetered Scattered Load	Yes	-0.080000	Connection - 12 per year	0.000000	kWh	
Sentinel Lighting	Yes	-0.090000	Connection - 12 per year	0.000000	kW	
Street Lighting	Yes	-0.040000	Connection - 12 per year	0.000000	kW	
Standby Power - APPROVED ON AN INTERIM BASIS	No	0.000000	NA	0.000000	NA	

Sheet "F1.3 Calculate Tax Change Rate Rider Volumetric" of the 2011 IRM3 Shared Tax Savings Workform is reproduced below.

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Rate Class	Total Revenue \$ by Rate Class A	Total Revenue % by Rate Class B = A / \$H	Total Z-Factor Tax Change\$ by Rate Class C = \$I * B	Billed kWh D	Billed kW E	Distribution Volumetric Rate kWh Rate Rider F = C / D	Distribution Volumetric Rate kW Rate Rider G = C / E
Residential	\$22,559,275.3499	46.06%	-\$171,075	641,214,701	0	-\$0.0003	
General Service Less Than 50 kW	\$5,989,982	12.23%	-\$45,424	238,998,501	0	-\$0.0002	
General Service 50 to 4,999 kW	\$12,900,374	26.34%	-\$97,828	946,836,557	2,431,356		-\$0.0402
General Service 5,000 to 4,999 kW	\$348,951	0.71%	-\$2,646	55,374,071	141,807		-\$0.0187
Large Use - Regular	\$1,722,542	3.52%	-\$13,063	277,467,527	539,536		-\$0.0242
Large Use - 3TS	\$2,701,529	5.52%	-\$20,487	339,147,498	637,577		-\$0.0321
Large Use - Ford Annex	\$1,218,338	2.49%	-\$9,239	75,421,885	133,262		-\$0.0693
Unmetered Scattered Load	\$108,875	0.22%	-\$826	4,199,811	0	-\$0.0002	
Sentinel Lighting	\$104,660	0.21%	-\$794	964,529	2,586		-\$0.3069
Street Lighting	\$1,320,493	2.70%	-\$10,014	16,887,318	48,555		-\$0.2062
	\$48,975,019	100.00%	-\$371,336				

According to the 2011 IRM3 Shared Tax Savings Workform, a credit volumetric rate rider has been calculated for all rate classes.

- a) Please explain why EnWin has adjusted the monthly fixed charge for the unmetered scattered load, sentinel lighting and street lighting rate classes, but not the volumetric charge in the rate generator.

IRM Off-ramp

6. Ref: Manager's Summary, Applicant's Extraordinary Circumstances

EnWin states that "despite the Board's IRM to COS off-ramp methodology, in this particular circumstance a more efficient method of implementing just and reasonable rates is to eliminate the Stretch Factor, which the Board may do in its discretion."

Chapter 3 of the Filing Requirements for Transmission and Distribution Applications, dated July 9, 2010, states "For IRM3, the Board has determined that the plan will include a trigger mechanism with an annual ROE dead band of +/-300 basis points. When a distributor performs outside of this earnings dead band, a regulatory review may be initiated. As such, a distributor will be required to report to the Board no later than 60 days after the company's receipt of its annual audited financial statements, in the event that the distributor's earnings falls short of or exceeds its ROE by 300 basis points. A review of the report will be carried out by the Board to determine if further action by the Board is warranted. Any such review would be prospective in nature, and could result in modifications to the IRM3 plan, a termination of the IRM3 plan or the continuation of the IRM3 plan for that distributor"

- a) Please file evidence that would demonstrate whether EnWin would have triggered an off-ramp based on its latest audited financial statements.