ENWIN Utilities Ltd.

OEB Staff Questions

EB-2018-0029

**ENWIN Utilities Ltd. (ENWIN)**

**EB-2018-0029**

**Staff Question-1**

**Ref: Rate Generator Model, Tab 3 – Continuity Schedule**

Columns BN and BM of continuity schedule show principal and interest disposition amounts instructed by the OEB in 2018. Please explain why ENWIN has not populated the Account 1595 (2018) line item with the applicable approved disposition amounts. For example, a principal balance of a credit of ($5,273,781) was approved for disposition in 2018 and as such a debit, in the same amount, would be shown in Account 1595 (2018). The same applies to the interest amount approved.

**RESPONSE**

The input of the Account 1595 (2018) was omitted in error. ENWIN agrees the principal Group 1 amount in cell BM37 should be $5,273,781 however the rate order also disposed of a LRAM balance of ($3,361,402) in principal. Therefore, the Account 1595 (2018) balance in column BM should be $1,912,379.

The interest portion of Account 1595 (2018) in column BN should be ($56,892) which represents $26,331 in interest from the disposal of the group 1 accounts along with a ($83,223) balance related to the LRAM disposition.

ENWIN has amended the submission in cells BM37 to $1,912,379 and BN37 to ($56,892).

**Staff Question-2**

**Ref: Rate Generator Model, Tab 3 – Continuity Schedule**

While not material, please explain the $694 principal and $8 interest adjustment to Account 1595 (2017) in columns BF and BK, respectively.

**RESPONSE**

To confirm, these values are for Account 1595 (2012) transactions made in 2017. The $694 principal adjustment represents a cancel/rebill that was processed after the balances were requested for disposition. The interest balance adjustment of $8 relates to the same transaction. The immaterial balances have been written off as they were not included in the original request for disposition.

**Staff Question-3**

**Ref: EB-2018-0029, Application, Page 8**

ENWIN is requesting an 8-month disposition period for its Group 1 deferral and variance account balances. The intent of the request is to align the expiration of these rate riders with ENWIN’s next anticipated rebasing application, for rates effect January 1, 2020.

While the total Group 1 balances excluding Account 1589 – Global Adjustment is a credit of ($1,619,836), the Global Adjustment balance is a debit of $907,447 to be collected from non-RPP customers, which is material.

Please provide a table comparing the bill impact scenarios for ENWIN’s non-RPP customers for an 8-month disposition period, versus a 12-month disposition period.

**RESPONSE**

The bill impact’s comparing ENWIN’s non-RPP customers for an 8-month disposition period versus a 12-month disposition period results in less than a 1% difference in the total bills. The bill impacts below contain the change in period for both the Group 1 deferral/variance rate rider and the GA rate rider.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Non-RPP Total Bill** | **8 Month Group 1 + GA RR $** | **12 Month Group 1 + GA RR $** | **$** | **%** |
| Residential |  145  |  145  |  0.17  | 0.1% |
| General Service < 50 kW |  377  |  376  |  0.45  | 0.1% |
| General Service 50 to 4,999 kW |  10,607  |  10,600  |  6.63  | 0.1% |
| General Service 3,000 to 4,999 kW |  98,375  |  198,934  |  (559.00) | (0.3)% |
| Large Use - Regular |  624,448  |  623,469  |  979.39  | 0.2% |
| Large Use - 3TS |  1,552,105  |  1,557,419  | (5,314.44) | (0.3)% |
| Large Use - Ford Annex |  615,190  |  614,380  |  810.04  | 0.1% |
| Street Lighting |  124,722  |  124,661  |  60.25  | 0.0% |

ENWIN's Large Use - 3TS, Large Use - Ford Annex and GS 3,000-4,999 kW customers are Wholesale Market Participants or Class A Consumers and do not receive the GA rate rider.

**Staff Question-4**

**Ref: Rate Generator Model, Tab 6.2a – CBR B\_Allocation**

OEB staff notes that ENWIN’s original filing showed immaterial amounts allocated to transition customers for CBR Class B. Therefore a distributor is to transfer the entire OEB-approved CBR Class B amount into the Account 1580 WMS control account to be disposed through the general purpose Group 1 DVA rate riders. OEB staff notes that the Rate Generator Model is designed to automatically do this, however cell D20 on Tab 6.2a should be zeroed out to not show the immaterial allocation of CBR Class B to transition customers.

OEB staff has made this change to ENWIN’s model and has provided it along with these questions. Please confirm if ENWIN agrees.

**RESPONSE**

ENWIN agrees with the change to the model by OEB staff, removing the text “Allocated to 1580 control account for disposition” from cell D20, replacing with a zero value and resulting in no change to calculations of the related rate riders.

**Staff Question-5**

**Ref: Rate Generator Model, Tab 9 – Shared Tax – Rate Rider**



Similar to last years application, ENWIN has requested OEB staff to modify the above noted tab to have the rate rider for tax sharing for the Sentinel, Street Lighting and Unmetered Scattered Load rate classes on a per connection basis.

OEB staff notes that the rate riders shown for the above noted rate classes are to four decimal places, when they should be rounded to two. Please confirm if ENWIN agrees, and OEB staff will ensure that at the time of the issuance of the Tariff of Rates and Charges, these rate riders will be displayed correctly.

**RESPONSE**

ENWIN agrees the per connection rate riders for Sentinel, Street Lighting and Unmetered Scattered Load rate classes should be rounded to two decimal places. The rounding to two decimal places should also be applied to the Sentinel, Street Lighting and Unmetered Scattered Load rate classes for the Deferral/Variance rate riders on sheet 7. Calculation of Def-Var RR. ENWIN’s application Appendix D Tariff Sheet already reflects the two decimal places.

There is also an issue with the effective until date within the IRM model, these were corrected on ENWIN’s submitted Appendix D Tariff Sheet. Prior to submission of the application, Board Staff recommended making these changes to the stand alone Appendix D Tariff and confirm all items once the IRM model was approved.

 To ensure correctness at the time of issuance of the Tariff of Rates and Charges, the effective until date should be December 31, 2019 for:

* Rate Rider of Global Adjustment Account (2019),
* Rate Rider for Disposition of Deferral/Variance Accounts (2019) and
* Rate Rider for Application of Tax Change (2019)

**Staff Question-6**

**Ref: Rate Generator Model, Tab 9 – Shared Tax – Rate Rider**

**Ref: EB-2018-0029, Application, Page 13**

**Ref: Chapter 3 Filing Requirements, Page 19**

ENWIN is proposing an eight-month period for the disposition of its tax change rate rider. The Chapter 3 Filing Requirements indicate that any tax-sharing amounts “will be refunded to or recovered from customers over a 12-month period”. Therefore, the Rate Generator Model has been modelled to automatically calculate the tax-sharing riders over a 12-month period.

Please confirm that ENWIN would like OEB staff to make this adjustment to the Rate Generator Model for this specific case (subject to approval by the OEB).

**RESPONSE**

Board Staff (through the ratemodels@oeb.ca) updated the Rate Generator Model to reflect the 8-month period for the Shared Tax – Rate Rider (subject to approval by the OEB) on September 6, 2018.

**GA Analysis Workform Questions**

**Staff Question-7**

**Ref: GA Workform for 2017 and DVA Continuity Schedule – principal adjustments column**

ENWIN has not completed columns G and H for unbilled related differences under Note 4 of the GA Workform. However, unbilled related differences are shown for 2017 under Note 5 of the GA Workform, consistent with the amount under “Principal Adjustments” on the DVA Continuity Schedule.

1. Please explain why has ENWIN has not completed Note 4?
2. Please complete columns G and H under Note 4 of the GA Workform.

**RESPONSE – REGULATORY**

ENWIN calculated the Non-RPP Class B Including Loss Factor Billed Consumption (kWh), Item F under note 4 in the model, using actual billed (i.e. trued-up) kWh values to determine the Expected GA Variance. It is therefore not necessary to make adjustments due to unbilled amounts in Item G and H of the GA Workform. This methodology creates an accurate total of the “Expected GA Variance”.

This methodology was used in ENWIN’s last IRM application EB-2017-0037.

The breakdown of the calculation of the Non-RPP Class B:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Total Load (exc WMP inc Gen)kWh** | **Class A kWh** | **Class B kWh(inc RPP)** | **RPP kWh** | **Non-RPP Class B****kWh** |
| **Month** | **A** | **B** | **C = A - B** | **D** | **E = C – D** |
| 1-Jan-17 | 190,415,639 | 33,851,019 | 156,564,620 | 86,660,352 | 69,904,268 |
| 1-Feb-17 | 165,325,305 | 30,658,775 | 134,666,530 | 72,334,518 | 62,332,012 |
| 1-Mar-17 | 181,192,304 | 34,327,086 | 146,865,217 | 75,700,085 | 71,165,133 |
| 1-Apr-17 | 155,446,161 | 31,306,872 | 124,139,289 | 63,198,135 | 60,941,154 |
| 1-May-17 | 166,358,935 | 34,385,187 | 131,973,748 | 66,368,467 | 65,605,281 |
| 1-Jun-17 | 196,150,717 | 37,483,288 | 158,667,429 | 83,435,433 | 75,231,996 |
| 1-Jul-17 | 213,430,070 | 50,928,232 | 162,501,838 | 98,720,860 | 63,780,978 |
| 1-Aug-17 | 201,769,798 | 54,135,988 | 147,633,811 | 89,564,534 | 58,069,277 |
| 1-Sep-17 | 184,808,426 | 51,975,871 | 132,832,555 | 77,435,800 | 55,396,754 |
| 1-Oct-17 | 162,862,670 | 45,906,009 | 116,956,661 | 70,652,219 | 46,304,442 |
| 1-Nov-17 | 172,373,660 | 49,861,780 | 122,511,880 | 72,923,460 | 49,588,420 |
| 1-Dec-17 | 187,470,613 | 47,557,017 | 139,913,595 | 89,435,824 | 50,477,772 |
| **2017** | **2,177,604,297** | **502,377,124** | **1,675,227,174** | **946,429,686** | **728,797,488** |

The amount of $180,380 under row 2b, note 5, Reconciling Items of the GA Workform relates to a formula error in the calculation, and could be moved to row 8, “Others as justified by distributor” of the Reconciling items.