

## EnWin Utilities Ltd.

EB-2016-0067

February 15, 2017

### Question #1

In further review of EnWin's continuity schedule, our staff noted that all the three account 1595 amounts that EnWin is requesting for disposition are relatively large. The balances in the 1595 accounts that distributors are requesting for disposition should only be residual balances. These amounts in EnWin's case look too high to be residual.

Could you review and provide us explanations for these balances in accounts 1595?

Projected Interest on Dec-31-15 Balances					2.1.
est of or in	Projected Interest from Jan 1, 2016 to December 31, 2016 on Dec 31 -15 balance adjusted for disposition during 2016 <sup>3</sup>	Projected Interest from January 1, 2017 to April 30, 2017 on Dec 31 -15 balance adjusted for disposition during 2016 <sup>3</sup>	Total Interest	Total Claim	As of
0	0	0	0	0	
145)	(185)	(62)	(392)	(17,189)	
'30)	(56,850)	(18,950)	(78,530)	(5,246,736)	
142	694	231	1,067	<input type="checkbox"/> Check to Dispose of Account (Disabled) 0	
249	5,506	1,835	8,590	<input checked="" type="checkbox"/> Check to Dispose of Account 509,131	
314	10,705	3,568	27,587	1,000,726	
917	10,387	3,462	21,767	966,075	
135)	(11,740)	(3,913)	(72,489)	(1,139,795)	
753	(5,179)	(1,726)	(3,153)	(473,994)	
0	0	0	0	<input type="checkbox"/> Check to Dispose of Account 0	
190)	(2,317)	(772)	(19,279)	<input checked="" type="checkbox"/> Check to Dispose of Account (229,903)	
(0)	0	0	(0)	<input type="checkbox"/> Check to Dispose of Account 0	
118)	(14,781)	(4,927)	(35,027)	<input checked="" type="checkbox"/> Check to Dispose of Account (1,378,790)	
0	0	0	0	<input type="checkbox"/> Check to Dispose of Account 0	
479	29,555	9,852	57,885	<input checked="" type="checkbox"/> Check to Dispose of Account 2,744,701	
274	1,183	394	10,852	<input type="checkbox"/> Check to Dispose of Account 0	
753	\$0	\$0			
144)	(5,179)	(1,726)	(3,153)	(473,994)	
144)	(27,844)	(9,281)	(77,969)	(2,791,780)	
191)	(33,023)	(11,008)	(81,122)	(3,265,774)	
0	0	0	0	0	
191)	(33,023)	(11,008)	(81,122)	(3,265,774)	

## **Response to Question #1:**

### Account 1595 (2010)

With respect to the residual balance of (\$229,903) in account 1595 (2010), EnWin has been carrying a balance for “Factor Tax Changes in 2010 IRM” in sub-account 2 of account 1595. This relates to a RRR Data Revision Request to RRR 2.1.1 that EnWin submitted to the OEB on June 3, 2015 a copy of which has been attached as Appendix A to this response.

In its 2016 IRM application EB-2015-0066, EnWin included this sub-account balance in the 1595 (2010) balance reported in the Continuity Schedule for that application, however, due to the total Group 1 balances not meeting the threshold for disposition, no disposition was requested in that application.

EnWin’s first request for disposition of this sub-account balance is in its 2017 IRM application EB-2016-0067. EnWin has provided reconciliation between its 2015 IRM filing Continuity Schedule and its 2016 IRM filing Continuity Schedule as Appendix B to this response.

### Account 1595 (2012)

In EnWin’s 2012 IRM application EB-2011-0165, EnWin requested disposition and received approval to dispose of its RSVA – Power Global Adjustment Sub-Account 1588 in the amount of (\$11,069,601). The global adjustment rate riders established in the 2012 IRM application are based on 2010 actual consumption and demand data.

In the 2012 rate year, actual consumption and demand which occurred from May 1, 2012 to April 30, 2013 resulted in lower than expected credit amounts to three customer classes in particular, and was the main contributor to the residual balance in 1595 (2012). The Residential, GS > 50kW and Large Use – 3TS classes exhibited the largest variances. The kWh and kW amounts, upon which the rate riders were determined, and the actual kWh and kW realized in the rate year May 1, 2012 to April 30, 2013 are illustrated in the chart, below:

Rate Rider for GA Sub Account Disposition applicable only for Non-RPP Customers (non WMP)										
		Billing Determinants			Balance allocated to account					
		non-RPP kWh (exclude WMP)	non-RPP kW (exclude WMP)		1588 GA (based on %kWh)	Deferral and Variance Account Rate Rider (excludin g WMP)	Connection count	May 1, 2012 to April 30, 2013 Actuals (kWh or kW)	Actual amounts credited to class customers	Delta
Rate Class	Billing Determinant			%kWh						
Residential	\$/kWh	99,220,851	-	6.6%	-\$ 736,018	-0.0074		49,126,055	-\$ 363,532.81	-\$ 372,485
GS < 50 kW	\$/kWh	36,513,834	-	2.4%	-\$ 270,859	-0.0074				
GS > 50 kW	\$/kW	842,318,403	2,151,759	56.4%	-\$ 6,248,301	-2.9038		1,928,389	-\$ 5,599,655	-\$ 648,645
Intermediate	\$/kW	49,071,888	130,266	3.3%	-\$ 364,014	-2.7944				
Large Use - Regular	\$/kW	188,689,443	384,123	12.6%	-\$ 1,399,694	-3.6439				
Large Use - 3TS	\$/kW	257,570,182	496,981	17.3%	-\$ 1,910,650	-3.8445		347,915	-\$ 1,337,557	-\$ 573,093
Large Use - FA	\$/kW	-	-	0.0%	\$ -	0				
USL	Connection	1,823,223	-	0.1%	-\$ 13,525	-1.26	893			
Sentinel Lighting	Connection	70,070	-	0.0%	-\$ 520	-0.06	748			
Street Lighting	Connection	16,988,417	-	1.1%	-\$ 126,020	-0.45	23413			
Total		1,492,266,311	3,163,129	100.0%	-\$ 11,069,601					
Shaded portion excerpted from EB-2011-0065: EnWin submission dated March 2, 2012: page 15.										

Shaded portion excerpted from EB-2011-0065; EnWin submission dated March 2, 2012; page 15.

### Account 1595 (2014)

In its final decision and rate order for 2014 rates EB-2014-0156, EnWin requested and the Board approved a rate rider for disposition of Global Adjustment which was effective until April 30, 2016. Since the 2017 IRM seeks to dispose of deferral and variance account balances as at December 31, 2015, EnWin will not request disposition of Account 1595 (2014) in this application, and will modify Tab 3 of the 2017 IRM Rate Generator Model accordingly.

In the Manager's Summary of EnWin's 2017 IRM application, EnWin stated under the sub-heading Deferral and Variance Account Disposition, "The Applicant's 2015 actual year-end total balance for Group 1 accounts including interest projected to April 30, 2017 is a credit of \$3,265,774. This amount results in a total credit claim of \$0.0014 per kWh. Accordingly, the Applicant has proposed disposition of the December 31, 2015 Group 1 Account balances herein." Based on our consideration of this question from OEB Staff we are instead proposing to exclude Account 1595 (2014) from the requested disposition of Group 1 accounts, and the proposed revised year-end total balance for Group 1 accounts including interest projected to April 30, 2017 is a credit of \$6,010,475 and a total credit claim of \$0.0025 per kWh.



## RRR DATA REVISION REQUEST

Reporting Entity Name:

EnWin Utilities Ltd

Contact Person:

Kristy DeLuca, regulatory@enwin.com

Date of Request:

June 3, 2015

RRR Section Reference:

2.1.1

Filing Name:

Deferral/Variance Accounts

Period(s) to which the  
revision relates :

Period Reporting From Oct 1-Dec 31, 2014 and Jan 1-March 31, 2015

### Data to be changed

As Filed:

See attached

As Revised:

See attached

Materiality (describe why/how the revision is material):

The amount reported on the 2.1.1 control account of 1595 as at December 31, 2014 was (\$1,028,460.67). Included in this total is (\$224,302) (principal + carrying charges) for the Factor Tax Change relating to Account 1595, sub-account-2 Disposition and Recovery/Refund of Regulatory Balances (2010). This amount was not reported in the sub accounts in the 2.1.1 filing.

In March 2015, the amounts were reported in the control account balance and the sub accounts to make are correct. By modifying the amount noted above, the opening balance of the sub account will change. This will require an adjustment to allow for the continuity of this sub account to reflect the proper ending balance.

Reason for the revision, including an explanation of why/how the data as filed was or has become inaccurate. Where the request relates to a revision to RRR data that was accepted and relied upon in a Board proceeding, include the EB number for the proceeding and the date of the relevant decision or order.

When reporting the sub accounts for 1595 on the 2.1.1, this amount has been excluded. By amending the December 2014 2.1.1 filing, the amounts will be consistent with what has been reported on the 2.1.7 for the same period and will adjust the sub accounts to equal the control account. The adjustment includes principal of \$210,624, 2014 Q4 carrying charges of \$774.03 and previously calculated carrying charges of \$14,904.08.

The March 2015 2.1.1 filing, included this adjustment so the sub-accounts of 1595 reconciled to the 1595 control account. With the amendment to December 2014 2.1.1, sub account 1595 Disposition and Recovery/Refund of Regulatory Balances (2010), will have an amended opening balance and the adjustment included in the March filing will no longer be required.

In accordance to the decision and order EB 2009-0221 (page 6), EnWin moved the balance to a separate sub-account of 1595 – tax sharing. EnWin has never proposed its disposition. The amount is still sitting in Account 1595, sub-account tax sharing. But since there is no such sub-account on the 2.1.1 form, EnWin was did not enter this information. As proposed by OEB staff, EnWin should report the balance in the Account 1595, sub-account 2010 dispositions and proceed with disposition at EnWin's next proceeding. This amount was reported as part of the control balance in 1595.

When finished, save the form to your computer and email it to [Stephanie.Chan@ontarioenergyboard.ca](mailto:Stephanie.Chan@ontarioenergyboard.ca) (416-544-5160) or [Anshula.Ohri@ontarioenergyboard.ca](mailto:Anshula.Ohri@ontarioenergyboard.ca) (416-440-7659).

## 2015 IRM FILING

	2010				2011				2012				2013				2014				Projected Interest on Dec-31-13 Balan		2.1,7 RRR								
Account Descriptions	Transactions Debit / (Credit) during 2010 excluding interest and adjustments <sup>a</sup>	Closing Principal Balance as of Dec-31-10	Interest Jan-1 to Dec-31-10	Closing Interest Amounts as of Dec-31-10	Opening Principal Amounts as of Jan-1-11	Transactions Debit / (Credit) during 2011 excluding interest and adjustments	Closing Principal Balance as of Dec-31-11	Opening Interest Amounts as of Jan-1-11	Interest Jan-1 to Dec-31-11	Closing Interest Amounts as of Dec-31-11	Opening Principal Amounts as of Jan-1-12	Transactions Debit / (Credit) during 2012 excluding interest and adjustments <sup>b</sup>	Closing Principal Balance as of Dec-31-12	Opening Interest Amounts as of Jan-1-12	Interest Jan-1 to Dec-31-12	Closing Interest Amounts as of Dec-31-12	Opening Principal Amounts as of Jan-1-13	Other 1 Adjustments	Closing Principal Balance as of Dec-31-13	Opening Interest Amounts as of Jan-1-13	Interest Jan-1 to Dec-31-13	Closing Interest Amounts as of Dec-31-13	Principal Disposition during 2014 - instructed by Board	Interest Disposition during 2014 - instructed by Board	Closing Balance as of Dec 31-13 adjusted for disposition during 2014 <sup>c</sup>	Balance as of Dec 31-13 adjusted for disposition during 2014 <sup>d</sup>	Variance RRR vs 2013 (Principal + interest)				
Group 1 Accounts																								Total Claim	As of Dec-31-13						
Disposition and Recovery/Refund of Regulatory Balances (2010) <sup>f</sup>	(2,176,345)	(2,176,345)	(36,107)	(35,107)	(2,176,345)	2,211,196	34,851	(35,107)	(32,718)	(87,825)	34,851	(21,596)	13,255	(87,825)	(25,132)	(92,957)	13,255	(24)	13,231	(92,957)	(25,188)	(118,145)	(8,266)	(8,266)	(24)	(24,705)	(8,396)	0	(33,188)	(104,914)	(0)

2015 IRM only included 1595 Sub account Disposition in 2010 amounts. It did not include 1595 Sub account -2 - Factor Tax Changes in 2010 IRM

2016 IRM FILING

[illegible]

2016 IRM included both 1595 Sub account Disposition in 2010 amounts and 1595 Sub account -2 - Factor Tax Changes in 2010 IRM. IRM working paper began in 2012. Therefore, could not show balances by year for 2010 and 2011.

**Account 1595 2010 amounts by Sub-account**

[illegible]