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**BY E-MAIL**

July 4, 2017

John Pickernell  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Mr. Pickernell:

**Re: EnWin Utilities Ltd.  
Recovery of Stranded Meters  
OEB Staff Interrogatories  
OEB File No. EB-2017-0132**

In accordance with Procedural Order #1, please find attached OEB staff interrogatories in the above proceeding. The applicant has been copied on this filing.

EnWin Utilities Ltd. responses to interrogatories are due by July 25, 2017.

Yours truly,

*Original Signed By*

Kelli Benincasa  
Incentive Rate-setting and Accounting

Encl.

**EnWin Utilities Ltd.  
EB-2017-0132**

**Staff IR-1**

Ref: EnWin Utilities' Proposed Stranded Meter Rate Rider SMRR) and the Expiration of Rate Rider for Smart Meter Incremental Revenue Requirement (SMIRR) per Decision EB-2013-0348

EnWin Utilities has noted that the OEB, in its Decision and Order EB-2013-0348, ordered a sunset date of October 31, 2017 if EnWin Utilities had not rebased its rates prior to that date.

In this Application, EnWin Utilities has proposed a SMRR to be effective as of November 1, 2017, for 14 months, until December 31, 2018, to recover the (forecasted) remaining net book value of the Residential and GS < 50 kW conventional meters "stranded" through replacement by smart meters in accordance with Government Regulations.

EnWin Utilities has not explained the accounting and rate treatment in detail in its Application, but OEB staff interprets EnWin Utilities proposal as follows:

1. EnWin Utilities is proposing that the NBV of the stranded meters after October 31, 2017 will be recovered through the SMRR and will not be recovered through the distribution monthly and volumetric rates for the Residential and GS < 50 kW classes, even though there is no explicit rebasing and rate adjustment at this time;
2. EnWin Utilities is not proposing continuation of the SMIRR or an alternative. In such a situation, and with no proposed adjustment to the distribution monthly and volumetric rates for the Residential and GS < 50 kW classes, EnWin Utilities is assuming that the revenue requirement for smart meters for these classes are adequately recovered through the Annual Index-adjusted distribution rates.

OEB staff interprets EnWin Utilities' Application as implicitly doing a "swap" to remove the stranded meters from what is recovered through distribution rates and "swapping in" the smart meter revenue requirement recovery into distribution rates with the expiration of the SMIRR.

- a) Please confirm OEB staff's understanding of EnWin Utilities' proposed regulatory accounting and rate recovery treatment or, in the alternative, please provide a detailed explanation of EnWin Utilities' proposed regulatory accounting and rate treatment of the

stranded conventional and in-service smart meters for Residential and GS < 50 kW customer classes.

b) Please confirm that, with the expiration of the SMIRR on October 31, 2017, EnWin Utilities will not be applying to the Ontario Energy Board (OEB) for any additional revenue requirement recovery related to smart meters beyond what is recovered through monthly and volumetric distribution rates (i.e., EnWin Utilities will not propose a SMIRR in the future).

c) Please confirm that, assuming the Application, as filed, is approved by the OEB, EnWin Utilities will have concluded all regulatory applications related to its Smart Meter deployment in accordance with O.Reg. 425/06, 426/06 and 427/06. In other words, there are no costs related to conventional stranded meters outstanding and for regulatory accounting for and rate treatment purposes, smart meters will be treated the same as other basic distribution assets such as poles, transformers and conductor and recovered through base distribution rates. In the alternative, please provide a detailed explanation.

### **Staff IR-2**

Ref: Cost of Service EB-2008-0227

Please provide a copy of Tab I7.1 "Meter Capital" from the Cost Allocation Model from EnWin Utilities' most recent cost of service application (EB-2008-0227).

### **Staff IR-3**

Ref: Confirmation of Gross Asset Value Table 2 Page 6 of 8

Please provide a continuity schedule of Account 1860 from 2008 to December 31, 2016 in the format provided in the attached Excel file.