



October 16, 2019

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319, 27th Floor  
2300 Yonge Street  
Toronto, ON M4P 1E4

Re: EnWin Utilities Ltd. (EnWin) 2020 Cost of Service Electricity Rate Application  
AMPCO Submissions on Unsettled Issue 3.3  
EB-2019-0032

Dear Ms. Walli:

Attached please find AMPCO's submissions in the above proceeding.

Please do not hesitate to contact me if you have any questions or require further information.

Sincerely yours,

*(Original Signed By)*

Colin Anderson  
President  
Association of Major Power Consumers in Ontario

**EB-2019-0032**

**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.

**AMPCO Submissions on Unsettled Issue 3.3**

October 16, 2019

EnWin Utilities Ltd. (EnWin Utilities) filed a cost of service application with the Ontario Energy Board (OEB) on April 26, 2019 under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the rates that EnWin Utilities charges for electricity distribution, to be effective January 1, 2020.

A settlement conference was held between the parties on August 22 and 23, 2019. AMPCO participated in the settlement conference. A settlement proposal arising from the settlement conference was filed with the OEB on September 24, 2019. The parties reached agreement on all but one issue in this proceeding and the remaining issue (Issue 3.3)<sup>1</sup> related to rate design is only partially settled.

The unresolved matter pertains to EnWin Utilities' proposal to eliminate the Intermediate customer class (GS 3,000 to 4,999 kW). The current Intermediate customer class has 3 customers. Between 2008-2017, ENWIN has maintained the same three customers in its Intermediate class.<sup>2</sup> The GS>50 kW customer class has 1,271 customers.<sup>3</sup> EnWin Utilities proposes to transfer the three Intermediate customers into the existing GS>50 customer class.

**AMPCO Position**

Due to the significant distribution bill impacts in 2020 for Intermediate customers that flow from eliminating the GS 3,000 to 4,999 kW customer class and moving these customers to the GS>50 kW customer class, combined with the fact that these customers were not contacted and notified by EnWin Utilities upfront about the proposed change and resulting significant bill impacts, AMPCO submits the Board should not approve the change.

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<sup>1</sup> Issue 3.3: Are ENWIN Utilities' proposals for rate design, including the elimination of the intermediate rate class and the Large Use-Ford Annex rate class, appropriate?

<sup>2</sup> 7 - VECC – 37 (a)

<sup>3</sup> EB-2019-0032 Ex 1 P31 (2020 Forecast)

## Inadequate Customers Focus

EnWin Utilities pre-filed evidence refers briefly to its proposal to eliminate the intermediate (GS 3,000 kW to 4,999) rate class, with the corresponding movement of its existing three customers to the GS > 50 to 4,999 kW rate class.

Specifically, the evidence states “As of December 31, 2017, the Intermediate rate class encompassed 3 customers. ENWIN proposes the elimination of this rate class, with the result that the 3 existing customers will move to the General Service > 50 kW to 4,999 kW rate class. This rate class design will provide a common large General Service rate class design moving forward for all ENWIN customers. This will assist in meeting ENWIN’s goal of assisting with customer energy literacy by simplifying ENWIN’s tariff sheet and will also assist in avoiding rate shock which could occur due to year-to-year customer migration between the current GS >50 kW rate class and current Intermediate rate class.”<sup>4</sup>

This is the full extent of EnWin Utilities evidence on this issue.

There is no mention of if, when and how EnWin Utilities notified and consulted with the three customers about the proposed change and the response from these customers. This is because EnWin did not consult with these customers as part of the application preparation process.

Beyond the Board’s Notice of Application dated May 23, 2019, and any publications in the Windsor Star newspaper regarding the application, which did not specifically mention the disposal of the Intermediate customer class, EnWin Utilities did not directly notify the three affected customers of its plans. In AMPCO’s view this is a significant failure on EnWin Utilities’ part, operating in a Renewed Regulatory Framework (RRFE), where Customer Focus is an expected performance outcome.

EnWin Utilities conducted two Mid Market General Service workshops for General Service customers over 50 kW (GS > 50kW). The workshops included a presentation and Q&A outlining the Distribution System Plan (DSP), spending decisions and rate implications, and “breakout” groups with GS > 50kW customers to identify and collect their preferences and needs. When asked how ENWIN could improve service to them, GS>50 kW customers almost unanimously want more proactive communication and assistance with managing and reducing their consumption.<sup>5</sup>

All customers expect proactive communication, especially if the utility is proposing a significant change in rate design.

It wasn’t until the interrogatory phase when EnWin Utilities took some action to contact the three customers. Specifically, Board Staff asked “What communication has EnWin Utilities had

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<sup>4</sup> Exhibit 7 P3 7.2.2 Elimination of Customer Class

<sup>5</sup> Ex 1 P52

with each of the three customers in the Intermediate class who would be migrated to the GS 50-4999 kW class? Please indicate the communication that EnWin Utilities has done, and the reaction of the customers.” EnWin Utilities responded that “ENWIN’s Key Accounts Supervisor is in the process of contacting the three existing customers in the Intermediate class. ENWIN will provide a copy of the customers’ responses.”<sup>6</sup>

As part of Board Staff’s Pre-Settlement Clarification questions, Board Staff asked EnWin Utilities to provide copies of the customers’ responses as noted above. ENWIN Utilities provided a written response and confirmed that all three Intermediate customers have been provided the associated bill impacts related to ENWIN Utilities’ proposal to combine rates classes and ENWIN Utilities will provide any feedback received upon receipt.”<sup>7</sup> EnWin Utilities has not yet provided copies of any responses from customers.

One of the Intermediate customers is an AMPCO member and they were provided with a bill impact analysis from EnWin Utilities for the first time by email in August 2019 that AMPCO discussed with its member. AMPCO’s member is very concerned about the proposed increase in distribution charges (fixed and variable) and for the reasons discussed below does not accept the proposed class consolidation and change in rate design.

### **Significant Bill Impacts not Sustainable for Customers**

EnWin Utilities provided a bill impact summary with the Settlement Proposal dated September 24, 2018 that shows the proposed distribution bill impact and total bill impact for each of the three customers proposed to move from the Intermediate customer class to the GS>50 kW customer class.<sup>8</sup>

The summary shows the proposed change in the distribution portion of the bill is very substantial, 80.78%, 75.64% and 46.75%, for customers 1, 2 and 3, respectively.

AMPCO’s member is customer #1, with an historical average monthly demand of 4,168 kW. By moving AMPCO’s member from the Intermediate class to the GS>50 kW class, the distribution portion of the bill expressed as fixed and variable charges is changing dramatically. The fixed charge is decreasing from \$2,255.46 per month to \$107.93 per month and the variable charge is increasing from \$2.0852/kW to \$4.9159/kW.<sup>9 10</sup> The change in the variable rate is driving the 80% increase in distribution charges.

As shown in Appendix A, EnWin Utilities estimates the distribution portion of the bill will increase from \$10,858 to \$21,204; an additional \$8,771 per month or \$105,252 per year. This increase is not sustainable for AMPCO’s member and AMPCO’s member 100% rejects this

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<sup>6</sup> 7 - OEB Staff – 115 (a)

<sup>7</sup> Responses to Pre-Settlement Clarification Questions P32, OEB Staff Pre-Settlement Clarification Question #16

<sup>8</sup> Appendix A: EnWin\_2020\_COS\_Bill Impact Summary\_Two Scenarios\_Settlement\_20190924 P2

<sup>9</sup> Ex 8 Rate Design 2019 Tariff Sheets

<sup>10</sup> ENWIN\_Settlement\_Proposal\_20190924

proposal. AMPCO's member was not contacted by EnWin Utilities prior to the application filing date of April 26, 2019 and informed that as a result of EnWin Utilities class consolidation proposal, its distribution rates would be increasing by over 80% in 2020.

From a total bill perspective, AMPCO does not accept EnWin Utilities calculations and conclusions that Intermediate customers are better off and will experience an overall total bill decrease as EnWin Utilities does not provide the full bill impact picture in its analysis.

EnWin Utilities compares the estimated 2019 total bill for each of the three customers in the Intermediate customer class to the 2020 total bill if they are moved to the GS>50 kW class.<sup>11</sup> The comparison is missing the status quo scenario, i.e. the 2020 total bill impact if these customers remain in the Intermediate class and do not move to the GS>50 kW customer class.

To illustrate the point, 8-VECC-45 (a) i, shows that for a customer in the Intermediate class with a demand of 3,600 kW, that stays in the Intermediate class in 2020 and does not move, the total bill is 172,226.19.<sup>12</sup> However, if this customer moves to the GS>50 kW class in 2020, the customer will be paying \$184,453.77,<sup>13</sup> which is over \$12,000 more per month (\$144,000 per year) compared to the status quo scenario. These customers are not better off as a result of class consolidation as EnWin Utilities suggests. With a higher monthly demand, the annual impact on AMPCO's member would be even greater.

AMPCO submits the status quo scenario (no class consolidation) needs to be part of the analysis and compared to the class consolidation scenario. The Board should not rely on EnWin Utilities total bill analysis highlighted in Appendix A as it does not appropriately consider this comparison. Further, AMPCO wishes to point out that due to changes in rate riders and other components of the bill in 2020 that are not within EnWin Utilities' control, the total bill amounts under both scenarios (class consolidation and no class consolidation) are less than the \$186,363.94 estimated 2019 bill for the Intermediate customer with a demand of 3,600 kW.<sup>14</sup>

The table below summarizes the above points and shows that Intermediate customers are not better off if they are moved to the GS>50 kW class.<sup>15</sup>

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<sup>11</sup> Appendix A: EnWin\_2020\_COS\_Bill Impact Summary\_Two Scenarios\_Settlement\_20190924 P2 (\$305,733 vs \$299,304)

<sup>12</sup> 8-VECC-45 P2

<sup>13</sup> 8-VECC-45 P3

<sup>14</sup> 8-VECC-45 a (i) P2

<sup>15</sup> 8-VECC-35 P2 & 3

<b>Table 1: Monthly Bill Impact Analysis – Intermediate Customer</b>				
	Estimated 2019 Bill (A)	Estimated 2020 Bill - No Consolidation (B)	Estimated 2020 Bill – Consolidation w/GS>50 kW (C)	Variance Consolidation vs. No Consolidation
Intermediate Customer – 3,600 kW Demand (8-VECC-45)	\$186,363.94	\$172,226.19	\$184,453.77	+\$12,227.58 (+7%)
Intermediate Customer – 4,168 kW Demand (Appendix A)	\$305,733	Not Provided by EnWin Utilities	\$299,304	>+\$12,227.58 (estimated by AMPCO)

AMPCO’s member is most concerned with affordability of electricity rates given the rapid rise in industrial rates in recent years. AMPCO submits EnWin Utilities’ proposal to increase distribution rates by more than 80% is not affordable.

### Other Considerations

The average monthly demand for the GS>50 kW class is 200 kW, a fraction of the demand of AMPCO’s member. AMPCO believes the specific drivers of consumption for the Intermediate class are significantly different from the GS>50 kW class. For purposes of the 2004 Informational Filing there were separate load profiles developed for the GS>50 and Intermediate classes.<sup>16</sup>

### Reasons for Class Consolidation

As noted above, EnWin Utilities pre-filed evidence indicates class consolidation will assist in meeting ENWIN’s goal of assisting with customer energy literacy by simplifying ENWIN’s tariff sheet and will also assist in avoiding rate shock which could occur due to year-to-year customer migration between the current GS >50 kW rate class and current Intermediate rate class.

Simplifying EnWin’s tariff sheet does not justify the significant change in distribution rates in 2020 for AMPCO’s member and the other Intermediate customers. Further, AMPCO’s member has never migrated between the current GS 3,000 to 4,999 kW customer class and GS >50 kW customer class. If anything, the demand forecast for AMPCO customer beyond 2020 is expected to increase. EnWin Utilities evidence is that between 2008-2017, ENWIN has maintained the same three customers in its Intermediate class.<sup>17</sup>

<sup>16</sup> 7 - VECC - 40

<sup>17</sup> 7 - VECC – 37 (a)

In its Argument-in-Chief, EnWin Utilities raises a new issue regarding its proposal that was not in its pre-filed evidence stating that it is fixing a “historical anomaly” regarding the Intermediate Class. Specifically, EnWin Utilities refers to the definition of the Intermediate Class and that it only applies to customers whose average historical monthly demand exceeds 3,000 kW but is less than 4,999 kW and were “classified as Time of Use prior to market opening”. Further EnWin Utilities states that only those customers that meet the class definition, that were in existence prior to market opening and that were classified as Time of Use prior to market opening – can be included in the Intermediate Class and this definition effectively excludes from the Intermediate Class the addition of new customers.<sup>18</sup>

Instead of eliminating the Intermediate customer class, AMPCO has a different solution to this historical anomaly. AMPCO submits that the definition of the Intermediate Class should be revised to remove the section “and were “classified as Time of Use prior to market opening”. This would eliminate the unusual situation of placing customers with otherwise similar cost drivers into a different rate classification.

## **Conclusion**

For the reasons summarized below, AMPCO submits the Board should not approve EnWin Utilities’ proposal to eliminate the Intermediate class and move the three customers in the class to the GS>50 kW class:

- The impact on both the distribution portion of the bill that EnWin Utilities is responsible for and the total bill are negative to the Intermediate customer if the two classes are consolidated.

The distribution portion of the bill will increase between 47% and 81% for the three Intermediate customers; increases that are not justifiable or viable. On a total bill basis, comparing consolidation of the two customer classes to no consolidation, Intermediate customers are not better off. The example provided above shows an Intermediate customer with a monthly demand of 3,600 kW is paying approximately 7% more in 2020 if moved to the GS>50 kW class compared to remaining in the Intermediate class.

- Intermediate customers should have been notified by EnWin Utilities of the proposed rate design change in 2020 and the significant bill impacts so that customers views could be appropriately taken into account, prior to EnWin filing its application.
- The historical anomaly regarding the definition of the Intermediate class that is now driving the rate class consolidation can be resolved without eliminating the customer class by

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<sup>18</sup> EnWin Utilities AIC P5

revising the definition to allow new customers to be added to the Intermediate class.

- AMPCO's member will experience an 80% increase in distribution charges as a result of EnWin's proposed rate design change. On a total bill basis, AMPCO's member will pay more than \$144,000<sup>19</sup> per year on a total bill basis if the Board approves a move to the GS>50 kW class compared to remaining in the Intermediate class. AMPCO's member does not support the proposed rate design change. AMPCO submits this level of increase is not in the best interest of this customer.

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<sup>19</sup> The amount for a customer with a demand of 3,600 kW; customers with higher demand will pay more



## **Appendix A**

Bill Impact Summary

Customer Classes - Proposed - Combined GS >50 kW and LU - 3TS.

Customer Class	kWh	kW	Distribution (Fixed & Volumetric)									Total Bill								
			Current 2019	Proposed 2020 (IRs)	Proposed 2020 (Settlement)	\$ Change (2019 to IRs)	% Impact (2019 to IRs)	\$ Change (IRs to Settlement)	% Impact (IRs to Settlement)	\$ Change (2019 to Settlement)	% Impact (2019 to Settlement)	Current 2019	Proposed 2020	Proposed 2020 (Settlement)	\$ Change (2019 to IRs)	% Impact (2019 to IRs)	\$ Change (IRs to Settlement)	% Impact (IRs to Settlement)	\$ Change (2019 to Settlement)	% Impact (2019 to Settlement)
Residential	750	-	\$28.10	\$28.07	\$26.72	(\$0.03)	-0.11%	(\$1.36)	-4.83%	(\$1.39)	-4.93%	\$111.34	\$110.82	\$109.93	(\$0.52)	-0.47%	(\$0.89)	-0.80%	(\$1.41)	-1.27%
General Service < 50 kW	2,000	-	\$67.93	\$63.67	\$63.26	(\$4.26)	-6.27%	(\$0.41)	-0.64%	(\$4.67)	-6.87%	\$285.95	\$279.76	\$280.54	(\$6.19)	-2.16%	\$0.78	0.28%	(\$5.41)	-1.89%
General Service > 50 to 4,999 kW	65,000	200	\$1,148.25	\$1,122.67	\$1,044.67	(\$25.58)	-2.23%	(\$78.00)	-6.95%	(\$103.58)	-9.02%	\$11,019.89	\$10,566.26	\$10,495.00	(\$453.63)	-4.12%	(\$71.26)	-0.67%	(\$524.89)	-4.76%
Large Use 3TS	8,334,000	15,800	\$79,946.72	\$84,048.68	\$89,585.05	\$4,101.96	5.13%	\$5,536.37	6.59%	\$9,638.33	12.06%	\$1,232,815.46	\$1,240,364.45	\$1,247,756.06	\$7,548.99	0.61%	\$7,391.61	0.60%	\$14,940.60	1.21%
Large Use - Regular	4,323,000	7,900	\$27,733.45	\$21,716.37	\$22,002.24	(\$6,017.08)	-21.70%	\$285.87	1.32%	(\$5,731.21)	-20.67%	\$648,899.67	\$616,947.30	\$618,166.60	(\$31,952.37)	-4.92%	\$1,219.30	0.20%	(\$30,733.07)	-4.74%
Street Lighting	269,000	800	\$73,451.43	\$62,732.15	\$64,559.30	(\$10,719.28)	-14.59%	\$1,827.15	2.91%	(\$8,892.13)	-12.11%	\$122,779.04	\$109,019.21	\$111,050.29	(\$13,759.83)	-11.21%	\$2,031.08	1.86%	(\$11,728.75)	-9.55%
Sentinel Lighting	255	1	\$24.90	\$26.04	\$24.76	\$1.14	4.58%	(\$1.28)	-4.92%	(\$0.14)	-0.56%	\$58.44	\$59.58	\$58.32	\$1.14	1.94%	(\$1.26)	-2.11%	(\$0.12)	-0.21%
Unmetered Scattered Load	6,100	-	\$249.55	\$251.16	\$245.41	\$1.61	0.65%	(\$5.75)	-2.29%	(\$4.14)	-1.66%	\$983.62	\$980.57	\$977.98	(\$3.05)	-0.31%	(\$2.59)	-0.26%	(\$5.64)	-0.57%

Customer Classes - Scenario 2 - Partial - Combined 3TS and Ford Annex

Customer Class	kWh	kW	Distribution (Fixed & Volumetric)									Total Bill											
			Current 2019	Proposed 2020 (IRs)	Proposed 2020 (Settlement)	\$ Change (2019 to IRs)	% Impact (2019 to IRs)	\$ Change (IRs to Settlement)	% Impact (IRs to Settlement)	\$ Change (2019 to Settlement)	% Impact (2019 to Settlement)	Current 2019	Proposed 2020	Proposed 2020 (Settlement)	\$ Change (2019 to IRs)	% Impact (2019 to IRs)	\$ Change (IRs to Settlement)	% Impact (IRs to Settlement)	\$ Change (2019 to Settlement)	% Impact (2019 to Settlement)			
Residential	750	-	\$28.10		\$26.72							\$111.34		\$109.93						(\$1.41)	-1.27%		
General Service < 50 kW	2,000	-	\$67.93		\$63.26							(\$4.67)		-6.87%						\$285.95	\$280.54	(\$5.41)	-1.89%
General Service > 50 to 4,999 kW	65,000	200	\$1,148.25		\$1,071.13							(\$77.12)		-6.72%						\$11,019.89	\$10,523.88	(\$496.01)	-4.50%
General Service 3,000 to 4,999 kW	1,142,000	3600	\$9,685.86		\$7,548.93							(\$2,136.93)		-22.06%						\$186,363.94	\$178,537.00	(\$7,826.94)	-4.20%
Large Use 3TS	8,334,000	15,800	\$79,946.72		\$89,585.04							\$9,638.32		12.06%						\$1,232,815.46	\$1,247,756.05	\$14,940.59	1.21%
Large Use - Regular	4,323,000	7,900	\$27,733.45		\$21,627.65							(\$6,105.80)		-22.02%						\$648,899.67	\$617,743.31	(\$31,156.36)	-4.80%
Street Lighting	269,000	800	\$73,451.43		\$64,437.49							(\$9,013.94)		-12.27%						\$122,779.04	\$110,912.64	(\$11,866.40)	-9.66%
Sentinel Lighting	255	1	\$24.90		\$24.76							(\$0.14)		-0.56%						\$58.44	\$58.32	(\$0.12)	-0.21%
Unmetered Scattered Load	6,100	-	\$249.55		\$244.49							(\$5.06)		-2.03%						\$983.62	\$976.94	(\$6.68)	-0.68%

**Bill Impact Summary - 3TS and Intermediate**

		Distribution (Fixed & Volumetric)						Total Bill				
	kWh	kW	Current 2019 <sup>(1)</sup>	Proposed 2020 (IRs)	Proposed 2020 (Settlement) <sup>(2)</sup>	\$ Change (2019 to Settlement)	% Impact (2019 to Settlement)	Current 2019 <sup>(1)</sup>	Proposed 2020 (IRs)	Proposed 2020 (Settlement) <sup>(2)</sup>	\$ Change (2019 to Settlement)	% Impact (2019 to Settlement)
<b>3TS Customers</b>												
Customer 1	14,634,032	26,642	114,938	116,409	124,085	9,147	7.96%	2,131,535	2,138,110	2,148,699	17,164	0.81%
Customer 2	6,841,483	14,596	76,061	80,455	85,754	9,693	12.74%	1,030,412	1,038,069	1,045,106	14,694	1.43%
Customer 3	3,784,000	6,200	108,613	55,396	59,037	-49,576	-45.64%	644,849	578,526	583,086	-61,763	-9.58%
<b>Existing Intermediate Customers</b>												
Customer 1	1,998,195	4,168	10,858	21,204	19,630	8,771	80.78%	305,733	300,732	299,304	-6,429	-2.10%
Customer 2	518,681	3,641	9,770	18,537	17,161	7,391	75.64%	103,396	104,477	103,230	-166	-0.16%
Customer 3	1,008,584	1,935	6,249	9,903	9,171	2,922	46.75%	154,120	150,119	149,455	-664	-3.03%

**Notes**

- (1) 3TS - Customer 3 Current 2019 assumed under existing Ford Annex rate class.  
Intermediate - Current 2019 assumed under existing Intermediate rate class.  
(2) Proposed 2020 (Settlement) based on ENWIN's proposal for class consolidation.