EnWin Utilities Ltd.

EB-2016-0067

January 25, 2017

Question #1

Ref: IRM Model – tab 4 Billing Determinant for Account 1595 (1595 Recovery Proportion)

On tab 4 of the IRM model, EnWin Utilities provided the recovery proportion % numbers by rate class for account 1595 (2010), 1595 (2011), 1595 (2012) and 1595 (2014). OEB staff has replicated this data into a separate excel table (as shown below) to display the full decimal places entered.

a) It's noted that, for each rate class, the proportion number entered has not been changed among the four years. Please confirm and explain why the allocation of account 1595 has not been changed during 2010, 2011, 2012 and 2014.

b) It's also noted that the proportion numbers entered for Sentinel Lighting and Street Lighting classes are all negative. In case a rate class has no allocation of any 1595 account balance, distributor should enter 0% (or leave it blank) as the recovery proportion. Please explain why the allocation proportions of these two classes are negative.

	1595 Recovery Proportion (2010)	1595 Recovery Proportion (2011)	1595 Recovery Proportion (2012)	1595 Recovery Proportion (2014)
RESIDENTIAL SERVICE CLASSIFICATION	8.75%	8.75%	8.75%	8.75%
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION	7.27%	7.27%	7.27%	7.27%
GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION	44.28%	44.28%	44.28%	44.28%
GENERAL SERVICE 3,000 TO 4,999 KW - INTERMEDIATE USE SERVICE CLASSIFICATION	3.20%	3.20%	3.20%	3.20%
LARGE USE - REGULAR SERVICE CLASSIFICATION	15.95%	15.95%	15.95%	15.95%
LARGE USE - 3TS SERVICE CLASSIFICATION	18.72%	18.72%	18.72%	18.72%
LARGE USE - FORD ANNEX SERVICE CLASSIFICATION	3.26%	3.26%	3.26%	3.26%
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	0.09%	0.09%	0.09%	0.09%
STANDBY POWER SERVICE CLASSIFICATION				
SENTINEL LIGHTING SERVICE CLASSIFICATION	-0.09%	-0.09%	-0.09%	-0.09%
STREET LIGHTING SERVICE CLASSIFICATION	-1.43%	-1.43%	-1.43%	-1.43%
	100.00%	100.00%	100.00%	100.00%

The proportion numbers for the allocation of account 1595 were entered on the basis of the applicant's prior understanding of the OEB's Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative dated July 31, 2009. In particular, at page 21, when discussing the appropriate cost allocation methodology for account 1595 (Disposition and Recovery/Refund of Regulatory Balances), the Report states: "Residual Account balance to be allocated to rate classes in proportion to the recovery share as established when rate riders were implemented". The applicant had taken this to be in reference to the recovery shares established in its last cost of service proceeding. The applicant now understands that it interpreted the Report incorrectly and that it is intended to be in reference to the recovery shares established in its prior IRM proceeding in which the account was cleared.

As such, EnWin has provided references, below, to its previous IRM applications in each of the relevant years, and will apply the allocation of Group 1 accounts from those respective proceedings to Tab 4 of the 2017 IRM model. The percentages have been summarized in the chart, below. Based on these changes, the proportion numbers entered for the Sentinel Lighting and Street Lighting classes are no longer negative.

File No. Reference:	EB-2009-0221	EB-2011-0165	EB-2013-0125
Rate Year:	2010	2012	2014
	1595 Recovery Proportion (2010)	1595 Recovery Proportion (2012)	1595 Recovery Proportion (2014)
Rate Class:	**(%)**	**(%)**	**(%)**
Residential	23.9%	25.0%	25.4%
GS <50 kW	7.3%	8.7%	8.7%
GS 50 to 4,999 kW	36.7%	36.5%	37.8%
GS 3,000 to 4,999 kW	2.3%	1.9%	1.8%
Large Use - Regular	11.6%	11.4%	12.3%
Large Use - 3TS	14.2%	13.5%	11.3%
Large Use - Ford Annex	3.1%	2.1%	1.8%
USL	0.1%	0.1%	0.1%
Sentinel	0.1%	0.0%	0.0%
Street Lighting	0.7%	0.7%	0.7%

Question #2

Ref: IRM Model – tab 6, 6a Global Adjustment; Manager's Summary – page 8, 9 Account 1589 Global Adjustment

a) It's stated in the Manager's Summary that EnWin Utilities had two customers moved from Class B to Class A as of July 1, 2015. On tab 6 of the IRM model, Class A consumption was reported under three rate class (in column E). Please indicate the total number of Class A customers EnWin Utilities had in 2015 (including both full-year and half-year Class A customers in 2015).

The Class A consumption reported for the three rate classes reflects consumption from a total of 6 customers in 2015, including both full-year and half-year Class A customers in 2015. Please reference the chart provided in response to Question #2 c).

b) Please confirm whether or not EnWin Utilities had any customers moved from Class **A** to Class **B** in 2014 and 2015 (not in 2016).

EnWin had no customers move from Class A to Class B in either 2014 or 2015.

c) Please provide the consumption data (in the format similar to the table below) for EVERY Class A customer in the year of **2014 and 2015** (including Class A customers for the whole period of the two years, or for part of the two years).

		January to December 2014		January to June 2015		July to December 2015		note
	Rate Class	**Class A/B**	**kWh**	**Class A/B**	**kWh**	**Class A/B**	**kWh**	
customer 1	3,000-4,999 kW	Class B	8,734,511	Class B	3,720,904	Class A	xxxxx	
customer 2	Large - Reg.	Class B	xxxxx	Class B	xxxxx	Class A	xxxxx	back to Class B as of July 1, 2016
customer 3?								
customer 4?								

Please find the completed chart requested, below:

		January to December 2014		January to June 2015		July to December 2015		Note
Customer #	**Rate Class**	**Class A or B**	**kWh**	**Class A or B**	**kWh**	**Class A or B**	**kWh**	
Customer 1	3000-4999	Class B	8,734,510.75	Class B	3,720,904.40	Class A	4,623,132.88	
Customer 2	LU-Reg	Class B	28,989,439.82	Class B	11,739,718.08	Class A	12,474,403.20	back to Class B July 1 2016
Customer 3	LU-Reg	Class A	62,886,985.92	Class A	34,368,723.84	Class A	33,867,660.47	
Customer 4	LU-3TS	Class A	184,392,122.80	Class A	65,398,394.73	Class A	99,635,449.98	
Customer 5	LU-Reg	Class A	53,220,792.96	Class A	26,673,771.84	Class A	26,387,861.74	
Customer 6	LU-Reg	Class A	50,562,628.80	Class A	26,600,639.04	Class A	28,082,599.68	

d) For the Large Use – Regular customers that moved from Class B to Class A as of July 1, 2015 and opted back to Class B as of July 1, 2016, EnWin Utilities noted in the Manager's Summary that this customer will receive the Class B GA rate rider as calculated on tab 6. OEB staff noted that this customer only contributed in the first half year of 2015 to the Class B consumption. Applying the regular Class B GA rate rider to this customer may cause over-payment to him/her.

Also, in the Tariffs and Rate Orders that the OEB issued on December 8, 2016 (for the January 1, 2017 effective date applications), the Global Adjustment rate rider has now been defined as "not applicable to WMP and customers that transitioned between Class A and Class B in the period of last Global Adjustment disposition to 2015. These transition customers are to be charged or refunded their share of the variance disposed through customer specific billing

adjustments. This rate rider is to be consistently applied in accordance with a customer's Class A or Class B classification as at December 31, 2015 and the above noted exception for 2015 transition customers, for the entire period to the sunset date of the rate rider."

Therefore, has EnWin Utilities considered billing this one Class B customer directly in a one-time settlement (similar as for the 3,000 to 4,999 new Class A customer)?

No, EnWin did not consider billing this one Class B customer (reference "Customer 2" [Large Use – Regular customer class] in the chart provided in response to Question #2 c)) directly in a one-time settlement because the Application was filed prior to the Board issuing the referenced Tariffs and Rate Orders on December 8, 2016. EnWin would be open to doing so if the Board determines that this is the most appropriate way to charge or refund these transition customers. EnWin has provided a revised draft Tab 6 and Tab 6 a) as Schedules 1 and 2 of this response. In addition to the customer specific billing adjustments that EnWin would make to these customers (reference "Customer Specific GA allocation for the period prior to becoming Class A on Tab 6 a)), EnWin also requests confirmation that the Board does not expect Customer 2, who as of May 1, 2017 is a Class B customer, to receive the Class B Global Adjustment Rate Rider, which rate rider is applied for in this application.

e) For the GA amounts calculated on tab 6a for customers moved between Class B and Class A, please indicate whether EnWin Utilities proposes to settle with customers with one-time payment or through 12 equal monthly payments.

In Chapter 3 of the Ontario Energy Board's Filing Requirements for Electricity Distribution Rate Applications – 2016 Edition for 2017 Rate Applications dated July 14, 2016 (the "Chapter 3 Filing Requirements") at page 13 it states: "Consistent with decisions for 2016 rates, distributors are generally expected to settle the amount through 12 equal adjustments to bills, consistent with EDDVAR. A one-time settlement is acceptable if the affected customer has expressed a clear preference for this approach." Therefore, upon approval of its rate application, EnWin's intention is to settle through 12 equal adjustments unless the customer expresses a clear preference for a one-time settlement.

Question #3
Ref: Manager's Summary – page 6 to 8: Account 1580 Sub-account CBR Class B

As indicated in the Manager's Summary, the balance in account 1580 sub-account CBR Class B is for the period Apr 1, 2015 to Dec 31, 2015. The calculation of CBR Class B rate rider provided on page 7 and 8 allocated the full amount of the account balance, $509,131, to all the current Class B customers. OEB staff understands that EnWin Utilities had two customers moved from Class B to Class A as of July 1, 2015. Therefore, these customers contributed for three months for the CBR Class B balance.

a) Please indicate how EnWin Utilities proposes to determine and settle the CBR Class B amount to the customers moved from Class B to Class A.

EnWin proposes to replace the tables on page 7 and 8 of the Manager's Summary of its 2017 IRM application with the following:

Table 1: Allocation of Class B CBR Balance

Line No.	Rate Class	Total kWh	WMP	Class A	Adjustment for Class A/B Transitional Customers	Adjusted kWh	Percentage	Allocated CBR
1	Residential	598,907,059				**598,907,059**	**33.37%**	**$168,463.77**
2	General Service <50 kW	209,121,214				**209,121,214**	**11.65%**	**$ 58,822.73**
3	General Service >50kW to 4,999	943,205,618	13,035,197			**930,170,420**	**51.83%**	**$261,643.30**
4	General Service 3,000 to 4,999 k'	44,363,941		4,623,133	3,720,904	**36,019,904**	**2.01%**	**$ 10,131.87**
5	Large Use - Regular	301,194,469	100,999,091	188,455,660	11,739,718	-	**0.00%**	**$ -**
6	Large Use - 3TS	241,052,439	76,018,594	165,033,845		-	**0.00%**	**$ -**
7	Large Use - Ford Annex	47,202,926	47,202,926			-	**0.00%**	**$ -**
8	Unmetered Scattered Load	2,293,803				**2,293,803**	**0.13%**	**$ 645.21**
9	Sentinal Lighting	881,727				**881,727**	**0.05%**	**$ 248.02**
10	Street Lighting	17,162,408				**17,162,408**	**0.96%**	**$ 4,827.53**
11	**Total**	2,405,385,603	237,255,809	358,112,638	15,460,622	**1,794,556,534**	**100.00%**	**$504,782.43**

The calculation of CBR Class B billing determinants for certain demand-based and per connection rate classes is shown below in Table 2.

Table 2: Calculation of CBR Class B Demand-Based and Per Connection Billing Determinants

Line No.	Rate Class	Connections	Total kW	WMP	Class A	Adjustment for Class A/B Transitional Customers	Class B Adjusted kW
1	Residential		-	-	-		-
2	General Service <50 kW		-	-	-		-
3	General Service >50kW to 4,999 kW		2,413,054	23,519	-		**2,389,535**
4	General Service 3,000 to 4,999 kW		128,586	-	26,111	22,656	**79,819**
5	Large Use - Regular		559,320	182,147	340,186	36,987	-
6	Large Use - 3TS		487,725	196,211	291,514		-
7	Large Use - Ford Annex		82,845	82,845	-		-
8	Unmetered Scattered Load	780	-	-	-		-
9	Sentinal Lighting	611		-	-		-
10	Street Lighting	23467		-	-		-
11	**Total**		3,671,530	484,722	657,811	59,643	**2,469,354**

Calculation of Class B CBR Customer Specific Billing Adjustments:

Allocation of total consumption (kWh) between Class B and New Class A (Former Class B)	
Total Class B consumption (Total consumption Less WMP and Class A)	1,810,017,156
New Class A Customers' Former Class B Consumption [2015]	15,460,622
Portion of Consumption of former Class B Customers	0.85%

Allocation of Total CBR Class B Balance $	
Total CBR Class B Balance	$ 509,131.28
New Class A Customers' Former Class B Portion of CBR Class B Balance	$ 4,348.85
CBR Class B Balance to be disposed of to Current Class B Customers	$ 504,782.43

Allocation of CBR Class B Balances to Former Class B Customers

Customer	Total metered kWh consumption for each new Class A customer for the period prior to becoming Class A in 2015	% of kWh	Customer specific CBR Class B allocation for the period prior to becoming Class A in 2015	Monthly Equal Payments
Customer 1	3,720,904	24.07%	$ 1,046.64	$ 87.22
Customer 2	11,739,718	75.93%	$ 3,302.21	$ 275.18

Table 3 below shows the proposed rate riders by rate class. The proposed rate riders will be inputted into Tab "18. Additional Rates" in their respective rate classes for inclusion in the Rate Generator Model.

Table 3: CBR Class B Proposed Rate Rider

Line No.	Rate Class	Connections	Total Adjusted kWh	Total Adjusted kW	Allocated CBR	Rate Rider /kWh	Rate Rider /kW	Rate Rider/connection
1	Residential		598,907,059		$ 168,463.77	$ 0.0003		
2	General Service <50 kW		209,121,214		$ 58,822.73	$ 0.0003		
3	General Service >50kW to 4,999 kW			2,389,535	$ 261,643.30		$ 0.1095	
4	General Service 3,000 to 4,999 kW			79,819	$ 10,131.87		$ 0.1269	
5	Large Use - Regular			-	$ -			
6	Large Use - 3TS			-	$ -			
7	Large Use - Ford Annex			-	$ -			
8	Unmetered Scattered Load	780			$ 645.21			$ 0.07
9	Sentinal Lighting	611		-	$ 248.02			$ 0.03
10	Street Lighting	23467		-	$ 4,827.53			$ 0.02
					$ 504,782.43			

b) Similar as the GA rate rider, in the Tariffs and Rate Orders that the OEB issued on December 8, 2016 (for the January 1, 2017 effective date applications), the CBR Class B rate rider has now been defined as "not applicable to wholesale market participants (WMP) and customers that transitioned between Class A and Class B in 2015. These transition customers are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied in accordance with a customer's Class A or Class B classification as at December 31, 2015 and the above noted exception for 2015 transition customers, for the entire period to the sunset date of the rate rider."

Has EnWin Utilities considered billing these customers directly in a one-time settlement (similar as the GA settlement)?

No, EnWin did not consider billing these two Class B customers (reference "Customer 1" [GS 3,000 – 4,999 kW] and "Customer 2" [Large Use – Regular customer class] in the chart provided in response to Question #2 c)) directly in a one-time settlement because the Application was filed prior to the Board issuing the referenced Tariffs and Rate Orders on December 8, 2016. EnWin would be open to doing so if the Board determines that this is the most appropriate way to charge or refund these transition customers. EnWin has provided revised Class B CBR tables in section a) of this Question #3 response. In addition to the customer specific billing adjustments that EnWin would make to these customers (reference "Customer specific CBR Class B allocation for the period prior to becoming Class A in 2015" EnWin requests confirmation that the Board does not expect Customer 2, who as of May 1, 2017 is a Class B customer, to receive the Class B CBR Rate Rider, which rate rider is applied for in this application.

Question #4

Ref: IRM Model – tab 20 Bill Impacts: Table 1

a) Please indicate what the two additional rate classes highlighted in yellow in the screenshot below should be. OEB staff will enter and save them in the IRM model accordingly.

Table 1

RATE CLASSES / CATEGORIES *(eg: Residential TOU, Residential Retailer)*	Units	RPP? Non-RPP Retailer? Non-RPP Other?	Current Loss Factor (eg: 1.0351)	Proposed Loss Factor	Consumption (kWh)	Demanc (if applic
RESIDENTIAL SERVICE CLASSIFICATION	kWh	RPP	1.0377	1.0377	750	
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION	kWh	RPP	1.0377	1.0377	2,000	
GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.0377	1.0377	66,000	
GENERAL SERVICE 3,000 TO 4,999 KW - INTERMEDIATE USE SERVICE CLASSIFICATI	kW	Non-RPP (Other)	1.0377	1.0377	1,317,000	
LARGE USE - REGULAR SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.0045	1.0045	4,213,000	
LARGE USE - 3TS SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.0045	1.0045	11,067,000	
LARGE USE - FORD ANNEX SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.0045	1.0045	3,934,000	
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	Non-RPP (Other)	1.0377	1.0377	270	
STANDBY POWER SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.0377	1.0377	-	
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.0377	1.0377	120	
STREET LIGHTING SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.0377	1.0377	60	
RESIDENTIAL SERVICE CLASSIFICATION 10th percentile	kWh	RPP	1.0377	1.0377	287	
Add additional scenarios if required		RPP	1.0377	1.0377	1,000	
Add additional scenarios if required		Non-RPP (Retailer)	1.0377	1.0377	2,000	
RESIDENTIAL SERVICE CLASSIFICATION	kWh	Non-RPP (Retailer)	1.0377	1.0377	750	
Add additional scenarios if required						
Add additional scenarios if required						
Add additional scenarios if required						
Add additional scenarios if required						
Add additional scenarios if required						

Table 2

RATE CLASSES / CATEGORIES		Sub-Total

The two highlighted rate classes should be Residential and General Service Less than 50 kW. EnWin has reproduced the complete table, below, for Board staff's convenience.

Table 1

RATE CLASSES / CATEGORIES *(eg: Residential TOU, Residential Retailer)*	Units	RPP? Non-RPP Retailer? Non-RPP Other?	Current Loss Factor (eg: 1.0351)	Proposed Loss Factor	Consumption (kWh)	Demand kW (if applicable)	RTSR Demand or Demand-Interval?	Billing Determinant Applied to Fixed Charge for Unmetered Classes (e.g. # of devices/connections).
RESIDENTIAL SERVICE CLASSIFICATION	kWh	RPP	1.0377	1.0377	750		N/A	
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION	kWh	RPP	1.0377	1.0377	2,000		N/A	
GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.0377	1.0377	66,000	170	DEMAND	
GENERAL SERVICE 3,000 TO 4,999 KW - INTERMEDIATE USE SERVICE CLASSIFICA	kW	Non-RPP (Other)	1.0377	1.0377	1,317,000	3,600	DEMAND	
LARGE USE - REGULAR SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.0045	1.0045	4,213,000	7,700	DEMAND	
LARGE USE - 3TS SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.0045	1.0045	11,067,000	21,900	DEMAND	
LARGE USE - FORD ANNEX SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.0045	1.0045	3,934,000	7,200	DEMAND	
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	Non-RPP (Other)	1.0377	1.0377	270	-	N/A	780
STANDBY POWER SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.0377	1.0377	-	0	DEMAND	
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.0377	1.0377	120	0	DEMAND	611
STREET LIGHTING SERVICE CLASSIFICATION	kW	Non-RPP (Other)	1.0377	1.0377	60	0	DEMAND	23,467
RESIDENTIAL SERVICE CLASSIFICATION	kWh	RPP	1.0377	1.0377	287		N/A	
RESIDENTIAL SERVICE CLASSIFICATION	kWh	RPP	1.0377	1.0377	1,000		N/A	
GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION	kWh	Non-RPP (Retailer)	1.0377	1.0377	2,000		N/A	
RESIDENTIAL SERVICE CLASSIFICATION	kWh	Non-RPP (Retailer)	1.0377	1.0377	750		N/A	
Add additional scenarios if required								
Add additional scenarios if required								
Add additional scenarios if required								
Add additional scenarios if required								
Add additional scenarios if required								

b) The monthly service charge for EnWin Utilities' USL, Street Lighting and Sentinel classes are applied on a per connection basis. Please provide the number of connections of a typical customer in each of these classes. OEB staff will update and save the IRM model accordingly.

TSR and or mand- erval?	Billing Determinant Applied to Fixed Charge for Unmetered Classes (e.g. # of devices/connections)
N/A	
N/A	
MAND	
MAND	
MAND	
MAND	
MAND	
N/A	
MAND	
MAND	
MAND	
N/A	

The number of connections of a typical customer in the Unmetered Scattered Load, Sentinel and Street Lighting Classes are contained in the chart provided in response to question 4 (a).

Updates to IRM Model made by OEB staff

1. **Tab 16: GDP-IPI**
   Consistent with the policy determinations set out in the Report of the Board on Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors (EB-2010-0379) (Issued November 21, 2013 and updated December 4, 2013), the OEB has calculated the value of the inflation factor for incentive rate setting under the Price Cap IR and Annual Index plans, for rate changes effective in 2017, to be 1.9%. OEB staff has updated the price escalator on tab 16 of Wasaga Distribution's IRM model.

Comment [1]: Please change to EnWin Utilities Ltd.

EnWin Utilities Ltd. acknowledges the change to the "Price Escalator" (inflation factor) in cell B12 of Tab 16 of the Rate Generator Model from 2.1% to 1.9%.

2. **USL, Sentinel Lighting and Street Lighting – "per connection" rates and charges**
   For certain rates and charges that are billed on per connection basis under the above three classes, OEB staff will adjust the unit and decimal places while preparing the 2017 tariff for the Draft and Final Decision and Rate Order.

EnWin Utilities Ltd. acknowledges that OEB staff will adjust the unit and decimal places for Unmetered Scattered Load, Sentinel Lighting and Street Lighting classes while preparing the 2017 tariff for the Draft and Final Decision and Rate Order.