

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application by ENWIN
Utilities Ltd. for an order approving just and reasonable
rates and other charges for electricity distribution
beginning January 1, 2020.

ENWIN UTILITIES LTD.

RESPONSES TO PRE-SETTLEMENT CLARIFICATION QUESTIONS

SEPTEMBER 24, 2019

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Appendix A – OEB Staff Pre-Settlement Clarification Questions

OEB Staff Pre-Settlement Clarification Question 1

Reference:

2-Staff-9; Exhibit 2, Page 57

Preamble:

ENWIN Utilities confirmed that the work in progress disposals in the reconciliation table of DSP additions to fixed assets additions on page 57 of Exhibit 2 represents the construction work in progress (CWIP) or Assets under Construction (AUC). ENWIN Utilities also stated that CWIP or AUC is not budgeted for 2019 and 2020 since, at the time the budget is being developed, it is not known whether the various projects will be in-service by the end of the budget year. OEB staff notes that the work in progress disposals for 2018 was forecasted as \$8,333 in the Exhibit 2.

Question:

- a) Please provide the 2018 actual work in progress disposal (i.e. CWIP) figure.
 - b) Although it is not known which of the various projects will be in-service by the end of the budget year, please estimate the percentage of in-service additions for 2019 based on the current progress in 2019 and also estimate the percentage of in-service additions for 2020.
 - c) Please provide the reasons if ENWIN Utilities cannot provide the estimates as required in part b).
-

Response:

- a) The actual work in progress disposal (ie. change in CWIP or AUC) for 2018 is -\$1,119,707.
- b) At this time, it is difficult to estimate the percentage of in-service additions for 2019 and 2020.
- c) ENWIN Utilities capitalizes all in-service additions as soon as possible. There are numerous factors affecting whether projects are considered in-service and eligible for capitalization including: potential delays by related parties (ie. City of Windsor), third parties (ie. contractors, Hydro One etc.), engineering and inspections etc.

OEB Staff Pre-Settlement Clarification Question 2

Reference:

2-Staff-11

Preamble:

ENWIN Utilities provided the burden rates in 2011 under IFRS and CGAAP and compared them to the proposed ones in 2020 rates. Part of the burden rates provided are reproduced below:

Burden Type	2011	2011	2020
	CGAAP	IFRS	IFRS
Vehicles			
Class 4 Vehicles – Cars	\$4.61	\$2.82	\$4.53
Class 5 Vehicles – Van & Pick-up trucks	\$6.58	\$4.76	\$5.07
Class 6 Vehicles – Dump & Utility Trucks	\$11.44	\$8.90	\$8.35
Class 7 Vehicles – Bucket trucks	\$38.51	\$27.92	\$25.06
Class 8 Vehicles – Specialty Vehicles	\$10.76	\$7.76	\$11.97
Class 9 Vehicles - Trailers	\$12.05	\$11.43	\$2.42

Question:

a) Please explain why vehicles in some classes have an increase in the burden rates from 2011 to 2019 under the IFRS (i.e. class 4, class 5, class 8) and vehicles in some classes have a decrease in the burden rates from 2011 to 2019 under the IFRS (i.e. class 6, class 7, class 9).

Response:

a) As mentioned on page 61 of Exhibit 2, the trucking burden includes all costs associated with maintaining trucks, equipment and trailers etc. Under IFRS, departmental costs directly attributable to maintaining and operating vehicles and equipment are considered eligible for capitalization. These costs include depreciation and repairs and maintenance and are calculated using actual annual costs per vehicle class. The trucking burden rates will vary by vehicle class depending on the age of vehicle(s) and equipment as well as the actual annual operating and maintenance costs directly attributable to each class of vehicle(s)/equipment.

OEB Staff Pre-Settlement Clarification Question 3

Reference:

2-Staff-18

Preamble:

ENWIN Utilities stated that

The pacing of investments is determined at a high level through the establishment of a budget “envelope” within which the capital and operating plans are built. The budget envelope is determined through the cost of service application and judgment, and is informed by the long-term projection of asset condition and asset life. A discount rate is not used in the determination of the pacing of investment.

ENWIN Utilities further stated that

The AMPRO is not the AMPRO CMMS (computerized maintenance management software) application provided by AMPRO Applications Pty Ltd, out of Australia. AMPRO simply refers to ENWIN Utilities’s asset management process. ENWIN Utilities uses a combination of manual processes, Excel spreadsheets and its Esri GIS and SAP ERP software solutions.

OEB staff notes that tasks #11 to #13 listed by ENWIN Utilities (Probability of Failure Analysis, Consequence of Failure Analysis and Asset Risk Analysis) are all done manually in Excel.

Question:

- a) Does ENWIN Utilities plan to implement a more comprehensive asset management framework that would include the determination of the pacing of investment at the individual asset level in the future? If so, please provide the implementation schedule.
- b) Does ENWIN Utilities consolidate the outputs from the various types of the tools (manual, Excel and software) and perform a comprehensive analysis for the purpose of the pacing and prioritizing of the investment? If so, please explain in details. If not, why not.
- c) Please explain if the asset risk analysis includes the probability of failure and the consequence of the failure. If so, how is the asset risk analysis different than the probability of failure analysis and consequence of failure analysis? If not, please explain the asset risk analysis in detail.

Response:

- a) ENWIN Utilities believes it currently has a comprehensive asset management framework. However, ENWIN Utilities is always open to improvement opportunities. ENWIN Utilities does not presently have a schedule for specific improvement opportunities.
- b) ENWIN Utilities reviews the pacing of expenditures for asset renewal by asset type. ENWIN Utilities reviews the health condition and age profiles of the assets and determines a short term (5-year) and long term (20-year) expectation for asset renewal by year. Any spikes or drops in assets reaching end of life that are for short periods of a few years are reviewed to determine if it is appropriate to smooth spending over this period. This review is done manually with data plotted in Excel spreadsheets.
- c) The asset risk analysis does include judgment regarding the probability of failure and the consequence of the failure. This asset risk analysis is the probability of failure analysis and consequence of failure analysis that is used in the PROSORT tool.

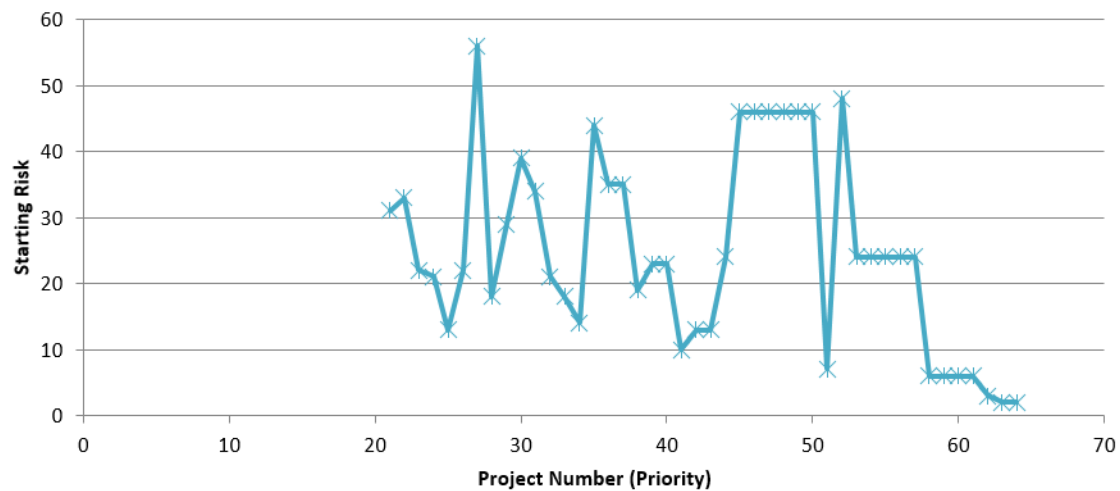
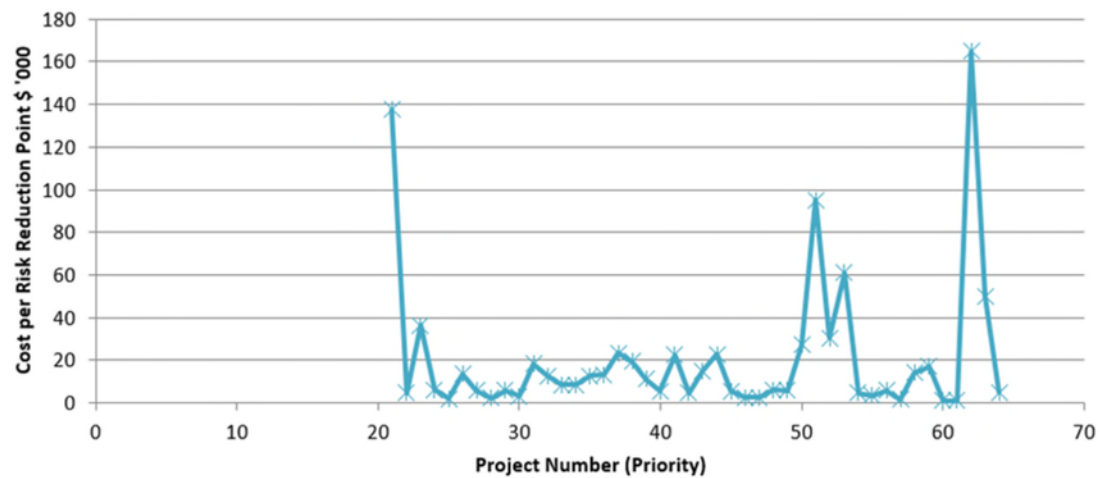
OEB Staff Pre-Settlement Clarification Question 4

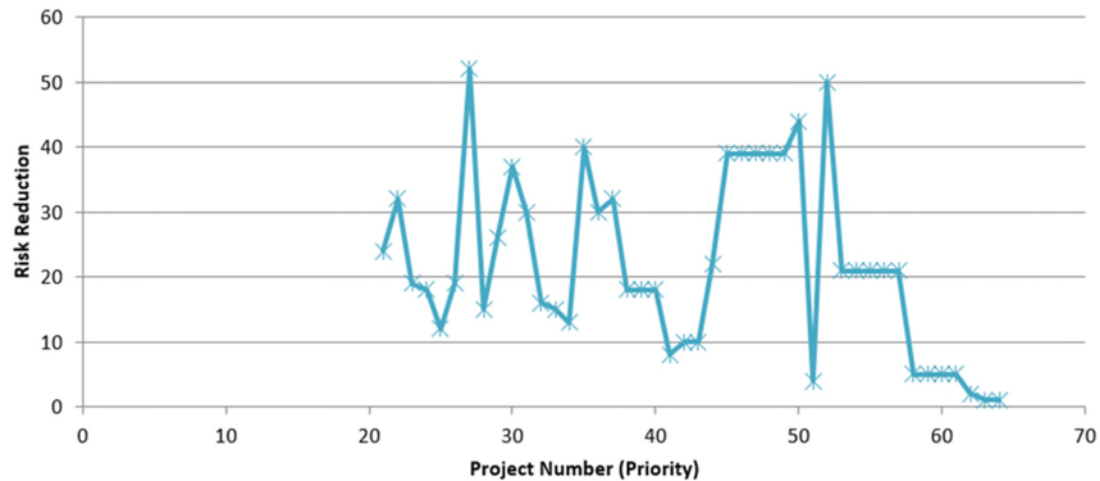
Reference:

2-Staff-22

Preamble:

ENWIN Utilities provided its capital investment by priority list in its response to OEB staff question 22 part j). Staff generated the following graphs based on the provided data in the table.





Question:

a) Please explain why there are no observable trends that relate project priority to starting risk, risk reduction.

Response:

- a) There is no observable trend relating project priority to starting risk and risk reduction as the prioritization is based on the cost per unit risk reduction and not the starting risk nor the risk reduction. Please see Table 150 of the ENWIN Utilities Distribution System Plan which clearly illustrates that project priority is directly correlated to the \$ / CRBF.

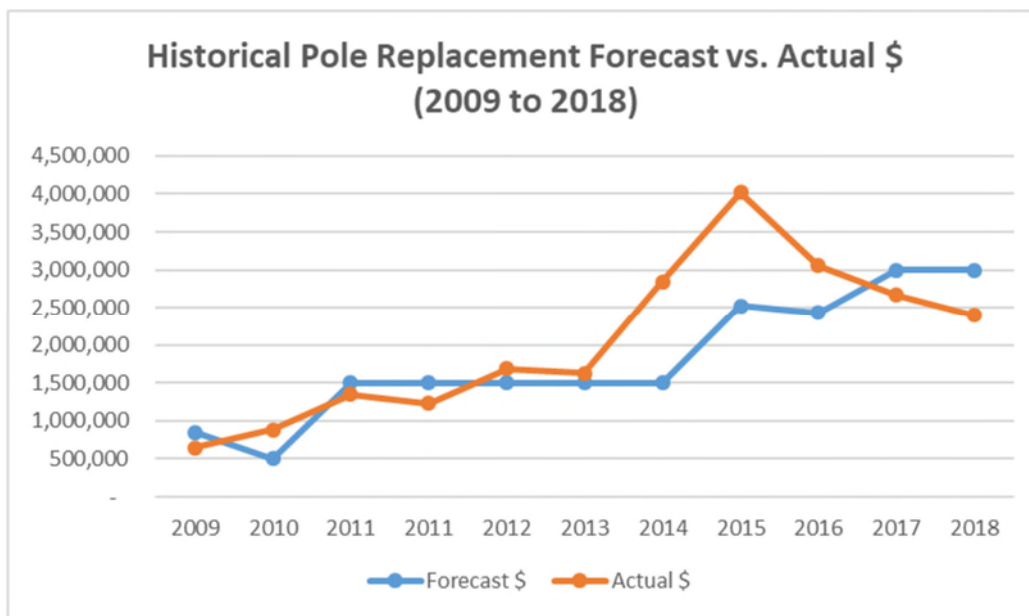
OEB Staff Pre-Settlement Clarification Question 5

Reference:

2-Staff-24

Preamble:

ENWIN Utilities provided a table for the historical and forecasted pole replacement cost and number of poles replaced. Staff graphed the historical pole replacement \$ spent as compared to the forecast as below:



Staff also calculated the \$ cost per pole replacement in a table below:

	Accounting Standard	Forecast \$/Pole	Actual \$/Pole
2009	CGAAP		n/a
2010	CGAAP		1,799
2011	CGAAP		1,094
2011	MIFRS		998
2012	MIFRS		1,586
2013	MIFRS		1,281
2014	MIFRS		3,427
2015	MIFRS		5,252
2016	MIFRS		7,170
2017	MIFRS		5,672
2018	MIFRS		3,551
2019	MIFRS	6,300	
2020	MIFRS	6,434	
2021	MIFRS	6,434	
2022	MIFRS	6,434	
2023	MIFRS	6,434	
2024	MIFRS	6,434	

Question:

- Please explain why the actual pole replacement \$ in 2014 and 2015 were above the forecasted pole replacement \$.
- Please explain the variation in the actual \$/pole in the historical period of 2009 to 2018 (minimum of \$998 per pole in 2011 and maximum of \$7,170 per pole in 2016).
- Given the actual \$ per pole in most recent historical year (2018) was \$3,551, please explain the basis of the forecasted \$6,300 and greater per pole in 2019 and later years.

Response:

- There was a typo in the planned spend for 2014 which was erroneously listed at \$1,500k and should have been \$3,000k, putting the actual spend just under the planned spend. In 2015, the pole inspection project added an additional \$646k to the spend and on one project there was \$256k spent on an underground cable that was an integral portion of the pole line being replaced and was charged to the pole replacement project. Additionally,

stormy weather in 2015 contributed an additional \$276k spend to the total. The investment less these anomalies would have been \$2,830k.

- b) The reason there is no consistency in the \$/pole replaced is that ENWIN Utilities has not consistently tracked the number of poles replaced by system renewal project. ENWIN Utilities's pole counts may include new poles, reactive replacements, planned replacements, poles replaced for Bell and poles replaced during 4kV conversion projects. This causes the \$/pole costs to be not meaningful. Please also see the response to AMPCO - 28.
- c) ENWIN Utilities forecast the average cost of pole replacements based on actual costs from recent typical replacement projects. ENWIN Utilities reviewed three 2018 pole replacement projects and the average wood pole replacement cost was \$6,344.

OEB Staff Pre-Settlement Clarification Question 6

Reference:

2-Staff-29

Preamble:

ENWIN Utilities stated that

The Underground switches automation program has three phases, with phase I having 88% of intended (not all switches were intended for automation) units complete. Phase I identified switches that required remote operability for Improved system reliability. Phase II and III are meant to extend the asset life and postpone large capital investment as much as possible. Phase II refurbishes the live front unit to extend its life. Phase III is the replacement of all live front PMH units with dead front units at the end of their life.

ENWIN Utilities provided the future spending related to the underground automation program, which is forecasted \$560,000 in 2019, \$840,000 in 2020 and nil in the following years.

Question:

- a) Please provide the year-to-date spending in 2019 for the underground automation program.
- b) Please confirm that the future spending of \$840,000 in 2020 represent mainly the phase II and III of the underground automation program.
- c) Please confirm that the underground automation program will be completed in 2020.

Response:

- a) Year-to-date spending for underground switching units is \$171,413, however, a project was just started that will increase spending to \$329,900. ENWIN Utilities also had a switching unit fail and reactive replacement cost for that unit was \$156,617. Additionally, there are 4 switching units needed for the Gordie Howe International Bridge. The units are funded by the Bridge project and 2 of the 4 are underway with spending at \$256,711.
- b) The spending on underground switching units in 2020 is for phase 1 of the automation program.

- c) The first phase of the underground automation program will be complete in 2020.

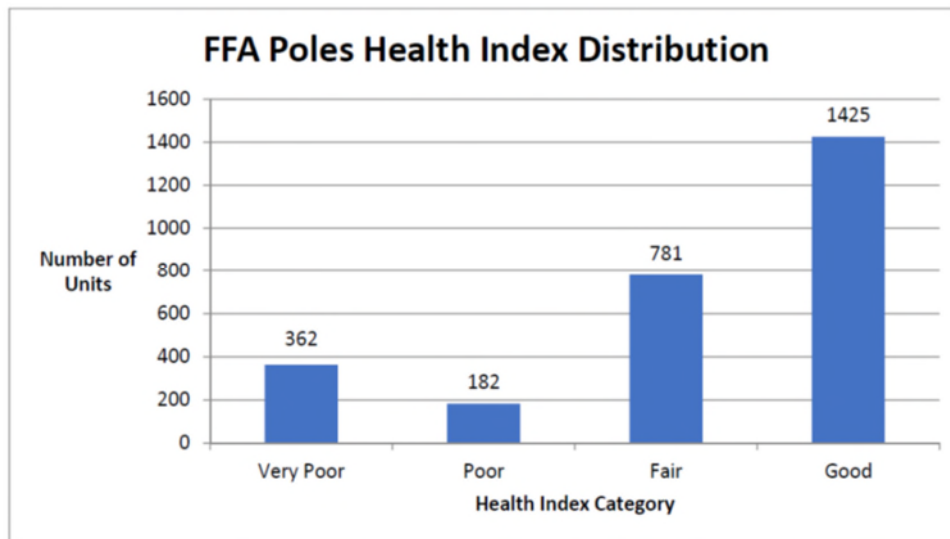
OEB Staff Pre-Settlement Clarification Question 7

Reference:

2-Staff-42

Preamble:

ENWIN Utilities provided the health index condition graph for the flag for action poles as below:



ENWIN Utilities listed all poles with the individual health index numbers. Staff notes that there is a group of “very poor” poles with the assigned health index of 0.

Question:

- Does ENWIN Utilities utilize pole rehabilitation (e.g. pole stubbing, pole retreatment) to extend the service life of its wood poles? If no, why not?
- Why are 781 “Fair” and 1,425 “Good” condition poles flagged for action?
- What does a health index of zero imply? Is it expected that such a pole should already have failed, or will fail imminently? What is the typical assessed remaining pole strength for a pole with a health index rating of zero?

Response:

- a) ENWIN Utilities uses pole retreatment to extend the life of its poles. ENWIN Utilities drills its poles across the ground line at age 20 years and fills the drilled hole with cobra rods and preservative. ENWIN Utilities does not use pole stubbing.
- b) Kinectrics identified that there were 2,750 flagged for action poles. Kinectrics classifies pole health differently than ENWIN Utilities. Kinectrics classifications are:
- a. <25% Remaining Strength (RS) – Very Poor
 - b. 26 – 50% RS – Poor
 - c. 51 – 70% RS – Fair
 - d. 71 – 85% RS – Good
 - e. >85% RS – Very Good

ENWIN Utilities classifies poles as Category 1 - <67% RS or Category 2 - < 80% RS. ENWIN Utilities's Category 1 poles are flagged for action within 1 year while Category 2 poles are flagged for action in a 2-5 year span with the expectation that many of the Category 2 poles will drop into a Category 1 classification within the 5 year time span. The reason that there are "Fair" and "Good" poles on the flagged for action bar graph is that ENWIN Utilities took all of its poles in the <80% RS category and spread them into Kinectrics categories. ENWIN Utilities will plan replacements for poles in Kinectric's Very Poor and Poor category and some poles in the Fair category. ENWIN Utilities will flag for action and monitor some poles in Kinectric's Fair category and some poles in Kinectric's Good category.

- c) A health index of zero implies that the pole will fail imminently. The remaining pole strength is essentially zero although the pole is still standing. In some cases the connecting electrical infrastructure may assist the pole to stand however if there is a significant stressor such as a strong wind storm, the pole may fall over and its weight may take other poles with it.

OEB Staff Pre-Settlement Clarification Question 8

Reference:

2-Staff-45

Preamble:

ENWIN Utilities, in explaining the pole replacement strategy, stated that

All poles are inspected using the same method and their health condition established based on the same criteria but the replacement priority is defined on a project basis using judgment or risk assessment performed with PROSORT. Within the Poles asset category, poles closer to a substation, part of a heavy loaded feeder and or carrying additional feeders or transformers will have higher priority when compared with poles in similar condition at the end of a feeder, lightly loaded feeder or only carrying a single feeder.

Question:

a) Given that ENWIN Utilities does not have probability of failure curves with which to estimate the risk posed by a given pole based on its condition, how does ENWIN Utilities quantitatively evaluate the cost-benefit trade-off when deciding to replace a pole?

Response:

- a) ENWIN Utilities's practice has been to plan to replace poles whose remaining strength has deteriorated to 67% of original strength.

OEB Staff Pre-Settlement Clarification Question 9

Reference:

2-Staff-55

Preamble:

In response to the IR regarding “complete loss” of a transformer station, ENWIN Utilities responded by listing all station outages since 2004, none of which represented an extended (i.e.: for days, weeks or months) complete substation loss, and the worst of which had a restoration time of 1.07 hours.

Question:

- a) What is ENWIN Utilities’s evaluation of the probability of a true “extended complete loss of substation” incident, as opposed to the more minor incidents listed? Please show how the probability was quantitatively determined.
 - b) How does ENWIN Utilities evaluate the consequence of a true “complete loss” incident in comparison with the consequence of the more minor incidents listed? Please quantify.
-

Response:

- a) ENWIN Utilities is not privy to sufficient data to definitively, quantitatively determine the probability of an extended complete station loss. ENWIN Utilities is aware that a complete and extended station loss is a possibility and that it has happened 3 times in 2018 at Hydro One’s Minden TS, Manitowaning TS, Finch TS and Merivale TS. As well, since 2010 there have been major fires at Hydro One’s Manby TS (July, 2010) and Richview TS (March, 2011). Hydro One’s annual reports state that they have 292 transformer stations. This works out roughly to just over a 1% chance of a significant station failure over a 5-year period.
- b) ENWIN Utilities has evaluated the consequence of the inability to serve customers after loss of a complete station for days or longer, for the inconvenience to customers as “Catastrophic” and “Rare” and for costs to customers in total, to be likely in excess of \$1M and “Catastrophic” and “Rare”. There were no Safety risks identified but damage to ENWIN Utilities’s reputation was considered “Moderate” and “Rare” with adverse regional media reporting and loss of faith to operate the distribution system and to have foreseen the possibility of the station loss and have had a back-up plan in place.

OEB Staff Pre-Settlement Clarification Question 10

Reference:

2-Staff-57

Preamble:

ENWIN Utilities provided the 2018 actual system renewal expenditures in a table. Part of the table is reproduced below (the first column with the figures is 2018 forecast provided, the second column with the figures is 2018 actual):

Reactive equipment replacements	\$ 115,218	\$ 223,584	\$108,366	94.05%	Reactive spend on equipment replacements in line with original budget.
Reactive conductor replacements	\$ 30,000	\$ 78,010	\$48,010	160.03%	Reactive spend on conductor replacements in line with original budget.

Question:

a) Please explain why the reactive spending on equipment and conductor replacements are in line with original budget, given the actual figures are 94.05% or 160.03% greater than the forecasted figures?

Response:

- a) The aggregate forecast for reactive replacements was \$145,218. The aggregate spend for reactive replacement was \$156,376. The difference is \$11,158 or 7.6%.

OEB Staff Pre-Settlement Clarification Question 11

Reference:

2-Staff-83

Preamble:

ENWIN Utilities stated that

The 2009 Cost of Service application excluded both the Non-Utility Revenue and Expenses. The exact rationale is unknown but it appears that those operations were viewed as not part of the electricity operations and therefore were not included in the rate application at that time.

Question:

a) Please provide the impact of the exclusion of non-utility revenue and expense in 2009 to the rates in last cost of service rate application.

Response:

- a) Assuming the 2009 rate application included the Non-Utility activities, the impact would have been:

USoA 4375	Revenues from Non Utility Operations	\$13,296,152
USoA 4380	Expenses from Non Utility Operations	<u>\$12,055,832</u>
	Net Other Revenue impact	\$ 1,240,320

OEB Staff Pre-Settlement Clarification Question 12

Reference:

4-Staff-107; Attachment 1 (LRAMVA workform, tab 5) and Attachment 3 (tab “LDC progress”)

Preamble:

OEB staff seeks clarification on the savings claimed for CHP projects in the Process and Upgrade Initiative in 2017 and 2018:

	2017 kWh Unverified Adjustment	2018 kWh Unverified Net Incremental
LRAMVA Work form – Attachment 1	3,066,122 (cell D500)	12,068,251 (cell D682)
2019 P&C Report – Attachment 3	1,419,323 (cell BB24)	355,632 (cell BD24)
Difference (kWh)	1,646,799	11,712,619

Question:

a) Please explain the differences between the reported results in the P&C Reports and those used in the LRAMVA work form:

- i. Please provide supporting rationale and documentation to reconcile the 2017 unverified savings adjustment values.
- ii. Please provide supporting rationale and documentation to reconcile the 2018 unverified net incremental savings values.

b) Please clarify whether 11,712,619 kWh savings in 2018 for the PSUI program relate to the energy savings of the two CHP projects. If not, please discuss.

Response:

a (i)) The difference in the reported 2017 unverified adjustments in the P&C Report and the LRAMVA work form is directly related to a CHP project (SCP-600923) which was put into service in 2017, but hasn't yet been finalized from a Measurement & Verification (M&V) perspective which is why it doesn't appear in the IESO's P&C Report. ENWIN Utilities has used the IESO's Technical Evaluator's Year 1 M&V review report (see OEB Staff 107 – Attachment 6) as

justification for the savings claim. The Technical Evaluator's analysis of the meter data determined that the CHP system realized 2,056 MWh of energy savings and 235 kW of demand savings when adjusted due to equipment failures. ENWIN Utilities has applied the Net-to-Gross ratios and Persistence rates contained within the IESO's P&C Report (Figures 3 and 4 below) to populate the LRAMVA work form. The calculations are as follows:

Energy Savings:

$$\begin{aligned} \text{Net-to-Gross: } & 2,056 \text{ MWh (Gross)} \times 80.1\% \text{ (80.4\% [Net-to-Gross]} \times 99.7\% \text{ [Realization Rate])} \\ & = 1,646.799 \text{ MWh (Net)} \end{aligned}$$

$$\begin{aligned} \text{Persistence Rate (Year 4): } & 1,646.799 \text{ MWh} \times 100\% \\ & = 1,646.799 \text{ MWh (Net Persistent Savings)} \end{aligned}$$

a (ii)) As stated above, the difference in the reported 2018 unverified adjustments in the P&C Report and the LRAMVA work form is directly related to a CHP project (PI-601135) which was put into service in 2018, but hasn't yet been finalized from a Measurement & Verification (M&V) perspective which is why it doesn't appear in the IESO's P&C Report. ENWIN Utilities has used the IESO's Technical Evaluator's Quarter 1 M&V review report (see OEB Staff 107 – Attachment 7) as justification for the savings claim. The Technical Evaluator's analysis of the Q1 meter data projected that the CHP system will realize 14,623 MWh of energy savings and 1,662 kW of demand savings in its first year of operation. ENWIN Utilities has applied the Net-to-Gross ratios and Persistence rates contained within the IESO's P&C Report (Figures 3 and 4 below) to populate the LRAMVA work form. The calculations are as follows:

Energy Savings:

$$\begin{aligned} \text{Net-to-Gross: } & 14,623 \text{ MWh (Gross)} \times 80.1\% \text{ (80.4\% [Net-to-Gross]} \times 99.7\% \text{ [Realization Rate])} \\ & = 11,712.619 \text{ MWh (Net)} \end{aligned}$$

$$\begin{aligned} \text{Persistence Rate (Year 3): } & 11,712.699 \text{ MWh} \times 100\% \\ & = 11,712.699 \text{ MWh (Net Persistent Savings)} \end{aligned}$$

Program Participation & Cost Report Net to Gross and Realization Rate by Program/Location/Track								
Completion Year	Program Name	Location	Track	Measure	NTG Energy	NTG Demand	RR Energy	RR Demand
2015	Save on Energy Process & Systems Upgrades Program				80.4%	80.2%	99.7%	94.0%

Figure 3 – Net-to-Gross Reference Table (PSUP)

Program Participation & Cost Report Persistence Methodology by Program							
Program (Based on 2015/16 Verified CFF and Legacy) or Business Case	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6	
Adaptive Thermostat Program	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
First Nation Conservation Local Program	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Process and Systems Upgrades Initiatives – Project Incentive Initiative	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
PUMPSaver	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Save on Energy Audit Funding Program	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%	
Save on Energy Coupon Program	100.0%	99.2%	99.2%	99.2%	99.2%	99.2%	
Save on Energy Energy Manager Program	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Save on Energy Existing Building Commissioning Program	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%	
Save on Energy Heating and Cooling Program	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Save on Energy High Performance New Construction Program	100.0%	100.0%	99.0%	99.0%	99.0%	99.0%	
Save on Energy Home Assistance Program	100.0%	89.3%	87.3%	85.3%	85.2%	85.2%	
Save on Energy New Construction Program	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Save on Energy Process & Systems Upgrades Program	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Save on Energy Retrofit Program	100.0%	100.0%	99.5%	99.5%	99.5%	99.5%	
Save on Energy Retrofit Program – P4P	100.0%	100.0%	99.5%	99.5%	99.5%	99.5%	
Save on Energy Small Business Lighting Program	100.0%	88.1%	64.3%	64.1%	64.1%	64.1%	
Social Benchmarking Local Program	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Figure 4 – Persistence Rate Reference Table – PSUP

- b) The 2018 unverified savings reported in the LRAMVA work form relate to a single CHP project (detailed in a(ii)) that was put into service in 2018.

OEB Staff Pre-Settlement Clarification Question 13

Reference:

4-Staff-107, Attachments 6 and 7 (M&V Reports)

Attachment 2 (2011-2018 Persistence Report) and Attachment 4 (2018 tab)

Preamble:

OEB staff could not reconcile the 2018 average demand savings for the CHP projects from the LRAMVA workform to the CHP savings in the M&V reports.

	M&V Reports for CHP projects – Attachments 6 and 7	LRAMVA workform – sourced from Attachment 2	Attachment 4 – 2018 Persistence Excel Report for CHP project
Project 1 – implemented in 2017	Average demand savings (gross): 219 kW (not adjusted) 235 kW (adjusted) 340 kW (summer peak)	n/a	177 kW
Project 2 – implemented in 2018	Average demand savings (gross): 1,819 kW	n/a	1,371 kW
Average monthly net savings in 2018		1,438 kW (tab 5)	1,548 kW (tab “2018”)

Question:

a) If ENWIN Utilities relied on the M&V verification reports, please reconcile the net savings figure of 1,438 kW in the LRAMVA workform to the gross savings verified in the M&V reports. If ENWIN Utilities is not using the kW savings from the M&V reports, please discuss why it has chosen to use the 1,438 kW savings value, as there are different values in each attachment.

b) If ENWIN Utilities employed its own methodology to determine average monthly net demand savings of 1,438 kW, please provide the data and calculations in live excel format. If applicable, please explain why an alternative approach is more appropriate than the demand savings verified in the M&V reports.

c) Please explain why the demand savings do not match between Attachments 2, 4 and the two M&V reports, and reconcile the savings figures against the CDM-IS project level documentation where appropriate. In particular, why are the average monthly net demand savings of 1,438 kW (LRAMVA workform) not in agreement with the average net demand savings of 1,548 kW (Attachment 4)?

d) Please discuss the basis for claiming 12 months of demand savings for each of the CHP projects. Specifically, for the CHP project implemented in 2018 per Attachment 7, savings were verified for the first three months of operation from September 1, 2018 to November 30, 2018.

Response:

a) ENWIN Utilities confirms it did rely on the IESO's Technical Evaluator's Measurement & Verification (M&V) review report. However, the 1,438 kW represents 2018 savings for the entire Process & Systems Upgrade Program (PSUP), which includes 1 CHP project (SCP-601135 – 1,371 kW) and 1 energy efficiency project (SCP-600397 – 67 kW).

Therefore, the net savings figure of 1,548 kW contained within Attachment 4 can be reconciled with the M&V reports. ENWIN Utilities reported 235 kW of gross incremental savings for the CHP project put into service in 2017 (this value was adjusted by the IESO's Technical Evaluator to account for equipment failures) and 1,819 kW of gross incremental savings for the CHP project implemented in 2018. ENWIN Utilities applied the Net-to-Gross ratio and Persistence rates contained within the IESO's P&C Report (please see response to OEB Staff Pre-Settlement question 12 for reference tables).

Demand Savings (Project 1):

Net-to-Gross: $235 \text{ kW (Gross)} \times 75.4\% (80.2\% [\text{Net-to-Gross}] \times 94\% [\text{Realization Rate}])$
= 177.11 kW (Net)

Persistence Rate (Year 4): $177.11 \text{ kW} \times 100\%$
= 177.11 kW (Net Persistent Savings)

Demand Savings (Project 2):

Net-to-Gross: $1,819 \text{ kW (Gross)} \times 75.4\% (80.2\% [\text{Net-to-Gross}] \times 94\% [\text{Realization Rate}])$
= 1,371.53 kW (Net)

Persistence Rate (Year 4): $1,371.53 \text{ kW} \times 100\%$
= 1,371.53 kW (Net Persistent Savings)

b) ENWIN Utilities leveraged the IESO Technical Evaluator's M&V reports in conjunction with the IESO's Evaluation, Measurement & Verification (EM&V) assumptions contained within the P&C Report to report savings within its application.

c) As mentioned in ENWIN Utilities's response to questions (a), Attachment 2 includes savings attributed to the Process and Systems Upgrade Program (PSUP), whereas Attachment 4 is specific to the 2 CHP projects contained within ENWIN Utilities's application. The CHP project in 2017 is treated as an adjustment and therefore is removed from the 2018 program year and added back into the 2017 program year. This is detailed in cell CL57 of the "2018" tab, and cell CL49 of the "2017" tab.

To confirm, the 1,438 kW reported in the LRAMVA work form is the correct savings value for the PSUP program for 2018. Reconciliation to the M&V reports was completed in response to question (a).

d) The IESO reports both demand and energy savings by program implementation year, and doesn't prorate savings based upon the in-service date within said program implementation year. ENWIN Utilities has followed this approach and reported all of the first year savings for these projects within the applicable program implementation year, which is consistent with prior LRAMVA tracking/claims.

OEB Staff Pre-Settlement Clarification Question 14

Reference:

Attachment 2, Tabs “2018” and “Persistence”

LRAMVA Workform, Tab 5

Preamble:

The March 2019 P&C Report does not include demand savings from CDM programs in 2018 and persisting savings into 2018. ENWIN Utilities submitted Attachment 2, which included demand savings and live calculations of persistence from 2017 into 2018.

Question:

- a) Please indicate whether the demand savings for 2018 CDM programs, as shown in Attachment 2, were verified by the IESO. In particular, please confirm that the 315 kW of monthly peak demand savings from the Process and Systems Upgrade Initiative (tab 5, cell O500) was validated by the IESO.
- b) If there are savings that are not included in the P&C Report, please reconcile the savings in Attachment 2 to the CDM-IS project level summary data, and submit the CDM-IS documentation in excel format.
- c) Please indicate what persistence information was relied on to determine the savings persistence from 2015 to 2017 programs into 2018. Please confirm that the persistence information used is consistent with IESO assumptions.

Response:

a) The reported savings for 2018 are unverified as the IESO is no longer providing verified results reporting to LDCs. The demand savings reported by ENWIN Utilities through its application represent savings reported to the IESO via the monthly LDC settlement report. The LDC settlement report is populating using data extracted from the IESO’s iCon CRM system (predecessor system to CDM-IS) and data provided to the LDC by the IESO’s Technical Evaluator. ENWIN Utilities applied the Net-to-Gross ratios and Persistence Rates contained within the IESO’s P&C Report to the gross savings. The 2018 unverified savings (gross incremental) associated with the Process & System Upgrade Program (PSUP) came from Measurement & Verification (M&V) Reports issued by the IESO’s Technical Evaluator. ENWIN Utilities applied the Net-to-Gross ratio and Persistence rates contained within the IESO’s P&C Report (see response to OEB Staff Pre-Settlement question 12 for reference tables) to the gross incremental savings.

b) Below is a reconciliation of the 315 kW of demand savings attributed to the 2017 program implementation year (reported in 2018 as adjustments to the 2017 implementation year) for the Process & Systems Upgrade Program (PSUP):

Demand Savings (Project 1 – SCP-600923):

Net-to-Gross: 235 kW (Gross) x 75.4% (80.2% [Net-to-Gross] x 94% [Realization Rate])
= 177.11 kW (Net)

Persistence Rate (Year 4): 177.11 kW x 100%
= 177.11 kW (Net Persistent Savings)

Demand Savings (Project 2 – SCP-601510)*:

*Note – SCP-601510 was included in the IESO's 2017 final verified results report based upon the in-service date of the project (September 1, 2017). The savings included in the 2017 verified results report were based upon the Q1 Measurement & Verification (M&V) Report (4,198 MWh, 498 kW) issued by the IESO's Technical Evaluator. The savings included as part of the 2018 unverified savings are the incremental savings achieved by the energy efficiency measure. The project level savings are supported by the IESO's Technical Evaluator's Year 1 M&V Report (5,970 MWh, 681.5 kW). Screen shots of the detailed project list, which accompanies the IESO's Verified Results Report, the Q1 M&V Report, and the Year 1 M&V Report have been supplied below.

Detailed Project List

Project Results Report - This worksheet that provides a results report by LDC, by Program, and by Project.

#	LDC Name	Program Name	Implementation Year	Application Identification Number	Project Description	Project Track	Application Submission Date (YYYY/MM/DD)	Project Start Date (YYYY/MM/DD)	Project Completion Date (YYYY/MM/DD)	Reported Results (End-User Level)	
										Gross First Year Savings	
										Energy (kWh)	Peak Demand (kW)
47009	EnWin Utilities Ltd.	Save on Energy Process & Systems Upgrades Program	2017	Enwin-SCP-601510	Chiller Water Plant Optimization	SCP	2017/03/23	2017/03/24	2017/09/01	4,198,000.00	498.00

Q1 M&V Report (Projected Savings)

Table 5. Calculation of Projected Electricity Savings

Description	Value	Unit
Projected Reporting Period Energy	9,094	MWh/year
Projected Adjusted Baseline Energy	13,293	MWh/year
Projected Non-Routine Adjustment	0	MWh/year
Projected Annualized Electricity Savings	4,198	MWh/year
Projected Summer Peak Demand Savings	498	kW
Projected Electricity Savings as a Percentage of Anticipated Electricity Savings	109%	

Year 1 M&V Report

Table 4. Calculation of Electricity Savings

Description	Value	Unit	Comment
Baseline Energy	14,238	MWh/year	From Table 1.
Adjusted Baseline Energy	14,072	MWh	From Table 3.
Reporting Period Energy	8,102	MWh	From Table 2.
Non-Routine Adjustment	0	MWh	None.
Electricity Savings	5,970	MWh	Adjusted Baseline Energy minus Reporting Period Energy.
Uncertainty of the Electricity Savings	± 32%		The Uncertainty is a combination of the Adjusted Baseline Energy accuracy (annual regression at ± 13%) and the Reporting Period power meter accuracy (± 5%).
Anticipated Electricity Savings	3,865	MWh	From Table 1.
Electricity Savings as a Percentage of Anticipated Electricity Savings	154%		Meets the 80% performance threshold of the Program Rules.
Average Demand Savings	681.5	kW	Average demand savings over the Reporting Period. Summer peak demand savings calculation is not possible with monthly adjusted baseline values.

Net-to-Gross: 183.5 kW [681.5 kW – 498 kW] (Gross) x 75.4% (80.2% [Net-to-Gross] x 94% [Realization Rate])
= 138.30 kW (Net)

Persistence Rate (Year 4): $138.30 \text{ kW} \times 100\%$
 $= 138.30 \text{ kW}$ (Net Persistent Savings)

$177.11 \text{ kW} + 138.30 \text{ kW} = 315.41 \text{ kW}$

c) ENWIN Utilities relied on the persistence savings values provided by the IESO with each of their Final Verified Results Reports to determine savings persistence.

OEB Staff Pre-Settlement Clarification Question 15

Reference:

4-OEB Staff-114 (b)

Preamble:

ENWIN Utilities provided the impact of CCA Bill 97 on the 2019 revenue requirement as \$850,655.

Question:

- a) How was the difference pertaining to accelerated CCA per Bill C-97 calculated? Please provide the relevant underlying RRWF that was used for the calculation, including how the utility net income before taxes, and adjustments were determined.
- b) Please provide an alternative calculation to the one provided on page 2 of this IRR using the CCA Schedule 8 of the PILs model comparing CCA for 2019 under the two scenarios (without and with accelerated tax rules).
- c) Please provide an analysis of what the impact of accelerated tax rules will be over the full 2020 to 2024 period.
- d) If the analysis in part c) above shows that CCA deductions over the 2020 to 2024 period will be volatile for all assets, please provide ENWIN Utilities' position on whether a smoothing technique should be applied for CCA.

Response:

- a) The Income Tax / PILs Workform for 2020 filers was used to simulate the changes from Bill C-97. The response provided in Interrogatory OEB Staff – 114, contained a pre and post Bill C-97 calculation of the 'Adjustments required to arrive at taxable utility income'.

The Adjustments required to arrive at taxable utility income' provided in the response was calculated as follows:

	2019 (without accelerated CCA)	2019 (with accelerated CCA) Bill C-97	Difference
Income before PILs	\$11,114,351	\$11,114,351	\$ -
Taxable Income	11,241,033	8,881,672	2,359,361
	\$126,682	\$2,232,679	\$2,359,361

Specifically Schedule 8 for the tax year or 'T8 Sch 8 CCA Test' was used to simulate the change in CCA which created the changes in the taxable income for the 2019 Bridge Year.

The spreadsheets with the details for both the Pre and Post Bill C-97 have been provided as Attachment 1 and Attachment 2.

- b) A summary of the difference in CCA for 2019 with and without the accelerated tax rules are as follows:

	2019 CCA (without accelerated CCA)	2019 CCA (with accelerated CCA) Bill C-97	Difference
2019	\$14,339,200	\$16,698,561	\$2,359,361

The detailed Schedule 8 model calculations are attached as well for reference (Attachment 3).

- c) An analysis of the impacts of Bill C-97 has been completed and the summary of the impacts is listed below.

CCA Analysis - Bill C-97				
	<u>Bill C-97</u>	<u>non Bill C-97</u>	<u>Difference</u>	
2020	\$ 15,990,916	\$ 13,956,862	\$ 2,034,054	
2021	\$ 16,047,161	\$ 14,551,176	\$ 1,495,985	
2022	\$ 16,065,440	\$ 14,854,649	\$ 1,210,791	
2023	\$ 16,475,601	\$ 15,233,586	\$ 1,242,015	
2024	\$ 16,626,194	\$ 15,653,270	\$ 972,924	

The detailed spreadsheets are also included which used the 'Income Tax / PILs Workform for 2020 filers' file to calculate the balances.

- d) The analysis above does demonstrate that the impact of Bill C-97 has volatility over the 2020 and 2024 period. ENWIN Utilities does support the notion of some smoothing or other mechanism to ensure that CCA impact is neutral to the LDC.

OEB Staff Pre-Settlement Clarification Question 16

Reference:

7-Staff-115; 7-AMPCO-40

Preamble:

ENWIN Utilities, in responding to OEB staff's question 7-Staff-115, stated that

ENWIN Utilities's Key Accounts Supervisor is in the process of contacting the three existing customers in the Intermediate class. ENWIN Utilities will provide a copy of the customers' responses.

ENWIN Utilities, in responding to AMPCO's question 7-AMPCO-40, stated that

ENWIN Utilities's Key Accounts Supervisor has contacted Ford and requested a letter of support for ENWIN Utilities's proposal. ENWIN Utilities will provide a copy of Ford's response to its request.

Question:

a) Please provide the copies of the customers' responses as noted above.

Response:

ENWIN Utilities confirms that all three Intermediate customers have been provided the associated bill impacts related to ENWIN Utilities's proposal to combine rates classes. ENWIN Utilities will provide any feedback received upon receipt.

ENWIN Utilities filed Ford's letter of support on August 19, 2019 related to its proposal.

OEB Staff Pre-Settlement Clarification Question 17

Reference:

9-Staff-120

Preamble:

ENWIN Utilities stated that

ENWIN Utilities has subsequently calculated the amount of revenue using the updated charges outlined in EB-2015-0304 Decision and Order and revenue of \$63,488 should have been recorded in the 2020 Test Year within Appendix 2-H. That amount has not been adjusted in the revised Chapter 2 Appendices.

It further stated that

While investigating the response to this question, ENWIN Utilities also identified an error in the OM&A as well related to this retailer activity. The 2020 Test Year OM&A balance had a \$206,218 credit for retailer activities that should have been removed but was not. As a result, OM&A was understated by \$206,218. Therefore, the net impact on ENWIN Utilities's 2020 test year is an overstatement of net income by \$142,730.

Question:

- a) Please provide the USoA used in the applicable OM&A schedule where the \$206,218 credit was recorded.
- b) Please update the Appendix 2-H by including the \$63,488 and update the applicable OM&A by removing the retailer credit of \$206,218.
- c) Please update the revenue requirement and other applicable schedules accordingly.

Response:

- a) The USoA used in the applicable OM&A schedule where the \$206,218 credit was recorded is 5620.
- b) ENWIN Utilities will update Appendix 2-H and corresponding OM&A in the next version of models that are filed with the Board.

- c) The revenue requirement and other applicable schedules will also be updated in the next version of models filed with the Board.

OEB Staff Pre-Settlement Clarification Question 18

Reference:

Appendix 2-BA for 2019 and 2020 and Appendix 2-H

Preamble:

OEB staff notes that Appendix 2H has \$512,060 recorded in USoA 4245 Government Assistance Directly.

On Appendices 2-BA 2020 Fixed Assets Continuity Schedule, \$512,060 is noted as an addition to the USoA 2440 Deferred Revenues. As per the IFRS rules, capital contributions are deferred revenues and are amortized to income over the life of the asset. However, for regulatory purposes, the deferral revenues are reclassified and net against the Fixed Assets.

Question:

- a) Please confirm that the \$512,060 recorded in other revenues schedule Appendix 2-H was the \$512,060 recorded as the addition in the USoA 2440. If so, please confirm that the \$512,060 should not be recorded in other revenues and update the applicable schedules accordingly.

Response:

ENWIN Utilities confirms that under Appendix 2-H the \$512,060 under Account 4245 is deferred revenue arising from customer contributions that are amortized to income. The Appendix 2-H instructions require the input of 4245 in the appendix, however this amount was removed from the Revenue Requirement calculation for 2020.

OEB Staff Pre-Settlement Clarification Question 19

Reference:

9-Staff-126

Preamble:

ENWIN Utilities stated that

The embedded generation related Cost of Power for December 2018 was settled with the IESO in the January 2019 IESO Settlement (filed by the fourth business day of February 2019). This was recorded in ENWIN Utilities's general ledger in January 2019 (Charge Type 1412) and therefore not included in the 2018 balance.

Question:

- a) Please quantify the impact of not including the December 2018 embedded generation to the 2018 balance.
 - b) Please update the DVAs accordingly.
-

Response:

- a) The December 2018 embedded generation Cost of Power that was recorded in ENWIN Utilities's general ledger in January 2019 was \$23,484.44. This would be the understatement to ENWIN Utilities's 2018 ending balance.
- b) The DVA Continuity Schedule will be updated to include this adjustment when an updated version is filed with the Board.

OEB Staff Pre-Settlement Clarification Question 20

Reference:

9-Staff-128

Preamble:

ENWIN Utilities stated that the materiality set in the DVA audit report was \$2,500,000. OEB staff notes that the materiality threshold used in this application is \$250,000, which is calculated in accordance with the filing requirement.

ENWIN Utilities also stated that

ENWIN Utilities has mitigated the risk associated with the projected values within Appendix 2-EA by updating Account 1575 with 2018 Actual activity and will be using the same 2019 capitalization rates in the actual financial reporting compared to Appendix 2-EA. Predictions about future additions and disposal activities during the 2019 year have been discussed with the technical and operational experts within the organization in order to come up with the best available information in order to forecast the 2019 ending balance.

Question:

- a) Please explain how the audit report with the materiality threshold 10 times of the materiality threshold in the application ensures the accuracy of the balance recorded in the Account 1575?
- b) Please update the 2019 forecasted transaction that is recorded in the Account 1575 balance at the draft order stage.

Response:

- a) The DVA audit report used a threshold of 1% of the 2017 cost of electricity purchased as the basis for setting materiality. The 2017 cost of electricity purchased balance on the audited financial statements was \$255,421,000. Therefore, materiality for the DVA audit report was calculated as \$2,500,000.

The details regarding the materiality for the Cost of Service application was provided in section 1.9.12 under Exhibit 1. The calculation was based off of distribution revenue of \$54,162,257 and used a materiality threshold of 0.5%.

The differences between these two calculations are a result of a different basis on which materiality is calculated and a different percentage as well.

The accuracy of the 1575 balance is ensured because the overall balance is deemed to be material under both sets of materiality thresholds. The account balance was audited and reviewed for all audit assertions including completeness and accuracy.

- b) The balance in Account 1575 has been updated and provided for in Appendix 2-EA which was filed during the Interrogatory process. An update to the forecast can be provided at the draft order stage if the 2019 forecast is expected to change.

Appendix B - SEC Pre-Settlement Conference Clarification Questions

SEC Pre-Settlement Clarification Question 1

Reference:

SEC-13

Question:

The interrogatory asked for chronology for planning process which has not provided. Please provide the requested information. The information should include the date of all major steps in the planning process outlined in the DSP.

Response:

The capital planning process is continually occurring throughout the year, however, it is formalized annually for review and approval by ENWIN Utilities management and its Board of Directors. The 2019 and 2020 budgets were completed together because of the Cost of Service and the process is described here as an example.

System Access line items include new connections, roadwork and any other items prescribed by a regulatory or other authority. New connections are informed by past history and are crystallized in May for submission to the Finance department. Known roadworks projects are included in the budget as well as an additional amount where it is known that the City is planning additional projects that have not yet crystallized by ENWIN Utilities's budget review time. System Enhancement investments are generally known through prior system analyses that occurs at various times through the year and a final review is performed just prior to submission in May. System Renewal investments are determined by asset type and are informed by the condition inspections that are performed throughout each year. Inspection results are combined from 2015, 2016 and 2017 and are analyzed starting in January 2018. Expenditures are identified and prioritized by asset health score. Estimated costs for all budget line items are prepared for submission in May.

Departments that develop the General Plant investments also develop their plans for the submission to Finance in May. In April, the Finance department issues budget preparation instructions and submission templates. The instructions outline dates by which elements of the budgets are due and when they will be reviewed for approval. In addition to the submission to the Finance department, business cases for material capital expenditures are also submitted. PROSORT project prioritization began in June 2018 and continued through the process with adjustments occurring through to submission of the DSP in the Cost of Service.

As well, a revenue forecast is performed and compared against the capital and operating needs described by the budget forecasts. The purpose of the revenue forecast is to ensure that the capital and operating requests from the various departments are able to be funded without unduly contributing to the need for a rate increase or debt funding. The budget requests are reviewed and adjusted in concert between the Finance department and the budget requesters. The budgets that have been reviewed by the Finance department are provided to the Executive and over the course of a week, the departments requesting funding defend their requests in front of a panel of ENWIN Utilities Executives. Any adjustments deemed appropriate through that process are incorporated into the final budgets. The final budgets are then presented to ENWIN Utilities's Board of Directors Audit and Finance committee and thereafter to the full Board of Directors. Finally, the budgets are again reviewed and approved by the holding company (Windsor Canada Utilities) Board of Directors.

The chronology for the steps in the process is noted below and is taken from the 2018 budget instructions issued by the Finance department. Items in brackets are inserted for clarity.

Timeline (Key Dates):

Budgets [templates] issued to Cost Centers	April 27
Budgets due back to Finance (including capital)	May 18
Capital business cases due to Finance	June 1
Revenue forecast	June 8
Budget documents delivered to management & executive	June 29
Budget [review] week	July 9 – 13
Budget revisions due back to Finance	July 20
EWU A&F Committee Meeting	September 5
EWU Board meeting to seek approval	September 18
WCU Board meeting to seek approval	September 20

SEC Pre-Settlement Clarification Question 2

Reference:

SEC-20a

Question:

SEC does not understand the response. Please explain how ENWIN Utilities weights the various categories within each value. For example, how does the Applicant weight each of customer costs, utility costs, fines/penalties, and legal/insurance to come to the ‘financial’ value score?

Response:

For any consequence category, there may be a number of negative outcomes. For example, in Financial outcomes, there is the possibility for an incident to drive a negative outcome in the categories of Customer Costs, Utility Costs, Fines and Penalties and for lawsuits and the need to draw on insurance. There is no weighting between the various categories when considering the classification of financial outcomes from an incident. Where there are opportunities for both customer costs and utility costs, for example, ENWIN Utilities uses judgment to determine which outcome category that results in the highest rating or worst outcome. That category then is used to represent a negative financial outcome and project mitigations are compared to that chosen category in the model. The portion of ENWIN Utilities’s risk matrix is shown below to assist in illustrating the process.

	Factor	Values	Categories	1	2	3
				Insignificant	Minor	Moderate
Consequence	0.3	Safety	Life/Health	Injuries not requiring medical attention	Minor injuries/First Aid	Serious Injury/Medical Aid/Hospitalization
			Property Damage	Minor loss to utility property, < \$5k	Loss to Customer/Utility property/claims for damages, \$1k - \$10k	Damage to buildings/vehicles requiring major repairs, \$10k - \$100k
	0.25	Financial	Customer Costs	Minor inconvenience, no claims	< \$1,000	\$1k - \$100k
			Utility Costs	Minor inconvenience	< \$1,000	\$1k - \$100k
			Fines/Penalties	Inquiries from Regulators	Audits from Regulators	Order for change from Regulators
			Legal/Insurance	No implications	Claims for Damages, settled by Insurance	Lawsuits likely to be settled, < \$100k

SEC Pre-Settlement Clarification Question 3

Reference:

SEC-21c

Question:

Please provide the requested information. The interrogatory response simply references information contained in Appendix F. The information in Appendix F does not include all of the same information such as ‘Changes in Total Risk-Benefit Score’, and ‘CRBF (\$/Weighted Score)’.

Response:

The information requested is contained within Appendix F (for example, PDF pg. 827 of 939, Section c) Priority).

SEC Pre-Settlement Clarification Question 4

Reference:

SEC-24, Attach 1

Question:

Please breakdown the IPI, stretch and growth factors used in the table for each year. Please also explain the basis of the growth factor used.

Response:

The details for the IPI, stretch and growth factors used in the table are provided below:

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
IPI	1.3%	1.3%	2.0%	1.6%	1.6%	1.6%	2.1%	1.9%	1.2%	1.5%	1.5%
Stretch factor	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%
Growth factor	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Total	1.4%	1.4%	2.1%	1.7%	1.7%	1.7%	2.2%	2.0%	1.3%	1.6%	1.6%

The growth factor is the average actual growth rate from 2009 to 2018.

SEC Pre-Settlement Clarification Question 5

Reference:

Capital & OM&A Appendices

Question:

Please confirm that no amounts contained in any Group 2 deferral account are also contained in the major capital and OM&A appendices (i.e. 2-AA, 2-AB, 2-JA, 2-JB, 2-JC).

Response:

ENWIN Utilities has confirmed that no amounts contained in any Group 2 deferral accounts are also contained in the major capital and OM&A appendices.

SEC Pre-Settlement Clarification Question 6

Reference:

CCC-6

VECC-35

Question:

The interrogatory references the response to Staff-6. The interrogatory only provides information between 2012 and 2016. Please provide in a single table ENWIN Utilities's ROE for each year between 2009 and 2018. Please provide its forecasted ROE for 2019.

Response:

Year	RROE - Original Submission	Revised RROE Calculation	Description
2009	9.55%		
2010	9.96%		
2011	8.49%		
2012	3.48%	1.69%	Regulated net income decreased by \$615k; and the average regulated PP&E decreased by \$5 million
2013	13.04%	7.66%	Regulated net income decreased by \$5.1 million; and the average regulated PP&E decreased by \$12.0 million
2014	9.62%	4.46%	Regulated net income decreased by \$5.2 million; and the average regulated PP&E decreased by \$15.8 million
2015	6.88%	3.43%	Regulated net income decreased by \$3.7 million; and the average regulated PP&E decreased by \$17 million
2016	5.92%	3.13%	Regulated net income decreased by \$3.1 million; and the average regulated PP&E decreased by \$15 million
2017	2.50%		

2018	4.35%	
2019	4.74%	Forecast

SEC Pre-Settlement Clarification Question 7

Reference:

CCC-3

Question:

Are each of the costs included in the table one-time regulatory costs sought to be recovered beginning in 2020?

Response:

Yes. Each of the costs are reflected in Appendix 2-M under one-time regulatory costs and have been sought to be recovered beginning in 2020.

SEC Pre-Settlement Clarification Question 8

Reference:

AMPCO-38

Question:

Please provide the number of FTEs ENWIN Utilities has as of June 30th. Are there any current vacancies.

Response:

FTEs as of June 30th are 183. As of June 30th there are 12 vacancies.

Appendix C - VECC Pre-Settlement Conference Clarification Questions

VECC-49 Pre-Settlement Clarification Question 1

Reference:

IRR 2020 Load Forecast Model Update, Connection Count

Tab and Monthly Data Tab

Preamble:

It is noted that the updated load forecast models have been adjusted to include the loss of GS>50 load as well as one Large Use customer and its associated load.

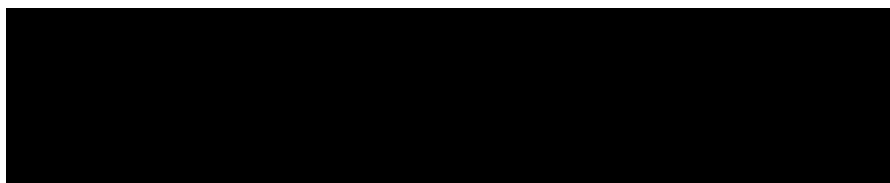
Question:

- a) Please explain what changes have occurred since the filing of the initial Application that give rise to these adjustments. In responding please identify the timing and the load specifically associated with these lost customers.
- b) How much of the change in the 2020 load forecast (kWh) forecast between the initial filing and the update is due to the loss of these customers?

Response:

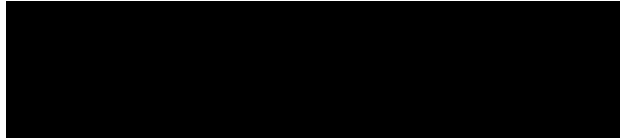
- a) The changes are the result of a large customer in ENWIN Utilities's service territory that announced it will be ceasing operations in 2020. This announcement came after ENWIN Utilities had filed its original Application on April 26, 2019. In order to produce a forecast that is reasonably reflective of expected usage (and thus billing determinants) over the forecast period, ENWIN Utilities sought to remove this customer's kWh and kW from the 2020 load forecast.

This customer has a Large Use account and a GS > 50 kW account. The historic load and demand associated with the two accounts that has been removed from the historic data for purposes of determining the 2020 load forecast is provided in the table below.





- b) The lost customer's load and persisting CDM data were removed from the Large Use and GS > 50 kW class' data to produce the revised 2020 load forecast. The following table shows the difference between the results when the lost customer's data is included and when it is excluded.



The difference in forecasts is somewhat higher than recent consumption by this customer for two reasons. First, in general, the lost customer's consumption was increasing in both accounts, which is somewhat masked by a decline in consumption toward the end of 2018. Second, the relationship between economic variables and consumption of this customer was strong relative to the relationship with other large customers, so the high degree of forecast FTE growth now has a smaller impact on forecast consumption growth for the Large Use class. This increases the impact of removing this customer from the forecast.

VECC-50 Pre-Settlement Clarification Question 2

Reference:

IRR 2020 Load Forecast Model Update

VECC-15

Preamble:

It is noted that the updated load forecast uses 2018 data for purposes of developing the models used.

Question:

- a) Please update the response to VECC 15 b) to include a row for 2018 programs for each customer class.
 - b) Also, as requested in the original interrogatory, please include a comparable table that represents the total savings across all customer classes.
-

Response:

- a) and b)

Please see Attachment 1 entitled “VECC-50 Pre-Settlement Clarification Question Attachment 1 Persistent CDM Savings per Rate Class – Updated to include 2018 and totalized data”.

VECC-51 Pre-Settlement Clarification Question 3

Reference:

IRR 2020 Load Forecast Model Update, CDM Tab

VECC-15

Preamble:

If one sums across the all of the individual customer class CDM savings provided in response to VECC-15 b), the results are as follows:

Rate Class: Total Program														
Year	Calendar Year													
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
2006	6,139,451.00	6,139,451.00	6,139,451.00	6,139,451.00	1,066,287.00	1,066,287.00	975,362.00	975,362.00	916,503.00	916,503.00	865,893.00	865,893.00	865,893.00	865,893.00
2007	0.00	6,040,655.77	3,565,751.26	3,257,204.28	3,257,204.28	3,256,583.19	3,167,809.32	3,167,809.32	3,167,809.32	1,148,375.02	812,407.28	486,878.72	486,878.72	486,878.72
2008	0.00	0.00	4,037,804.20	3,721,033.12	3,676,125.67	3,676,125.67	3,393,785.84	3,391,693.70	3,099,864.52	2,881,843.41	2,311,569.85	2,129,105.47	1,986,715.41	1,958,776.61
2009	0.00	0.00	0.00	12,238,694.14	10,517,711.47	10,517,711.47	10,513,657.51	10,401,229.04	9,932,915.06	9,195,612.17	8,779,889.95	6,323,869.58	3,416,058.37	2,844,360.65
2010	0.00	0.00	0.00	0.00	9,414,880.80	6,275,807.80	6,267,299.36	6,259,930.92	6,129,970.47	5,552,622.16	5,521,128.49	5,055,360.17	4,062,448.06	1,939,130.44
2011	0.00	0.00	0.00	0.00	0.00	9,086,883.73	9,072,941.90	9,071,272.74	8,230,162.28	8,123,663.86	7,869,089.62	6,958,782.46	6,955,749.09	6,913,186.80
2012	0.00	0.00	0.00	0.00	0.00	0.00	17,969,843.10	17,793,515.11	17,781,431.88	17,678,368.86	17,389,371.29	16,776,025.94	16,245,983.99	16,242,758.14
2013	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,496,482.39	22,312,982.57	22,225,504.34	21,833,906.98	21,017,215.58	20,594,124.93	20,550,785.49
2014	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20,125,276.21	19,599,402.31	18,318,272.31	17,598,919.40	17,335,533.40	16,878,396.27
2015	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,704,602.30	19,506,930.46	19,081,421.65	19,077,865.22	19,066,036.26
2016	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36,059,027.49	36,020,900.15	36,147,902.50	36,107,775.48
2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35,755,334.74	33,036,770.38	33,021,753.64
TOTAL	6,139,451.00	12,180,106.77	13,743,006.46	25,356,382.54	27,932,209.22	33,879,398.86	51,360,699.03	73,557,295.22	91,696,915.31	107,026,497.43	139,267,476.72	168,069,706.86	160,211,923.67	150,456,372.83

Question:

a) The totals derived from VECC-15 b) for the years 2016 and 2017 do not match the totals set out in the CDM Tab of the updated Load Forecast model. The differences are set out below:

	2016	2017
VECC 15 b)	139.267 GWh	168.070 GWh
CDM Tab – Row 48	138.128 GWh	167.882 GWh

Please reconcile the differences and indicate if any revisions are required to the updated load forecast model.

b) The totals derived from VECC-15 b) for the persisting impact of 2006-2017 programs in 2018-2020 do not match those set out in the CDM Tab. The differences are set out below:

	2018	2019	2020
VECC 15 b)	160.212 GWh	156.904 GWh	150.456 GWh
CDM Tab – Row 74	158.709 GWh	155.404 GWh	148.987 GWh

Please reconcile the differences and indicate if any revisions are required to the updated load forecast model.

Response:

- a) The CDM totals in the years 2016 and 2017 in the load forecast had not been updated to reflect IESO adjustments to savings results. The impact of this discrepancy do not materially impact the results of the load forecast (<0.05% difference).
- b) The difference is the persistence of programs from the lost Large Use customer. Please see the lost customer CDM removed table in cells N62:Q71 of the 'CDM' tab of the load forecast model. All CDM activities associated with this customer occurred within its Large Use account.

VECC-52 Pre-Settlement Clarification Question 4

Reference:

VECC 17 b)

OEB Staff-107, Attachments 2, 3, 4 and 5

IRR 2020 Load Forecast Model Update, CDM Tab and CDM Adjustments Tab

Preamble:

The response to VECC 17 b) states: “ENWIN Utilities has since updated its CDM forecast within the Load Forecast to only include savings subject to a Conservation First Framework contract”.

ENWIN Utilities has filed several documents identifying CDM savings from 2018-2020 programs in response to Staff 107.

Question:

- a) Please indicate what the source was for the savings from 2018 programs as set out in the CDM Tab (Rows 76-83) and from where in the source document the values were taken.
 - b) Please indicate what the source was for the savings from 2019 and 2020 programs as set out in the CDM Adjustment Tab (Rows 8-15).
-

Response:

- a) The figures can be found in row 47 in file “IRR_OEB_Staff 107 – Attachment 2 2011-2018 Persistence Report”, tab ‘2018’.
- b) The figures can be found in row 41 in the attached file entitled “VECC-52 Pre-Settlement Clarification Question 4 Attachment 1 2006-2018 Persistence Report_ENWIN Utilities Utilities Ltd.” in tabs ‘2019’ and ‘2020’.

VECC-53 Pre-Settlement Clarification Question 5

Reference:

OEB Staff 82

Preamble:

In explaining the difference between the \$4,007,015 in Other Revenue in the RRWF and the \$4,825,347 in Appendix 2-H the response states: “the RRWF required the addition of USoA 4086 SSS administration revenue, while this charge is not considered other revenue within Appendix 2-H but is collected from customers. Also, the RRWF excluded the one-time gain on sale of the Ouellette Avenue location in 2020”.

Question:

a) The response suggests that the difference between the two values is equivalent to the one-time gain on sale of the Ouellette Avenue location less the SSS administration revenue. However, the reported gain on disposition of utility property in 2020 is only \$576,062. Please provide a schedule that fully reconciles the difference between the two values.

Response:

The following chart demonstrates the variance between the RRWF and Appendix 2-H. ENWIN Utilities believes the Other Revenue in the RRWF has been calculated appropriately.

Account	RRWF	Appendix 2-H	Variance
4235	675,108	675,108	0
4225	384,000	384,000	0
4086	270,690	0	270,690
4210	1,485,454	1,485,454	0
4245	0	512,060	-512,060
4355	0	576,062	-576,062

4375/4380	650,383	650,383	0
4390	102,280	102,280	0
4405	440,000	440,000	0
Total	4,007,915	4,825,347	-817,432

VECC-54 Pre-Settlement Clarification Question 6

Reference:

IRR 2020 Load Forecast Model Update, CDM Tab and CDM

Adjustment Tab

OEB Staff 107, Attachment 2 and 3

LRAMVA Workform, Tab 5 – 2015-2020 LRAM

VECC 15 – Attachment 5 (2017 Verified Results Report)

Question:

a) The references all include values for the annualized first year impact of 2018 CDM programs which are different as set out below:

- Attachment 2 (2018 Tab – Row 47) – 27,347,463 kWh
- Attachment 3 (LDC Progress Tab – Row 29) – 6,886,404 kWh
- Load Forecast Model (CDM Tab – Row 85) – 27,347,198 kWh
- LRMVA Workform (2015-2020 LRAM Tab – Row 744) - 20,125,141 kWh

Please explain the differences between the values and, in particular, why the Load Forecast Model and the LRMVA Workform don't use the same value.

b) The references all include values for the first year impact of 2017 CDM programs which are different as set out below:

- Attachment 2 (2017 Tab – Row 45) – 36,707,998 kWh
- Attachment 3 (LDC Progress Tab – Row 29) – 20,229,607 kWh
- Load Forecast Model (CDM Tab – Row 48) – 36,707,382 kWh
- LRMVA Workform (2015-2020 LRAM Tab – Row 561) – 34,968,882 kWh
- IESO Verified 2017 Results Report (LDC Savings Persistence Tab – Row 515) – 29,666,289 kWh

Please explain the differences between the values and, in particular, why the Load Forecast Model and the LRMVA Workform don't use the same value.

Response:

a) Attachment 2 lists all savings that were reported in 2018, inclusive of any adjustments to prior program implementation years. Row 47 contained within the “2018” tab, identifies that 20,125,141 kWh of energy savings were realized in 2018, while the remaining savings were realized in prior program years, but reported in 2018 as adjustments (see screen shot below):

2018 Unverified Savings													
For: EnWin Utilities Ltd.													
2018 Program	Implementation Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Legacy Framework													
1 Coupon Initiative													
2 Bi-Annual Retailer Event Initiative													
3 Appliance Retirement Initiative													
4 HVAC Incentives Initiative													
5 Residential New Construction and Major Renovation Initiative													
6 Energy Audit Initiative													
7 Efficiency: Equipment Replacement Incentive Initiative													
8 Direct Install Lighting and Water Heating Initiative - Blended Baseline Impacts													
9 Efficiency: Equipment Replacement Incentive Initiative - Blended Baseline Impacts													
10 Efficiency: Equipment Replacement Incentive Initiative - Blended Baseline Impacts - TRUE-UP													
11 Process and Systems Upgrades Initiatives - Project Incentive Initiative													
12 Process and Systems Upgrades Initiatives - Energy Manager Initiative													
13 Process and Systems Upgrades Initiatives - Monitoring and Targeting Initiative													
14 Low Income Initiative													
15 Loblaws Pilot													
16 Social Benchmarking Pilot													
17 Conservation Fund Pilot - SEG													
18 Conservation Fund Pilot - EnerNOC													
19 Aboriginal Conservation Program													
20 Program Enabled Savings													
Conservation First Framework													
21 Whole Home Pilot Program													
22 Save on Energy Coupon Program													
23 Enwin Heat Pump Pilot Program													
24 Intelligent Air Technology Pilot Program													
25 Save on Energy Home Assistance Program	2018				10,638	9,502	9,290						
26 Save on Energy Process & Systems Upgrade Program	2017			3,066,122	3,066,122	3,066,122	3,066,122						
27 Save on Energy Audit Funding Program													
28 Save on Energy Instant Discount Program	2018				1,590,250	1,579,160	1,579,160						
29 Save on Energy Energy Manager Program	2017			358,431	358,431	358,431	358,431						
30 Save on Energy Retrofit Program	2017			2,648,215	2,638,119	2,635,119	2,635,119						
31 Save on Energy Small Business Lighting Program	2017			6,711	5,909	4,315	4,302						
32 Save on Energy Coupon Program	2017			9,831	9,751	9,751	9,751						
33 Save on Energy Energy Manager Program	2018				831,290	831,290	831,290						
34 Save on Energy Retrofit Program	2018				5,319,047	5,319,047	5,292,744						
35 Save on Energy Retrofit Program	2016		1,139,529	1,139,529	1,133,894	1,133,894	1,133,894						
36 Save on Energy Retrofit Program - Blended Baseline Impacts - TRUE-UP	2018				12,068,251	12,068,251	12,068,251						
37 Save on Energy Process & Systems Upgrade Program	2018				201,555	267,378	195,253						
38 Save on Energy Small Business Lighting Program	2018												
39 Save on Energy Performance Program for Multi-Site Customers													
Total		0	1,139,529	7,228,839	27,347,463	27,282,260	27,183,607	0	0	0	0	0	0
PLUS ADJUSTMENTS FOR:													
LESS ADJUSTMENTS FOR:													
2015													
2016													
2017													
2018 SAVINGS PERSISTING EACH OF THE FOLLOWING YEARS													
DISTRIBUTION RATES													
LOST REVENUE													
Peak Demand and Energy savings are annual savings in ISO reports.													

Attachment 2 is the source document for the LRAMVA work form, and therefore balances. As detailed in “ENWIN Utilities_IRR_OEB Staff_20190801.pdf”, 4 - OEB Staff – 107 (c), 76,770.64 kWh from Multi-Site applications (MSA) were not included in Attachment 2, or the LRAMVA work form. As such, the 2018 unverified savings reported should have been 20,201,911 kWh.

The discrepancy between Attachment 2 and the Load Forecast Model is the result of two distinct situations. The first is directly related to rounding, whereas the second is in relation to a cell reference error.

Program level savings have been assigned to the various rate classes by percentage. These percentage splits were derived using the data contained within each incentive application. ENWIN Utilities reviews both the facility address and account number to determine which rate class each individual project belongs to. Additionally, each address and account number is cross referenced against ENWIN Utilities’s Customer Information System to ensure accuracy. The allocation split

is taken to the second decimal place, which can create immaterial discrepancies due to rounding. Please see an example below:

2018 Unverified Savings

For: EnWin Utilities Ltd.

2018 Program		Implementation Year	Rate Allocation Percentages														
			Residential		General Service <50 kW		General Service 50 - 4,999 kW		General Service 3,000 - 4,999 kW		Large use - Regular		Large Use - 3TS		Large Use - Forc Annex		
			kW	kWh	kW	kWh	kW	kWh	kW	kWh	kW	kWh	kW	kWh	kW	kWh	
Conservation First Framework																	
21 Whole Home Pilot Program																	
22 Save on Energy Coupon Program																	
23 EnWin Heat Pump Pilot Program																	
24 Intelligent Air Technology Pilot Program																	
25 Save on Energy Home Assistance Program			2018	100.00%	100.00%												
26 Save on Energy Process & Systems Upgrade Program			2017					56.15%	53.71%					43.85%	46.29%		
27 Save on Energy Audit Funding Program																	
28 Save on Energy Instant Discount Program			2018	100.00%	100.00%												
29 Save on Energy Energy Manager Program			2017											100.00%	100.00%		
30 Save on Energy Retrofit Program			2017			14.04%	16.12%	55.69%	62.25%	11.12%	5.13%	19.15%	16.20%	0.00%	0.29%		
31 Save on Energy Small Business Lighting Program			2017			100.00%	100.00%										
32 Save on Energy Coupon Program			2017	100.00%	100.00%												
33 Save on Energy Energy Manager Program			2018								100.00%	100.00%					
34 Save on Energy Retrofit Program			2018			11.09%	12.13%	63.67%	65.81%	3.97%	2.15%	5.51%	4.95%	3.03%	3.16%	12.73%	
35 Save on Energy Retrofit Program			2016			9.55%	3.10%	90.45%	96.90%								
36 Save on Energy Retrofit Program - Blended Baseline Impacts - TRUE-UP																	
37 Save on Energy Process & Systems Upgrade Program			2018					100.00%	100.00%								
38 Save on Energy Small Business Lighting Program			2018			98.53%	97.90%	1.47%	2.10%								
39 Save on Energy Energy Performance Program for Multi-Site Customers																	
Total				YELLOW SHADED AREA INDICATES INPUT FIELD. SOURCE IS FROM C.R. FILES													
PLUS ADJUSTMENTS FOR:																	
LESS ADJUSTMENTS FOR:																	
2015																	
2016																	
2017																	
2018 SAVINGS PERSISTING EACH OF THE FOLLOWING YEARS																	

200920102011201220132014201520162017201820192020PersistenceNg

Average: 20.00% Count: 10 Sum: 199.99%75%

In reviewing the source data used within the Load Forecast Model, a cell reference error was discovered. This error incorrectly included the persistence of 2016 and 2017 adjustments in the 2018 implementation year. As described in VECC-51, part a), the 2016 and 2017 adjustments were not included in the CDM data within the load forecast for those years. The adjustments to 2016-2018 CDM data do not materially impact the results of the load forecast (0.33% increase).

Attachment 3 lists the unverified 2018 savings as 8,489,288 kWh. This number does not agree with Attachment 2, the LRAMVA work form or the Load Forecast Model due to the inclusion of 1 CHP project representing 11,712,619 kWh of savings (under the Process & Systems Upgrade Program). See "ENWIN Utilities_IRR_OEB Staff_20190801.pdf", 4 - OEB Staff – 107 (c) for further detail.

Please see complete reconciliation attached.

b) Attachment 2 lists all savings that were reported in 2017, inclusive of any adjustments to prior program implementation years. Row 45 contained within the "2017" tab, identifies that 29,666,289 kWh of energy savings were realized in 2017, while the remaining savings were realized in prior program years, but reported in 2017 as adjustments. The 2017 adjustments to savings can be found in the "2018" tab and represent 6,089,311 kWh of savings. (see screen shots below):

Responses to Pre-Settlement Clarification Questions

2017 Verified Savings															
For: EnWin Utilities Ltd.															
2017 Program		Implementation Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
Legacy Framework															
1.Coupon Initiative															
2.Bi-Annual Retailer Event Initiative															
3.Appliance Retirement Initiative															
4.HVAC Incentives Initiative															
5.Residential New Construction and Major Renovation Initiative															
6.Energy Audit Initiative															
a-2015	7.Efficiency: Equipment Replacement Incentive Initiative														
b-2015	8.Direct Initial Lighting and Water Heating Initiative - Blended Baseline Impacts														
c-2015	9.Efficiency: Equipment Replacement Incentive Initiative - Blended Baseline Impacts														
d-2015	10.Efficiency: Equipment Replacement Incentive Initiative - Blended Baseline Impacts - TRUE-UP														
11.Process and Systems Upgrades Initiatives - Project Incentive Initiative															
12.Process and Systems Upgrades Initiatives - Energy Manager Initiative															
13.Process and Systems Upgrades Initiatives - Metering and Targeting Initiative															
14.Low Income Initiative															
15.Loblaw Pilot															
16.Social Benchmarking Pilot															
17.Conservation Fund Pilot - SEG															
18.Conservation Fund Pilot - EnerNOC															
19.Agricultural Conservation Program															
20.Program Enabled Savings															
Conservation First Framework															
36-2017	21.Whole Home Pilot Program														
13-2017	22.Save on Energy Incentive Assistance Program														
a-2016	23.Enwin Heat Pump Pilot Program														
24.Intelligent Air Technology Pilot Program															
24-2017	25.Save on Energy Home Assistance Program														
30-2017	26.Save on Energy Process & Systems Upgrade Program														
b-2016	27.Save on Energy Audit Funding Program														
71-2017	28.Save on Energy Coupon Program														
32-2017	29.Save on Energy Energy Manager Program														
26-2017	30.Save on Energy Retrofit Program														
27-2017	31.Save on Energy Small Business Lighting Program														
c-2016	32.Save on Energy Coupon Program														
d-2016	33.Save on Energy Energy Manager Program														
e-2016	34.Save on Energy Retrofit Program														
f-2016	35.Save on Energy Retrofit Program - Blended Baseline Impacts														
e-2015	36.Save on Energy Retrofit Program - Blended Baseline Impacts - TRUE-UP														
39-2017	37.Save on Energy Performance Program for Multi-Site Customers														
Total			1,499,318	6,803,903	36,707,998	34,125,578	34,125,249	34,121,393	34,482,255	34,068,978	33,991,949	33,858,658	33,264,808	31,324,143	
PLUS ADJUSTMENTS FOR: 2018															
LESS ADJUSTMENTS FOR: 2015															
2017 SAVINGS PERSISTING EACH OF THE FOLLOWING YEARS															
DISTRIBUTION RATES															
LAST REVENUE															
Peak Demand and Energy savings are annual savings in ISO reports.															
H 2012 2013 2014 2015 2016 2017 2018 Persistence Distribution Rates Interest Summary LRAM Summary Notes Table 23,665,239 4 Count 23,665,239															

2018 Unverified Savings

For: EnWin Utilities Ltd.

2018 Program	Implementation Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Legacy Framework													
1. Coupon Initiative													
2. Bi-Annual Retailer Event Initiative													
3. Appliance Retirement Initiative													
4. HVAC Incentives Initiative													
5. Residential New Construction and Major Renovation Initiative													
6. Energy Audit Initiative													
7. Efficiency: Equipment Replacement Incentive Initiative													
8. Direct Install Lighting and Water Heating Initiative - Blended Baseline Impacts													
9. Efficiency: Equipment Replacement Incentive Initiative - Blended Baseline Impacts													
10. Efficiency: Equipment Replacement Incentive Initiative - Blended Baseline Impacts - TRUE-UP													
11. Process and Systems Upgrades Initiatives - Project Incentive Initiative													
12. Process and Systems Upgrades Initiatives - Energy Manager Initiative													
13. Process and Systems Upgrades Initiatives - Monitoring and Targeting Initiative													
14. Low Income Initiative													
15. Loblaws Pilot													
16. Social Benchmarking Pilot													
17. Conservation Fund Pilot - SEG													
18. Conservation Fund Pilot - EneHOC													
19. Aboriginal Conservation Program													
20. Program Enabled Savings													
Conservation First Framework													
21. Whole Home Pilot Program													
22. Save on Energy Coupon Program													
23. EnWin Heat Pump Pilot Program													
24. Intelligent Air Technology Pilot Program													
25. Save on Energy Home Assistance Program	2018				10,638	9,502	9,290						
26. Save on Energy Process & Systems Upgrade Program	2017			3,066,122	3,066,122	3,066,122	3,066,122						
27. Save on Energy Audit Funding Program	2018				1,592,250	1,579,160	1,579,160						
28. Save on Energy Instant Discount Program	2017			355,431	358,431	358,431	358,431						
29. Save on Energy Energy Manager Program	2017			2,648,215	2,648,215	2,635,119	2,635,119						
30. Save on Energy Retrofit Program	2017			6,711	5,909	4,315	4,302						
31. Save on Energy Small Business Lighting Program	2017			9,831	9,751	9,751	9,751						
32. Save on Energy Coupon Program	2018				831,290	831,290	831,290						
33. Save on Energy Energy Manager Program	2018				5,319,047	5,319,047	5,292,744						
34. Save on Energy Retrofit Program	2016		1,139,529	1,139,529	1,133,894	1,133,894	1,133,894						
35. Save on Energy Retrofit Program - Blended Baseline Impacts - TRUE-UP	2018				12,068,251	12,068,251	12,068,251						
36. Save on Energy Process & Systems Upgrade Program	2018				303,666	287,378	195,233						
37. Save on Energy Small Business Lighting Program	2018												
38. Save on Energy Energy Performance Program for Multi-Site Customers													
Total		0	1,139,529	7,228,839	27,347,463	27,282,260	27,183,607	0	0	0	0	0	0
PLUS ADJUSTMENTS FOR:													
LESS ADJUSTMENTS FOR:													
2015													
2016													
2017													
2018 SAVINGS PERSISTING EACH OF THE FOLLOWING YEARS													
DISTRIBUTION RATES													
LOST REVENUE													
Peak Demand and Energy savings are annual savings in ISO reports.													

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applications (45,064.07 kWh) were not included in the Load Forecast Model, as detailed in “ENWIN Utilities_IRR_OEB Staff_20190801.pdf”, 4 - OEB Staff – 107 (c).

Please see a complete reconciliation attached.

VECC-55 Pre-Settlement Clarification Question 7

Reference:

VECC 39

Question:

- a) The response states that the determination of the Billing & Collecting weighting factors includes labour and software required to obtain meter reads. Please explain why these costs are included when the cost of meter reading is separately allocated in the Cost Allocation model.
- b) The response states that if a rate class utilized a particular service, then it was given a portion of the cost proportional to the number of customers in that rate class. One of the cost items included in the determination of the Billing & Collecting weighting factors is the labour to create, validate and produce bills. Does the determination of the weights assume that it takes the same labour to create, validate and produce a Residential bill as it does a bill for a Large Use or GS>50 customer? If yes, please explain why this is the case when the bills for large customers are typically more complex.

Response:

- a) It was determined that the meter reading costs were included in error in calculating the Billing & Collecting weighting factors. Please find the corrected ratios below in comparison to the previously supplied values below.

Detailed Line Items	Total Cost	Residential	GS <50	GS >50kW - 4,999kW	Large Use	Street Light	Sentinel	Unmetered Scattered Load
Hydro MET Meter Reads	\$19,584.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sensus	\$316,334.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MDMR/Sync Operator - ERTD	\$126,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Meter Reading Salaries & Benefits	\$276,530.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Ittron MV90	\$39,411.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Call Centre Salaries & Benefits	\$1,172,264.13	\$975,003.75	\$109,691.18	\$68,106.45	\$14,648.96	\$1,286.39	\$1,601.54	\$1,925.86
Brinks	\$3,935.14	\$3,511.78	\$352.23	\$58.06	\$0.44	\$0.09	\$11.19	\$1.36
Global Payments	\$13,039.86	\$11,816.96	\$1,185.24	\$0.00	\$0.00	\$0.00	\$37.66	\$0.00
Letters, bill stock & postage	\$391,832.93	\$349,681.68	\$35,073.08	\$5,780.94	\$43.53	\$4.35	\$1,114.40	\$134.95
Collection Services of Windsor	\$50,064.48	\$44,807.71	\$4,505.80	\$750.97	\$0.00	\$0.00	\$0.00	\$0.00
Cashier Salaries & Benefits	\$54,356.86	\$48,525.62	\$4,867.12	\$802.23	\$6.04	\$1.21	\$154.65	\$0.00
Total by Rate Class	\$1,433,347.50	\$155,674.66	\$75,498.64	\$14,698.97	\$1,292.04	\$2,919.43	\$2,062.16	
Quantity	80329	8057	1328	10	2	256	31	
Total per Customer by Rate Class	\$17.84	\$19.32	\$56.85	\$1,469.90	\$646.02	\$11.40	\$66.52	
Ratio to Residential	1.0	1.1	3.2	82.4	36.2	0.6	3.7	
Before removing meter reading	1.0	1.1	5.4	60.3	27.9	0.4	2.6	

ENWIN Utilities will utilize the updated Billing & Collecting weighting factors upon refiling an updated Cost Allocation model. The impact of the update does not materially alter the overall allocation of the revenue requirement between the rate classes.

- b) ENWIN Utilities does have dedicated staff that produce bills for its GS>50kW and Large Use customers. ENWIN Utilities allocated the salaries of those employees to those rate classes under the line entitled “Call Centre Salaries & Benefits”.

VECC-56 Pre-Settlement Clarification Question 8

Reference:

VECC 40 a) – d)

Preamble:

The responses explain that for customer classes that were being consolidated the separate 2004 load profiles used in the Informational Filing for were first combined and then the combined load profile was scaled to reflect the 2020 load forecast value for the new combined class.

Question:

a) Please explain why it would not be more appropriate to first scale each of the current customer class' 2004 load profiles to reflect the 2020 load forecast and then combine them.

Response:

a) The process to first scale each of the current customer class' 2004 load profiles to reflect the 2020 load forecast and then combine them is another way to address the combination of the load profiles for the combined class.

VECC-57 Pre-Settlement Clarification Question 9

Reference:

IRR 2020 Cost Allocation Model Updated, Tab I6.1

Preamble:

In Tab I6.1 the rates used for the GS>50 - 4,999 class are those for the current GS>50-2,999 class and there is no recognition that currently in 2019 Intermediate customers are billed using a different rate. A similar issue exists for the 3TS class where the rates used are those for the current 3TS class and do not reflect the fact that the current Ford-Annex class pays a different rate.

Question:

- a) Does ENWIN Utilities agree that the Cost Allocation model should be revised such that the revenue at current rates recognizes the different rates paid by the current Intermediate and Ford-Annex classes? If not, why not?
- b) Does ENWIN Utilities agree that this same change should be reflected in the RRWF?

Response:

- a) ENWIN Utilities agrees that revenue at existing rates should be the existing rates applied to the customer and load forecast of the classes before they are combined since this what those customers would pay today if rates were not changed. In order to accomplish this in the Cost Allocation Model, ENWIN Utilities has used a weighted and combined fixed and volumetric rate for both the combined GS > 50 to 4,999 kW and Large Use – 3TS classes to reflect the same revenue that would have been earned from the former classes before they were combined. ENWIN Utilities has provided an updated view of revenue at existing rates compared to what was filed previously. ENWIN Utilities will update the Cost Allocation Model with this change in the next version filed with the Board.

Revenue at existing rates – filed on August 1st IRR Cost Allocation Model Updated, Tab I6.1

			1	2	3	5	6	7	8	9
	ID	Total	Residential	GS <50	GS>50 - 50-4,999 KW Regular	Large Use - 3TS	Large Use - Regular	Street Light	Sentinel	Unmetered Scattered Load
Billing Data										
Forecast kWh	CEN	2,291,811,812	590,649,150	200,336,993	966,368,923	288,528,942	236,513,334	6,483,798	730,442	2,200,230
Forecast kW	CDEM	3,448,612	-	-	2,465,924	541,125	420,751	18,775	2,037	-
Forecast kW, included in CDEM, of customers receiving line transformer allowance		1,672,285			777,004	474,530	420,751			
Optional - Forecast kWh, included in CEN, from customers that receive a line transformation allowance on a kWh basis. In most cases this will not be applicable and will be left blank.		-								
KWh excluding KWh from Wholesale Market Participants	CEN EWMP	2,075,393,989	590,649,150	200,336,993	955,642,228	166,019,553	153,331,594	6,483,798	730,442	2,200,230
Existing Monthly Charge			\$26.57	\$27.18	\$107.93	\$28,953.80	\$8,176.21	\$6.07	\$12.59	\$10.97
Existing Distribution kWh Rate				\$0.0176						
Existing Distribution kW Rate					\$4.9839	\$2.9416	\$2.3571			
Existing TOA Rate					\$0.60	\$0.60	\$0.60			
Additional Charges										
Distribution Revenue from Rates		\$51,410,956	\$25,557,896	\$5,852,757	\$13,941,248	\$2,634,110	\$1,482,325	\$1,773,217	\$76,598	\$92,806
Transformer Ownership Allowance		\$1,003,371	\$0	\$0	\$466,202	\$284,718	\$252,451	\$0	\$0	\$0
Net Class Revenue	CREV	\$50,407,585	\$25,557,896	\$5,852,757	\$13,475,046	\$2,349,392	\$1,229,875	\$1,773,217	\$76,598	\$92,806

Revenue at existing rates – updated as per VECC-57.

			1	2	3	5	6	7	8	9
	ID	Total	Residential	GS <50	GS>50 - 50-4,999 KW Regular	Large Use - 3TS	Large Use - Regular	Street Light	Sentinel	Unmetered Scattered Load
Billing Data										
Forecast kWh	CEN	2,291,811,812	590,649,150	200,336,993	966,368,923	288,528,942	236,513,334	6,483,798	730,442	2,200,230
Forecast kW	CDEM	3,448,612	-	-	2,465,924	541,125	420,751	18,775	2,037	-
Forecast kW, included in CDEM, of customers receiving line transformer allowance		1,672,285			777,004	474,530	420,751			
Optional - Forecast kWh, included in CEN, from customers that receive a line transformation allowance on a kWh basis. In most cases this will not be applicable and will be left blank.		-								
KWh excluding KWh from Wholesale Market Participants	CEN EWMP	2,075,393,989	590,649,150	200,336,993	955,642,228	166,019,553	153,331,594	6,483,798	730,442	2,200,230
Existing Monthly Charge			\$26.57	\$27.18	\$112.98	\$55,854.11	\$8,176.21	\$6.07	\$12.59	\$10.97
Existing Distribution kWh Rate				\$0.0176						
Existing Distribution kW Rate					\$4.8384	\$2.5796	\$2.3571			
Existing TOA Rate					\$0.60	\$0.60	\$0.60			
Additional Charges										
Distribution Revenue from Rates		\$51,901,981	\$25,557,896	\$5,852,757	\$13,659,757	\$3,406,625	\$1,482,325	\$1,773,217	\$76,598	\$92,806
Transformer Ownership Allowance		\$1,003,371	\$0	\$0	\$466,202	\$284,718	\$252,451	\$0	\$0	\$0
Net Class Revenue	CREV	\$50,898,609	\$25,557,896	\$5,852,757	\$13,193,555	\$3,121,907	\$1,229,875	\$1,773,217	\$76,598	\$92,806

- b) ENWIN Utilities will make the same changes to revenue at existing rates in the next version of the RRFW filed with the Board.

VECC-58 Pre-Settlement Clarification Question 10

Reference:

AMPCO 40 e) & f) and VECC 37 b)

Question:

- a) Please provide a copy of the full Cost Allocation model where the current Intermediate and Large Use-Ford Annex classes are maintained – as originally requested.
 - b) With respect to AMPCO 40 f), is the only reason the costs allocated to the other customer classes all increase is because the 4NCP value for the combined GS>50-4999 and 3TS classes is less than the sum of the 4NCP values for the previous classes that make up each of the new classes? If not, what else is contributing to the higher costs allocated to the other customer classes?
-

Response:

- a) A copy of the working version of the Cost Allocation model where the current Intermediate and Large Use-Ford Annex classes are maintained is provided as VECC 58 – Attachment 1.
- b) In order to prepare this response the combined cost allocation model was run using the load profile method outlined in VECC 56. The results between the load profile combining method outlined in VECC 56 and the method used in the application produces very similar revenue to cost ratios by rate class. This suggests the method of combining the load profiles is not the reason for the change in allocation factors between the current rate class case and the combined case. However, a review of the allocation factors in tab E2 indicates that, specifically for the Residential class as an example, the change in allocation factors between the combined and current rate class case is directly related to the change in the 4NCP values. The 4NCP values in the combined case are not the addition of the 4NCP values of the individual classes being combined.

VECC-59 Pre-Settlement Clarification Question 11

Reference:

IRR 2020 Bill Impacts Model Updated

AMPCO 40 g)

SEC 33

Question:

- a) The 2019 total bill for the 3TS class in the AMPCO response (\$570,114.50) does not match that in the SEC response (\$1,232,815.46). Please reconcile.
- b) With respect to the Bill Impacts model, please provide calculations for: i) impacts on the existing Intermediate class and ii) the existing Ford-Annex Class.
-

Response:

- a) The interrogatory request in AMPCO-40(g) was to provide the proposed monthly rates for the Large Use – Ford Annex rate class before and after implementation of the class consolidation. Therefore, the bill impact scenario portrays this comparison for the average kWh and kW consumption and demand for the Ford Annex rate class (i.e. 3,784,000 kWh and 6,200 kW).

SEC-33 requested a table showing the bill impacts to all rate classes where the Board does not approve the class consolidation. ENWIN Utilities conducted this comparison through a simulation of bill impacts both prior to and after class consolidation. The data can only be compared for the Ford Annex rate class between Table 1 (Ford Annex Rate Class bill impact scenario prior to class consolidation) and Table 3 (excerpt from SEC-33 response, customer distribution and bill impacts, uncombined classes).

Table 2 demonstrates the Ford Annex rate class bill impact simulation under the proposed consolidated rate class scenario, which is now represented by the Large Use 3TS class in the bill impacts model. In order to simulate Ford Annex as a Large Use 3TS class customer, the kWh and kW had to be adjusted to the Ford Annex average kWh and kW for comparison purposes.

Excerpt from AMPCO-40(g)

Estimated monthly rates:

LU – Ford Annex Rate Class (prior to class consolidation):

Distribution charges: \$104,635.01

Total Bill: \$635,096.17

Customer Class:	LARGE USE - FORD ANNEX SERVICE CLASSIFICATION						
RPP / Non-RPP:	Non-RPP (Other)						
Consumption	3,784,000	kWh					
Demand	6,200	kW					
Current Loss Factor	1.0045						
Proposed/Approved Loss Factor	1.0045						

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 109,654.73	1	\$ 109,654.73	\$ 115,062.79	1	\$ 115,062.79	\$ 5,408.06	4.93%
Distribution Volumetric Rate	\$ -	6200	\$ -	\$ -	6200	\$ -	\$ -	-
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Volumetric Rate Riders	\$ 0.1680	6200	\$ (1,041.60)	\$ 1.6819	6200	\$ (10,427.78)	\$ (9,386.18)	901.13%
Sub-Total A (excluding pass through)			\$ 108,613.13			\$ 104,635.01	\$ (3,978.12)	-3.66%
Line Losses on Cost of Power	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-
Total Deferral/Variance Account Rate Riders	\$ 0.3646	6,200	\$ 2,260.52	\$ 0.4795	6,200	\$ (2,972.90)	\$ (5,233.42)	-231.51%
CBR Class B Rate Riders	\$ -	6,200	\$ -	\$ -	6,200	\$ -	\$ -	-
GA Rate Riders	\$ -	3,784,000	\$ -	\$ -	3,784,000	\$ -	\$ -	-
Low Voltage Service Charge	\$ -	6,200	\$ -	\$ -	6,200	\$ -	\$ -	-
Smart Meter Entity Charge (if applicable)	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Additional Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Additional Volumetric Rate Riders	\$ -	6,200	\$ -	\$ -	6,200	\$ -	\$ -	-
Sub-Total B - Distribution (includes Sub-Total A)			\$ 110,873.65			\$ 101,662.11	\$ (9,211.54)	-8.31%
RTSR - Network	\$ 3.5270	6,200	\$ 21,867.40	\$ 3.6214	6,200	\$ 22,452.68	\$ 585.28	2.68%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.7426	6,200	\$ 4,604.12	\$ 0.7419	6,200	\$ 4,599.78	\$ (4.34)	-0.09%
Sub-Total C - Delivery (including Sub-Total B)			\$ 137,345.17			\$ 128,714.57	\$ (8,630.60)	-6.28%
Wholesale Market Service Charge (WMS)	\$ 0.0034	3,801,028	\$ 12,923.50	\$ 0.0034	3,801,028	\$ 12,923.50	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0005	3,801,028	\$ 1,900.51	\$ 0.0005	3,801,028	\$ 1,900.51	\$ -	0.00%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Average IESO Wholesale Market Price	\$ 0.1101	3,801,028	\$ 418,493.18	\$ 0.1101	3,801,028	\$ 418,493.18	\$ -	0.00%
Total Bill on Average IESO Wholesale Market Price			\$ 570,662.61			\$ 562,032.01	\$ (8,630.60)	-1.51%
HST	13%		\$ 74,186.14	13%		\$ 73,064.16	\$ (1,121.98)	-1.51%
Total Bill on Average IESO Wholesale Market Price			\$ 644,848.75			\$ 635,096.17	\$ (9,752.58)	-1.51%

Table 1

Large Use – 3TS Rate Class (after class consolidation):

Distribution charges: \$55,395.56

Total Bill: \$578,525.90

Customer Class:	LARGE USE - 3TS SERVICE CLASSIFICATION
RPP / Non-RPP:	Non-RPP (Other)
Consumption	3,784,000 kWh
Demand	6,200 kW
Current Loss Factor	1.0045
Proposed/Approved Loss Factor	1.0045

	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 28,953.80	1	\$ 28,953.80	\$ 36,890.42	1	\$ 36,890.42	\$ 7,936.62	27.41%
Distribution Volumetric Rate	\$ 2.9416	6200	\$ 18,237.92	\$ 3.5331	6200	\$ 21,905.22	\$ 3,667.30	20.11%
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Volumetric Rate Riders	\$ 0.2858	6200	\$ 1,771.96	\$ 0.5484	6200	\$ (3,400.08)	\$ (5,172.04)	-291.88%
Sub-Total A (excluding pass through)			\$ 48,963.68			\$ 55,395.56	\$ 6,431.88	13.14%
Line Losses on Cost of Power	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-
Total Deferral/Variance Account Rate Riders	\$ 0.6817	6,200	\$ (4,226.54)	\$ 0.6122	6,200	\$ (3,795.64)	\$ 430.90	-10.20%
CBR Class B Rate Riders	\$ -	6,200	\$ -	\$ -	6,200	\$ -	\$ -	-
GA Rate Riders	\$ -	3,784,000	\$ -	\$ -	3,784,000	\$ -	\$ -	-
Low Voltage Service Charge	\$ -	6,200	\$ -	\$ -	6,200	\$ -	\$ -	-
Smart Meter Entity Charge (if applicable)	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Additional Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Additional Volumetric Rate Riders	\$ -	6,200	\$ -	\$ -	6,200	\$ -	\$ -	-
Sub-Total B - Distribution (includes Sub-Total A)			\$ 44,737.14			\$ 51,599.92	\$ 6,862.78	15.34%
RTSR - Network	\$ 3.5270	6,200	\$ 21,867.40	\$ 3.6214	6,200	\$ 22,452.68	\$ 585.28	2.68%
RTSR - Connection and/or Line and Transformation Connection	\$ 0.7426	6,200	\$ 4,604.12	\$ 0.7419	6,200	\$ 4,599.78	\$ (4.34)	-0.09%
Sub-Total C - Delivery (including Sub-Total B)			\$ 71,208.66			\$ 78,652.38	\$ 7,443.72	10.45%
Wholesale Market Service Charge (WMSO)	\$ 0.0034	3,801,028	\$ 12,923.50	\$ 0.0034	3,801,028	\$ 12,923.50	\$ -	0.00%
Rural and Remote Rate Protection (RRRP)	\$ 0.0005	3,801,028	\$ 1,900.51	\$ 0.0005	3,801,028	\$ 1,900.51	\$ -	0.00%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Average IESO Wholesale Market Price	\$ 0.1101	3,801,028	\$ 418,493.18	\$ 0.1101	3,801,028	\$ 418,493.18	\$ -	0.00%
Total Bill on Average IESO Wholesale Market Price			\$ 504,526.10			\$ 511,969.82	\$ 7,443.72	1.48%
HST	13%		\$ 65,588.39	13%		\$ 66,556.08	\$ 967.68	1.48%
Total Bill on Average IESO Wholesale Market Price			\$ 570,114.50			\$ 578,525.90	\$ 8,411.40	1.48%

Table 2

Excerpt from SEC-33:

Customer distribution and bill impacts, uncombined classes

Customer Classes - Uncombined										
Customer Class	kWh	kW	Distribution (Fixed & Volumetric)				Total Bill			
			Current 2019	Proposed 2020	\$ Change	% Impact	Current 2019	Proposed 2020	\$ Change	% Impact
Residential	750	-	\$28.10	\$27.80	(\$0.30)	-1.07%	\$111.04	\$110.54	(\$0.50)	-0.45%
General Service < 50 kW	2,000	-	\$67.93	\$62.21	(\$5.72)	-8.42%	\$285.17	\$278.22	(\$6.95)	-2.44%
General Service > 50 to 4,999 kW	65,000	200	\$1,148.25	\$1,163.71	\$15.46	1.35%	\$11,019.89	\$10,611.73	(\$408.16)	-3.70%
General Service 3,000 to 4,999 kW	1,142,000	3600	\$9,685.86	\$7,232.02	(\$2,453.84)	-25.33%	\$186,363.94	\$172,226.19	(\$14,137.75)	-7.59%
Large Use 3TS	8,334,000	15,800	\$79,946.72	\$72,805.79	(\$7,140.93)	-8.93%	\$1,232,815.46	\$1,195,792.51	(\$37,022.95)	-3.00%
Large Use - Regular	4,323,000	7,900	\$27,733.45	\$21,436.23	(\$6,297.22)	-22.71%	\$648,899.67	\$616,632.52	(\$32,267.15)	-4.97%
Large Use - Ford Annex	3,784,000	6,200	\$108,613.13	\$104,635.01	(\$3,978.12)	-3.66%	\$644,848.75	\$635,096.17	(\$9,752.58)	-1.51%
Street Lighting	269,000	800	\$73,451.43	\$61,392.24	(\$12,059.19)	-16.42%	\$122,779.04	\$107,505.11	(\$15,273.93)	-12.44%
Sentinel Lighting	255	1	\$24.90	\$25.78	\$0.88	3.53%	\$58.34	\$59.30	\$0.96	1.65%
Unmetered Scattered Load	6,100	-	\$249.55	\$248.63	(\$0.92)	-0.37%	\$981.04	\$978.49	(\$2.55)	-0.26%

Reference Table 1

Table 3

Reference Table 1

- b) Simulations to represent bill impacts to the Intermediate rate class were provided in response to VECC-45. For bill impacts related to Ford Annex, see response to part a).

Excerpt from VECC-45

- a) i. Bill impacts for Intermediate Class under an uncombined class scenario:

Customer Class: GENERAL SERVICE 3,000 TO 4,999 KW - INTERMEDIATE USE SERVICE CLASSIFICATION								
RPP / Non-RPP: Non-RPP (Other)								
Consumption 1,142,000 kWh								
Demand 3,600 kW								
Current Loss Factor 1.0377								
Proposed/Approved Loss Factor 1.0311								
	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 2,255.46	1	\$ 2,255.46	\$ 1,699.54	1	\$ 1,699.54	\$ (555.92)	-24.65%
Distribution Volumetric Rate	\$ 2.0852	3600	\$ 7,506.72	\$ 2.3525	3600	\$ 8,469.00	\$ 962.28	12.82%
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Volumetric Rate Riders	\$ 0.0212	3600	\$ (76.32)	\$ 0.8157	3600	\$ (2,936.52)	\$ (2,860.20)	3747.64%
Sub-Total A (excluding pass through)			\$ 9,685.86			\$ 7,232.02	\$ (2,453.84)	-25.33%
Line Losses on Cost of Power	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	
Total Deferral/Variance Account Rate Riders	\$ 0.4011	3,600	\$ (1,443.96)	\$ 0.3722	3,600	\$ (1,339.92)	\$ 104.04	-7.21%
CBR Class B Rate Riders	\$ -	3,600	\$ -	\$ -	3,600	\$ -	\$ -	
GA Rate Riders	\$ -	1,142,000	\$ -	\$ 0.0034	1,142,000	\$ (3,882.80)	\$ (3,882.80)	
Low Voltage Service Charge	\$ -	3,600	\$ -	\$ -	3,600	\$ -	\$ -	
Smart Meter Entity Charge (if applicable)	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Volumetric Rate Riders	\$ -	3,600	\$ -	\$ -	3,600	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)			\$ 8,241.90			\$ 2,009.30	\$ (6,232.60)	-75.62%
RTSR - Network	\$ 3.4737	3,600	\$ 12,505.32	\$ 2.6315	3,600	\$ 9,473.40	\$ (3,031.92)	-24.25%
RTSR - Connection and/or Line and Transformation Connection	\$ 2.5223	3,600	\$ 9,080.28	\$ 1.8591	3,600	\$ 6,692.76	\$ (2,387.52)	-26.29%
Sub-Total C - Delivery (including Sub-Total B)			\$ 29,827.50			\$ 18,175.46	\$ (11,652.04)	-39.06%
Wholesale Market Service Charge (WMSC)	\$ 0.0034	1,185,053	\$ 4,029.18	\$ 0.0034	1,177,516	\$ 4,003.56	\$ (25.63)	-0.64%
Rural and Remote Rate Protection (RRRP)	\$ 0.0005	1,185,053	\$ 592.53	\$ 0.0005	1,177,516	\$ 588.76	\$ (3.77)	-0.64%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Average IESO Wholesale Market Price	\$ 0.1101	1,185,053	\$ 130,474.38	\$ 0.1101	1,177,516	\$ 129,644.53	\$ (829.85)	-0.64%
Total Bill on Average IESO Wholesale Market Price			\$ 164,923.84			\$ 152,412.56	\$ (12,511.28)	-7.59%
HST	13%		\$ 21,440.10	13%		\$ 19,813.63	\$ (1,626.47)	-7.59%
Total Bill on Average IESO Wholesale Market Price			\$ 186,363.94			\$ 172,226.19	\$ (14,137.75)	-7.59%

Bill impacts for existing Intermediate Class customer under a combined class scenario:

Customer Class: GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION								
RPP / Non-RPP: Non-RPP (Other)								
Consumption: 1,142,000 kWh								
Demand: 3,600 kW								
Current Loss Factor: 1.0377								
Proposed/Approved Loss Factor: 1.0311								
	Current OEB-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 107.93	1	\$ 107.93	\$ 110.49	1	\$ 110.49	\$ 2.56	2.37%
Distribution Volumetric Rate	\$ 4.9839	3600	\$ 17,942.04	\$ 5.2934	3600	\$ 19,056.24	\$ 1,114.20	6.21%
Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Volumetric Rate Riders	\$ 0.2177	3600	\$ 783.72	\$ 0.2325	3600	\$ (837.00)	\$ (1,620.72)	-206.80%
Sub-Total A (excluding pass through)			\$ 18,833.69			\$ 18,329.73	\$ (503.96)	-2.68%
Line Losses on Cost of Power	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	
Total Deferral/Variance Account Rate Riders	\$ 0.4702	3,600	\$ (1,692.72)	\$ 0.4491	3,600	\$ (1,616.76)	\$ 75.96	-4.49%
CBR Class B Rate Riders	\$ -	3,600	\$ -	\$ -	3,600	\$ -	\$ -	
GA Rate Riders	\$ 0.0019	1,142,000	\$ 2,169.80	\$ 0.0034	1,142,000	\$ (3,882.80)	\$ (6,052.60)	-278.95%
Low Voltage Service Charge	\$ -	3,600	\$ -	\$ -	3,600	\$ -	\$ -	
Smart Meter Entity Charge (if applicable)	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Fixed Rate Riders	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Additional Volumetric Rate Riders	\$ -	3,600	\$ -	\$ -	3,600	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)			\$ 19,310.77			\$ 12,830.17	\$ (6,480.60)	-33.56%
RTSR - Network	\$ 2.5629	3,600	\$ 9,226.44	\$ 2.6315	3,600	\$ 9,473.40	\$ 246.96	2.68%
RTSR - Connection and/or Line and Transformation Connection	\$ 1.8611	3,600	\$ 6,699.96	\$ 1.8591	3,600	\$ 6,692.76	\$ (7.20)	-0.11%
Sub-Total C - Delivery (including Sub-Total B)			\$ 35,237.17			\$ 28,996.33	\$ (6,240.84)	-17.71%
Wholesale Market Service Charge (WMSO)	\$ 0.0034	1,185,053	\$ 4,029.18	\$ 0.0034	1,177,516	\$ 4,003.56	\$ (25.63)	-0.64%
Rural and Remote Rate Protection (RRRP)	\$ 0.0005	1,185,053	\$ 592.53	\$ 0.0005	1,177,516	\$ 588.76	\$ (3.77)	-0.64%
Standard Supply Service Charge	\$ 0.25	1	\$ 0.25	\$ 0.25	1	\$ 0.25	\$ -	0.00%
Average IESO Wholesale Market Price	\$ 0.1101	1,185,053	\$ 130,474.38	\$ 0.1101	1,177,516	\$ 129,644.53	\$ (829.85)	-0.64%
Total Bill on Average IESO Wholesale Market Price			\$ 170,333.51			\$ 163,233.43	\$ (7,100.08)	-4.17%
HST	13%		\$ 22,143.36	13%		\$ 21,220.35	\$ (923.01)	-4.17%
Total Bill on Average IESO Wholesale Market Price			\$ 192,476.86			\$ 184,453.77	\$ (8,023.09)	-4.17%

VECC-60 Pre-Settlement Clarification Question 12

Reference:

VECC 38

VECC 43

Question:

- a) VECC 38 indicates that currently there are no customers that are subject to ENWIN Utilities's Standby charge. VECC 43 indicates that ENWIN Utilities currently has one customer with embedded generation. Please explain why this customer is not subject to the currently approved Standby charge.
- b) VECC 43 indicates that ENWIN Utilities is expecting one of its Large Use customers to install 9 MW of embedded generation in 2020. Will this customer not require Standby service and, if so, why is ENWIN Utilities not seeking approval for Standby rates (per VECC 38 c))?
-

Response:

- a) ENWIN Utilities's current interim standby rate was approved and applied to ENWIN Utilities's tariff of rates and charges through a generic proceeding (EB-2005-0359). In that decision, the board approved the following:

“With respect to standby rates, the Generic Decision provided that existing and proposed standby rates should be declared interim upon the effective date of the rates approved in this decision. Given that ENWIN proposed to continue its legacy standby rates, those rates are declared interim at the proposed level as of the effective date of the rate order accompanying this Decision.”¹

With respect to ENWIN Utilities's evidence in that proceeding, the following were filed as interrogatory responses² to generic issues:

VECC Question #2.2.1:

Reference: Schedule 10.6

- a) Would the Applicant's existing Standby Rates ensure ongoing recovery of required distribution revenues in the event that an existing customer installed load displacement generation?

¹ Ontario Energy Board Decision and Order, case number RP-2005-0020/EB-2005-0359 dated May 4, 2006.

² Ontario Energy Board case number RP-2005-0020/EB-2005-0539; Responses to Vulnerable Energy Consumers Coalition Interrogatories on Generic Issues.

b) If not, please explain why.

Response:

- a) The standby rate included in our 2006 Rate filing is carried forward from the Applicant's legacy rates. As this rate has not been reviewed in recent years, the Applicant cannot confirm at this time if this rate at its current level would ensure the ongoing recovery of distribution revenues. **The rate is not currently being applied.** Please see the Applicant's response to VECC question 3.1, below.
- b) **This rate was developed pre market opening and has not been recently reviewed.** [Emphasis added]

VECC Question #3.1:

Reference: Schedule 10.6

- a) Please provide a schedule setting out the Applicant's current Standby rate along with description of how it is applied?
- b) What was the methodology used to originally develop the Applicant's Standby rate?

Response:

- a) The current Standby Rate is \$0.56/kW. **This rate has not been applied since market opening in May 2002.** Prior to market opening, the standby rate was charged in instances where reserve facilities existed or had been built to handle situations when the customers' generator was not operational and they required supply of power through the Applicant's system. This rate was charged regardless of use of the reserve capacity. **With the opening of the competitive electricity markets in May 2002, the Applicant no longer charged the standby rate,** as it understood that the rate would be replaced by the monthly fixed distribution charge.
- b) A determination of annual rate of return was calculated based on the total Distribution System (Plant) costs at year end (Overhead, Underground, and Substation costs net of accumulated depreciation) multiplied by the LDC's annual rate of return. To this amount the annual maintenance costs and annual depreciation was added to arrive at a total annual cost. The monthly costs were then divided by the system peak to arrive at a Standby Rate of \$0.56/kW.

The same treatment of the interim standby charge is correct today. ENWIN Utilities has not applied or charged the standby charge since 2002.

- b) With reference to Exhibit 7, section 7.2.4 of ENWIN Utilities's application,

On April 2, 2015, the OEB issued a Board Policy, *A New Distribution Rate Design for Residential Electricity Customers* (EB-2012-0410), in which the OEB indicated that it “intends to remove the standby rate when the new rate policy is implemented for commercial customers.”

On February 21, 2019, OEB Staff released a Staff Report to the Board, *Rate Design for Commercial and Industrial Electricity Customers; Rates to Support an Evolving Energy Sector* (EB-2015-0043). This report introduces the concept of a Capacity Reserve Charge (“CRC”). In the February 21st report, Staff recommends “that these CRC would replace any current standby charges and be technology specific. For larger customers, the CRCs could take into account the level of service that the customer needs (emergency backup service, maintenance service or basic connection) and the specific planning and locational circumstances of the distributor’s system.”

In light of this development, ENWIN Utilities is not seeking approval for Standby Rates in this application.