February 10, 2011

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: 2011 IRM Rate Application
EB-2010-0079
Submissions

Enclosed please find *ENWIN'S* submissions in the above noted proceeding.

The submissions are being filed through the Board's web portal (PDF) and also sent by email and 2 paper copies. VECC will be copied on the email.

Yours very truly,

***ENWIN* Utilities Ltd.**

Per: Andrew J. Sasso
Director, Regulatory Affairs

P.O. Box 1625 787 Ouellette Avenue Windsor, ON N9A 5T7
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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, 2011.

SUBMISSIONS

1. EnWin Utilities Ltd. (the "Applicant") is a municipally-owned business corporation operating in the City of Windsor and a local electricity distribution company ("LDC") that is licensed and rate-regulated by the Ontario Energy Board (the "Board").

2. The foundation for the Applicant's current rates and charges 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. That Decision and Order rebased the Applicant's rates following a comprehensive process that brought expert and independent scrutiny to bear on the proposed cost and rate structures.

3. On March 31, 2010, in proceeding EB-2009-0221, the Board made an annual adjustment to the Applicant's rates using the Board's Incentive Regulation Mechanism. The resulting rates and the other charges took effect on May 1, 2010 and will be charged through April 30, 2011, according to the Board-approved tariff.

4. On October 29, 2010, the Applicant applied to 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, 2011 through April 30, 2012.

5. The Board's Notice of Application, which was published in the local English and French

newspapers and on the Applicant's website, provided for intervention by interested parties.

6. Board Staff and Vulnerable Energy Consumers Coalition ("VECC") filed interrogating questions on December 17, 2010. The Applicant responded to those interrogatories on January 5, 2011.

7. Board Staff and VECC filed submissions on January 26, 2010.

8. The Applicant's submissions are enclosed.

REGARDING VECC SUBMISSIONS

Revenue to Cost Ratios

9. In the 2011 IRM3 Revenue Cost Ratio Adjustment Workform, Tab C1.3 Transformer Allowance, cell E50, the Board's instruction reads "Enter Transformer Allowance as found in Cell E47 on sheet 'C1.3 Transformer Allowance' of the 2010 IRM3 Supplemental Filing Module or from 2010 COS RRWF".

10. In following that instruction, the Applicant entered into cell E47 on that same 2011 workform tab "1,409,726". It is a positive number, just as it was in the 2010 workform. In the other cells that could receive inputs on the workform tab, the Applicant input kW values as positive numbers and the "Transformer Allowance Rate" as a negative, just as it appears on the Board-issued tariff for the Applicant.

11. VECC has asserted that the Applicant's approach or that the result is not correct.

12. Board Staff did not raise a concern with the Applicant's approach or result.

13. The Applicant's interest continues to be rate fairness across rate classes.

14. Unfortunately, over the past several years, the Transformer Ownership Allowance ("TOA") issue has created some confusion over how to ensure that fairness is being achieved. In early 2007, the Applicant filed its Cost Allocation calculations, which included TOA calculations, per the Board's methodology. In mid 2008, the Applicant filed its 2009 Cost of Service calculations, which included updates to the Cost Allocation calculations. In 2009, as a part of its COS settlement process, the Applicant made the "Harper Adjustment" to its Cost Allocation calculations in order to correct for the TOA errors in the Board's 2006-7 Cost Allocation model. In the 2010 IRM, VECC took no issue with the Applicant's TOA calculations. Now, VECC is taking issue with the Applicant's 2011 IRM TOA calculations that mimic the 2010 IRM TOA calculations.

15. Fortunately for the sector, the Board has commenced a proceeding to make certain updates and revisions to the Cost Allocation model, including with respect to the TOA.

16. However, for the purposes of this rate-setting proceeding, the Applicant has some concern that while VECC's argument may have been correct in other proceedings, it may not be correct in this proceeding. The Applicant submits that the various revisions made to its rate structure in the past (in order to implement and revise the TOA), may have had an impact that makes the current approach correct. It may be that VECC's familiarity with and recollection of the Applicant-specific circumstances from the 2009 COS informed its decision to not object to this same approach during the Applicant's 2010 IRM.

17. Also of importance, Board Staff did not take issue with the Applicant's approach.

18. The Applicant respectfully suggests that Board Staff, the Applicant, ratepayer groups, and others have been "turned-around" a number of times by the generic TOA issue. The

Applicant's hope is to not turn-around too many more times prior to implementing a clearer approach as a part of the Board's province-wide initiative.

19. The Applicant defers to the Board's preferred approach in respect of this Application.

Elimination of the Stretch Factor

20. VECC makes the argument at paragraph 3.4 of its submission that the Board should not selectively revisit parts of the IRM framework. The Applicant disagrees that there is or ought to be a prohibition against selectively revisiting individual components of the IRM rate calculation process.

21. There are situations where individual components should not be revisited. In a situation where the Board approves a settlement, the Board has regard for the collective impact of the individual components and assesses the sum result. Individual pieces cannot be picked apart at a later time because the Board's approval involved a balancing and a full rebalancing would be required.

22. Similarly, where the Board approves a bucket sum or makes a blanket decision, there are reasons why the individual parts must remain out-of-bounds, unless all individual parts are coming forward for reconsideration.

23. However, in the 3GIRM proceeding, the Board turned its attention to each component part and made individual decisions in respect of each component – decisions that were discrete and based on component-specific principles and other component-specific considerations. That is, the Board did not say in EB-2007-0673, on a whole the result ought to be a Q% annual increase on average. Rather, the Board came to separate decisions in respect of

inflation, productivity and stretch factors.

24. Furthermore, as the Board is well aware, this Panel is not bound by any other Decision of the Board, be it in a policy, rate or other proceeding. The facts before the Board in this proceeding were not before the Board in EB-2007-0673 (3GIRM) and even differ from those in EB-2009-0221 (2010 IRM). The Board is not impeded in considering what the Applicant has put before it.

25. The Applicant fully appreciates the importance of the Board having regard for previous Decisions and fully expects this Panel to do so. But, respectfully, it is for the Board to go beyond the "having regard" and consider how the present case and all it entails may be distinguished from prior proceedings and ultimately adjudicate the matter on its own merits.

Interrogatory Responses regarding the Stretch Factor

26. Contrary to VECC's assertion, the Applicant did provide ROE information. In fact, Board Staff used that ROE information in its submission.

Evidentiary Standard

27. VECC states at paragraph 3.6 that "there is no evidence to suggest that ENWIN should be treated any differently… under the Board's 3rd Generation Incentive Regulation Plan." This statement does not have regard for the record.

28. Through the Application and Interrogatory processes, the Applicant submitted evidence on a wide range of points that all suggest the Applicant's circumstances differ markedly from other LDCs. Inherently, different circumstances suggest the possibility of different treatment in order to maintain the common objective: just and reasonable rates.

29. Of course, the Board may decide that there is *insufficient* evidence, but surely there is evidence.

Issue in Context

30. The Applicant continues to be mindful that its request is unorthodox. The Applicant acknowledges that with that comes an inherent challenge. The Applicant is cognizant of the fact that the Board has yet to depart from 3GIRM, except in the cases of a few LDCs where the Board has permitted COS in place of IRM applications.

31. However, contrary to VECC's assertion at paragraph 3.7, coming to a principled decision based on the facts of this case does not undermine 3GIRM, even if the Decision is to depart from 3GIRM and reduce the Stretch Factor as requested.

32. Respectfully, the Board's obligation to 3GIRM is only to use it as a tool so long as it serves its purpose. If components of 3GIRM ought to be modified in a given situation in order to achieve the correct result, then the Board should do so. The Applicant submits that this is one such situation.

REGARDING BOARD STAFF SUBMISSIONS

Revenue to Cost Ratios

33. The Applicant acknowledges that Board Staff supports the Applicant's approach to Cost Allocation.

Elimination of the Stretch Factor

34. The Applicant's Stretch Factor position is expressed in response to VECC's submission.

EDDVAR

35. Board Staff questioned why the Applicant did not make a filing in this proceeding in respect of adjustments to 2008 Group 1 account balances.

36. The Applicant understood the 2010 IRM Decision to require the Applicant to revisit the issue during its next Cost of Service rate proceeding, when more fulsome reviews of accounts are generally conducted.

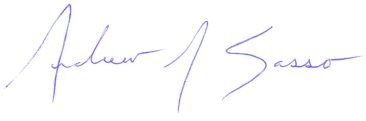
37. Board Staff did not raise the 2008 Group 1 issue or request associated information during interrogatories.

38. The Applicant would have gladly attended to this issue during this proceeding, but did not perceive it to be in scope. The Applicant does not perceive that there will be material prejudice to any party by attending to the issue during its next Cost of Service proceeding; in fact, it will provide a better forum to attend to it.

39. The Applicant acknowledges that Board Staff supports the Applicant's approach to the 2009 Group 1 account balances.

RESPECTFULLY SUBMITTED and dated at Windsor, Ontario, this 10th day of February, 2011.

ENWIN UTILITIES LTD.



Per: Andrew J. Sasso