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BY E-MAIL

January 17, 2014

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: EnWin Utilities Ltd. ("EnWin")
2014 Annual IR Index Rate Application
Board Staff Interrogatories
Board File No. EB-2013-0125**

In accordance with Procedural Order #1, please find attached Board Staff's interrogatories in the above noted proceeding. EnWin has been copied on this filing.

Yours truly,

Original Signed By

Stephen Vetsis
Analyst – Applications & Regulatory Audit

Encl.

Board Staff Interrogatories
2014 Annual IR Index Rate Application
EnWin Utilities Ltd. ("EnWin")
EB-2013-0125

2014 IRM Rate Generator Model

Board Staff Interrogatory No. 1

Ref: 2014 IRM Rate Generator Model – Sheet 4

Ref: EB-2012-0120, Decision and Order, Tariff of Rates, April 1, 2013

In the tariff descriptions for each class under the Application heading, EnWin has included the following statement:

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

The Board approved Tariff of Rates and Charges from EnWin's 2013 IRM application states:

Unless, specifically noted, this schedule does not contain any changes for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

- a) Please confirm whether or not the descriptions provided on Sheet 4 of the 2014 IRM Rate Generator Model are in error. If the descriptions were not entered in error, please explain why EnWin is proposing changes to the descriptions in its Tariff of Rates and Charges, at this time.

Board Staff Interrogatory No. 2

Ref: 2014 IRM Rate Generator Model – Sheet 4

On Sheet 4 of the 2014 IRM Rate Generator Model, EnWin has included a \$ 0.0013/kWh debit charge for the Residential class, a \$ 0.1926/kW debit charge for the GS 50 to 4,999 kW class and a \$ 0.4511/kW debit charge for the Large Use – Ford Annex class, all labeled “Rate Rider for Disposition of Deferred PILs Variance Account 1562 (per connection) (2012) – effective until April 30, 2015” for the Residential class. EnWin’s current Tariff of Rates and Charges from its 2013 IRM application (EB-2012-0120) showed identical charges labeled “Rate Rider for Disposition of Deferred PILs Variance Account 1562 (2012) – effective until April 30, 2015” for these classes.

Similarly, EnWin has included a \$ 0.05 credit charge for the Street Lighting class labeled “Rate Rider for Application of Tax change Dedicated LV Line – effective until April 30, 2014.” EnWin’s current Tariff of Rates and charges showed an identical charge labelled “Rate Rider for Application of Tax Change (per connection) – effective until April 30, 2014.”

- a) Please confirm whether or not the labels for the indicated charges were selected in error and Board staff will make the appropriate changes to the model. If EnWin is proposing a change to the label for any indicated charge please provide the rationale including clarification regarding the desired billing determinant for the charge.

Board Staff Interrogatory No. 3

Ref: Manager's Summary – pages 5 and 6
Ref: 2014 IRM Rate Generator Model – Sheet 6

On page 5 of the Manager's Summary, EnWin states that "rate riders have been calculated per the Board's process for disposition of Group 1 Deferral and Variance Accounts that exceed a threshold of +/- \$0.001/kWh." On page 6, EnWin proposes a 3 year disposition period and states that this "is a prudent approach to rate smoothing."

On Sheet 6 of the 2014 IRM Rate Generator Model, reproduced below, the result of the Threshold Test calculation is shown to be a credit of 0.0008 \$/kWh, which is below the threshold test.

Threshold Test	
Total Claim (including Account 1521, 1562 and 1568)	(\$1,818,708)
Total Claim for Threshold Test (All Group 1 Accounts)	(\$1,927,624)
Threshold Test (Total claim per kWh) ³	(0.0008) Claim does not Accounts 1521.

- Please explain why EnWin is seeking to dispose of total Group 1 account balances when the threshold test has not been exceeded.
- If the Board were to approve disposition of the Group 1 Deferral and Variance Accounts, please explain what circumstances lead EnWin to believe a 3 year disposition period is required. Additionally, please provide the estimated bill impacts using the following disposition periods:
 - 1 year disposition; and
 - 2 year disposition.

Board Staff Interrogatory No. 4

Ref: 2014 IRM Rate Generator Model – Sheet 6

A portion of Sheet 6 of the 2014 Rate Generator Model is reproduced below.

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue ¹	1590 Recovery Share Proportion*	1595 Recovery Share Proportion (2008) ²
17 RESIDENTIAL	\$/kWh	630,218,887		53,763,187	0	47	8.75%	8.75%
18 GENERAL SERVICE LESS THAN 50 KW	\$/kWh	215,859,653		29,851,151	0	13	7.27%	7.27%
19 GENERAL SERVICE 50 TO 4,999 KW	\$/kW	939,401,282	2,422,984	748,801,183	1,931,372	27	44.28%	44.28%
20 GENERAL SERVICE 3,000 TO 4,999 KW - INTERMEDIATE USE	\$/kW	46,768,540	127,751	45,768,540	125,019	1	3.20%	3.20%
21 LARGE USE - REGULAR	\$/kW	304,746,367	827,935	304,746,367	827,935	3	15.95%	15.95%
22 LARGE USE - 3TS	\$/kW	280,858,035	559,021	280,858,035	559,021	5	18.72%	18.72%
23 LARGE USE - FORD ANNEX	\$/kW	45,336,839	81,689	45,336,839	81,689	3	3.26%	3.26%
24 UNMETERED SCATTERED LOAD	\$/kWh	3,524,267		3,224,454	0	0	0.09%	0.09%
25 STANDBY POWER - APPROVED ON AN INTERIM BASIS	\$/kW				0			
26 SENTINEL LIGHTING	\$/kW	918,686	2,524	64,550	177	0	-0.09%	-0.09%
27 STREET LIGHTING	\$/kW	17,377,866	49,566	17,369,156	49,541	2	-1.43%	-1.43%
28 microFIT								
29								
30								
Total		2,485,010,422	4,071,470	1,529,783,462	3,574,755	100	100.00%	100.00%

Board staff is unable to reconcile the combined metered kWh for the GS 50 to 4,999 kW and GS 3,000 to 4,999 kW classes with the values provided in EnWin's RRR filings.

- Please confirm whether or not the values were entered in error. If so, please provide the correct values so that Board staff can make the appropriate changes to the model. If the values were not entered in error, please provide evidence in support of the metered kWh shown for the GS 50 to 4,999 kW and GS 3,000 to 4,999 kW classes.

2014 Shared Tax Savings Model

Board Staff Interrogatory No. 5

Ref: 2014 Shared Tax Savings Model – Sheet 5

Ref: EB-2012-0120, 2013 Shared Tax Savings Model, April 4, 2013 – Sheet 5

A section of Sheet 5 of the 2014 Shared Tax Savings Model is reproduced below.

23	1. Tax Related Amounts Forecast from Capital Tax Rate Changes	2009	2014
24			
25	Taxable Capital	\$ 199,803,078	\$ 199,803,078
26			
27	Deduction from taxable capital up to \$15,000,000	\$ 15,000,000	\$ 15,000,000
28			
29	Net Taxable Capital	\$ 184,803,078	\$ 184,803,078
30			
31	Rate	0.225%	0.000%
32			
33	Ontario Capital Tax (Deductible, not grossed-up)	\$ 206,195	\$ -
34			

Board staff notes that in calculating the Ontario Capital Tax, EnWin's 2014 Shared Tax Savings Model appears to be pro-rating the rate of 0.225% by a factor of 181 divided by 365. The calculated Ontario Capital Tax in the 2013 Shared Tax Savings model issued with the Board's Decision and Order for EnWin's 2013 IRM rate application indicated a total of \$415,807 in Ontario Capital tax built into EnWin's base rates and a total of \$426,217 in Shared Tax Savings refunded to customers.

- Please confirm that the total Ontario Capital taxes built into EnWin's base rates in its last rebasing application is \$415,807.
- Please confirm that EnWin's actual tax rates have not changed from 2013 to 2014.
- Please confirm whether or not EnWin agrees that the total amount of Shared Tax Savings to be refunded to customers should be a credit of \$426,217, as in EnWin's 2013 IRM rate application.