



November 6, 2012

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: 2013 IRM Rate Application
EB-2012-0120
Responses to Interrogatories**

Enclosed please find EnWin's responses to the interrogatories of Board Staff.

The response is being submitted through the Board's web portal (PDF) with two paper copies following by mail.

Yours very truly,

EnWin Utilities Ltd.

A handwritten signature in blue ink, appearing to read "Andrew J. Sasso", is written over a light blue horizontal line.

Per: Andrew J. Sasso
Director, Regulatory Affairs

**EnWin Utilities Ltd. (“EnWin”)
2013 IRM Rate Application
EB-2012-0120
Board Staff Interrogatories**

RTSR Adjustment Work Form

1. Ref: A portion of Sheet 4 “RRR Data” is reproduced below

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor
Residential	kWh	639,713,622		1.0377
General Service Less Than 50 kW	kWh	218,463,543		1.0377
General Service 50 to 4,999 kW	kW	947,262,232	2,435,792	
General Service 3,000 to 4,999 kW	kW	48,794,571	130,752	
Large Use - Regular	kW	320,621,511	598,591	
Large Use - 3TS	kW	270,747,469	574,892	
Large Use - Ford Annex	kW	41,936,988	77,155	
Unmetered Scattered Load	kWh	3,939,803		1.0377
Sentinel Lighting	kW	930,144	2,605	
Street Lighting	kW	17,061,701	49,250	

- a) Please confirm that the amounts entered into the columns “Non-Loss Adjusted Metered kWh” and “Non-Loss Adjusted Metered kW” have not been adjusted by EnWin’s Board-approved loss factor.

RESPONSE

The amounts entered into the columns “Non-Loss Adjusted Metered kWh” and “Non-Loss Adjusted Metered kW” have not been adjusted by EnWin’s Board-approved loss factor.

- b) Board staff has been unable to reconcile the billing determinant data provided for the Large Use classes with the data in EnWin's 2011 RRR 2.1.5 filing.

EnWin's 2011 RRR 2.1.5 filing shows a total consumption of 396,268,190 kWh for Large User customers. The total consumption entered for large users in the 2013 RTSR Workform is 633,305,968 kWh.

Similarly, EnWin's 2011 RRR 2.1.5 filing shows a total demand of 762,920 kW for Large User customers. The total demand entered for large users in the 2013 RTSR Workform is 1,250,638 kWh.

Please provide evidence in support of the consumption and demand data entered for the Large Use classes. If the data was entered in error, please indicate the error, provide updated data, reconciled with the 2011 RRR 2.1.5 filing for Large User customers, for each large use class and Board staff will make the applicable changes to the model.

RESPONSE

The billing determinants entered in for the Large Use rate classes are correct. The OEB Filing 2.1.5 Performance Based Regulation is only data for Non-Market Participants. Below is the breakdown by Market Participant/Non-Market Participant of the "Sheet 4 of the 2012 RTSR Work Form".

2012 IRM Retail Transmission Service Rates ("RTSR") Workform	Metered kWh	Metered kW
Total Large Use - Regular	320,621,511	598,591
Large Use - Regular, Non-Market Participants	202,429,414	386,058
Large Use - Regular, Market Participants	118,192,097	212,533
Total Large Use - 3TS	270,747,469	574,892
Large Use - 3TS, Non-Market Participants	193,838,775	376,862
Large Use - 3TS, Market Participants	76,908,694	198,029
Large Use - Ford Annex, Market Participant	41,936,988	77,155
Total Large Use Non-Market Participants	396,268,190	762,920

OEB Filing 2.1.5 Performance Based Regulation	Metered kWh	Metered kW
Large Use (>5,000 kW) Customers*	396,268,190	762,920
* excludes Market Participants		

2013 IRM Rate Generator

2. Ref: Sheet 4 “Current Tariff Schedule” is reproduced below

Large Use - Regular Service Classification		
Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013 Excluding Wholesale Market Participants	\$/kW	1.3265
Rate Rider for Disposition of Balance in Account 1562 (2012) - Effective until April 30, 2015	\$/kW	0.0873

Large Use - 3TS Service Classification		
Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013 Excluding Wholesale Market Participants	\$/kW	1.3995
Rate Rider for Disposition of Balance in Account 1562 (2012) - Effective until April 30, 2015	\$/kW	0.1207

a) On Sheet 4, Board staff notes the description of Deferral/Variance Account rate riders for the Large Use, Regular and Large Use – 3 TS rate classes is:

“Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013 Excluding Wholesale Market Participants”

However, the current Tariff of Rates and Charges shows:

“Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013 Applicable only for non-Wholesale Market Participants”.

Please state whether or not this is an error and if so, Board staff will make the change to the model.

RESPONSE

The text was entered to be consistent between classes and rate riders. Board staff may change them.

Unmetered Scattered Load Service Classification		
Rate Rider for Global Adjustment Sub-Account (per connection) (2012) – Applicable only for Non-RPP Customers – Effective until April 30, 2013	\$	(1.26)
Rate Rider for Deferral/Variance Account Disposition (per connection) (2012) – Effective until April 30, 2013	\$	1.02
Rate Rider for Disposition of Balance in Account 1562 (per connection) (2012) - Effective until April 30, 2015	\$	0.37
Sentinel Lighting Service Classification		
Rate Rider for Global Adjustment Sub-Account (per connection) (2012) – Applicable only for Non-RPP Customers – Effective until April 30, 2013	\$	(0.06)
Rate Rider for Deferral/Variance Account Disposition (per connection) (2012) – Effective until April 30, 2013	\$	0.32
Rate Rider for Disposition of Balance in Account 1562 (per connection) (2012) - Effective until April 30, 2015	\$	0.38
Street Lighting Service Classification		
Rate Rider for Global Adjustment Sub-Account (per connection) (2012) – Applicable only for Non-RPP Customers – Effective until April 30, 2013	\$	(0.45)
Rate Rider for Deferral/Variance Account Disposition (per connection) (2012) – Effective until April 30, 2013	\$	0.18
Rate Rider for Disposition of Balance in Account 1562 (per connection) (2012) - Effective until April 30, 2015	\$	0.14

- b) On Sheet 4, Board staff notes the description of Global Adjustment Sub-Account rate riders for the Unmetered Scattered Load, Sentinel Lighting and Street Lighting rate classes is:

“Rate Rider for Global Adjustment Sub-Account (per connection) (2012) – Applicable for Non-RPP Customers - Effective until April 30, 2013”

However, the current Tariff of Rates and Charges shows:

“Rate Rider for Global Adjustment Sub-Account (per connection) (2012) – Effective until April 30, 2013 Applicable only for non-RPP Customers Excluding Wholesale Market Participants”.

Please state whether or not this is an error and if so, Board staff will make the change to the model.

RESPONSE

The text was entered to be consistent between classes and rate riders. Board staff may change them.

Residential Service Classification

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge - effective until April 30, 2012	\$/kWh	0.0011
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

- c) Board staff notes that the “Rural Rate Protection Charge – effective until April 30, 2012 is \$0.0011” for all rate classes. Board staff believes the correct rate is “Rural Rate Protection Charge – effective until April 30, 2012 is \$0.0013” for all rate classes. If this is an error, Board staff will make the correction.

RESPONSE

Please correct to “Rural Rate Protection Charge – effective until April 30, 2012 is \$0.0013” for all rate classes.

This was entered as such due to the instructions on the IRM Rate Generator sheet 4 “**Note: If the current RRRP consists of only one line on the current tariff schedule, enter the same rate for "Rural Rate Protection Charge - effective until April 30, 2012" and "Rural Rate Protection Charge - effective on and after May 1, 2012".”

3. Ref: A portion of Sheet 5 – “2013 Continuity Schedule” is reproduced below

		2.1.7 RRR
Account Descriptions	Account Number	As of Dec 31-11
Group 1 Accounts		
LV Variance Account	1550	
RSVA - Wholesale Market Service Charge	1580	(4,819,692)
RSVA - Retail Transmission Network Charge	1584	1,388,884
RSVA - Retail Transmission Connection Charge	1586	230,068
RSVA - Power (excluding Global Adjustment)	1588	5,344,448
RSVA - Power - Sub-account - Global Adjustment	1588	(7,301,194)
Recovery of Regulatory Asset Balances	1590	0
Disposition and Recovery/Refund of Regulatory Balances (2008) ⁵	1595	0
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁵	1595	(5,100)
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁵	1595	(32,974)
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		(5,195,560)
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		2,105,634
RSVA - Power - Sub-account - Global Adjustment	1588	(7,301,194)
Deferred Payments in Lieu of Taxes	1562	
Total of Group 1 and Account 1562		(5,195,560)

- a) Board staff notes that the amount provided for Account 1595 “Disposition and Recovery of Regulatory Balances Control Account Balances (2009)” in the “2.1.7 RRR” column is \$(5,100); and “Disposition and Recovery of Regulatory Balances Control Account Balances (2010)” in the “2.1.7 RRR” column is \$(32,974).

Board staff also notes that the corresponding amount reported by EnWin in the 2.1.7 RRR for Account 1595 is \$1,563,966.28.

Please provide an explanation for these differences.

If this is an error, Board staff will make the relevant correction.

RESPONSE

The Account 1595 “Disposition and Recovery/Refund of Regulatory Balance (2009)” and Account 1595 “Disposition and Recovery/Refund of Regulatory Balance (2010)” are correct for the year balances. These match the 2.1.1 RRR amounts filed as of December 31, 2011.

The breakdown of the 2.1.7 RRR balance of \$1,563,966 for 1595 Disposition and Recovery of Regulatory Balances Control Account is as follows:

Disposition and Recovery/Refund of Regulatory Balance (2009)	-5,100
Disposition and Recovery/Refund of Regulatory Balance (2010)	-32,974
Disposition and Recovery/Refund of Regulatory Balance (2011)	1,817,053
Tax Sharing Change from Decision and Order (EB-2009-0221)*	-215,013
*plus interest	

2013 IRM3 Tax Sharing Work Form

4. Ref: A portion of Sheet 3 “Re-Based Bill Det and Rates” is reproduced below

Rate Group		Rate Class	Fixed Metric	Vol Metric
RES	Residential		Customer	kWh
GSLT50	General Service Less Than 50 kW		Customer	kWh
GSGT50	General Service 50 to 999 kW		Customer	kW
GSGT50	General Service 3,000 to 4,999 kW		Customer	kW

- a) Board staff notes that the rate class classification for “General Service 50 to 999 kW” does not match the EnWin’s current Tariff of Rates and Charges. Board staff believes the correct rate class classification is “General Service 50 to 4,999 kW”. Please confirm and, if necessary, Board staff will make the change to the model.

RESPONSE

The correct rate class classification is “General Service 50 to 4,999 kW”.

1. Tax Related Amounts Forecast from Capital Tax Rate Changes		2009
Taxable Capital		\$ 199,803,078
Deduction from taxable capital up to \$15,000,000		\$ 15,000,000
Net Taxable Capital		\$ 184,803,078
Rate		0.225%
Ontario Capital Tax (Deductible, not grossed-up)		\$ 415,807
2. Tax Related Amounts Forecast from Income Tax Rate Changes		2009
Regulatory Taxable Income		\$ 3,307,958
Corporate Tax Rate		33.00%
Tax Impact		\$ 1,091,626
Grossed-up Tax Amount		\$ 1,629,293

Board staff notes some discrepancies in the tax rates entered into the 2013 Tax Savings Work form.

- b) Please provide an explanation of the “Corporate Tax Rate” of 33.00% entered in the tax savings work form with the Settlement Agreement of 29.5% (EB-2008-0227 dated February 13, 2009, 4.7, page 25). If this is an error, Board staff will update your work form.

RESPONSE

The “Corporate Tax Rate” of 33.00% entered in the tax savings work form is correct.

From the Settlement Agreement (EB-2008-0277 dated February 13, 2009, 4.7, page 25) the text states “The Parties agree that EWU will use the most accurate announced tax rate available in preparing the draft Rate Order”. The corporate tax rate announced and in effect at that time was 33%.

The corporate tax rate of 33% is also consistent with the information contained in the Board’s Final Approved Models, as received, for Enwin. These final models were utilized in deriving the final Tariff of Rates and Charges, effective May 1, 2009.

- c) Please provide an explanation of the “Grossed-up Tax Amount” of \$1,629,293 entered in the tax savings workform with the Settlement Agreement of \$1,799,988 (EB-2008-0227 dated February 13, 2009, 4.7, page 25). If this is an error, Board staff will update your workform.

If applicable, Board staff will input the resulting Sharing Tax Savings rate riders in the Rate Generator Model.

RESPONSE

The “Grossed-up Tax Amount” of \$1,629,293 entered in the tax savings workform is correct.

From the Settlement Agreement (EB-2008-0277 dated February 13, 2009, 4.7, page 25) the text states “The Parties agree that EWU will use the most accurate announced tax rate available in preparing the draft Rate Order”. The corporate tax rate announced and in effect at that time was 33%. This results in a grossed up tax amount of \$1,629,293 ($\$1,091,626 \text{ tax impact} / (1 - 33\%)$).

EnWin has used the information from the Board’s Final Approved Models. These final models were utilized in deriving the final Tariff of Rates and Charges, effective May 1, 2009.