

BY EMAIL

November 28, 2019

Christine E. Long
Registrar and Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Long:

Re: EnWin Utilities Ltd. (EnWin Utilities)
Application for 2020 electricity distribution rates
Ontario Energy Board (OEB) File Number: EB-2019-0032

In accordance with the Decision and Order, please find attached OEB staff's submission in the above proceeding. EnWin Utilities and all intervenors have been copied on this filing.

Yours truly,

Original Signed By

Tina Li
Project Advisor – Electricity Distribution: Major Rate Applications & Consolidations

Encl.

ONTARIO ENERGY BOARD

OEB STAFF SUBMISSION ON DRAFT RATE ORDER

2020 ELECTRICITY DISTRIBUTION RATES

ENWIN UTILITIES LTD.

EB-2019-0032

November 28, 2019

INTRODUCTION

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.

On October 17, 2019, the OEB approved a settlement that resolved all issues except EnWin Utilities' proposal to eliminate the Intermediate rate class and move the three customers currently in that class into the General Service (GS) 50 to 4,999 kW class. After hearing submissions on the unsettled issue, the OEB approved EnWin Utilities' proposal regarding the Intermediate class on November 14, 2019. The OEB directed EnWin Utilities to file a draft rate order (DRO) reflecting the approved settlement and the OEB's findings on the unsettled issue. EnWin Utilities filed a DRO on November 21, 2019.

Cost of Capital

In the approved settlement proposal, EnWin Utilities agreed to update the cost of capital parameters when the parameters were issued. On October 31, 2019, the OEB issued the 2020 cost of capital parameters.¹ The DRO filed by EnWin Utilities reflects the updated return on equity, long-term debt rate, and short-term debt rate. The updated cost of capital parameters required that the revenue requirement, cost allocation, revenue-to-cost ratios, and Account 1575 rate riders be updated. The changes to the cost of capital reduced the base revenue requirement by \$1,048,715 from \$51,337,503 to \$50,288,788.

The fixed-to-variable split was kept the same for all rate classes with the exception of the GS 50 to 4,999 kW rate class. In the partial settlement proposal, EnWin Utilities agreed to maintain the monthly fixed charge for the GS 50 to 4,999 kW rate class as it is already above the OEB's policy ceiling.²

OEB staff has reviewed the updates made by EnWin Utilities and is satisfied that they accurately reflect the recently released 2020 cost of capital parameters.

Retail Service Charges and Pole Attachment Charge

OEB staff notes that EnWin Utilities has accurately updated the Retail Service Charges and Pole Attachment Charge in the Tariff of Rates and Charges by increasing the 2019

¹ Letter of the OEB: 2020 Cost of Capital Parameters, issued October 31, 2019.

² EB-2019-0032, Settlement Proposal, September 24, 2019, page 28.

charges by the OEB's 2020 inflation factor of 2%, which was announced on October 31, 2019.³

All of which is respectfully submitted

³ For the 2020 Inflation Factor, see Ontario Energy Board 2020 Electricity Distribution Rate applications – October 31, 2019.