

DECISION AND ORDER

EB-2021-0019

ENWIN UTILITIES LTD.

Application for Rates and Other Charges to be Effective January 1, 2022

BEFORE: Allison Duff

Presiding Commissioner

Emad ElsayedCommissioner

February 3, 2022



TABLE OF CONTENTS

| 1 | | OVERVIEW | 1 |
|---|-----|--|---|
| 2 | | CONTEXT AND PROCESS | 2 |
| 3 | | DECISION | 4 |
| | 3.1 | CONFIDENTIAL TREATMENT OF TECHNICAL CONFERENCE | 4 |
| | 3.2 | AMENDMENT TO LARGE USE – 3TS SERVICE RATE CLASSIFICATION | 4 |
| 4 | | IMPLEMENTATION | 8 |
| 5 | | ORDER | 9 |

1 OVERVIEW

On August 18, 2021, ENWIN Utilities Ltd. (ENWIN Utilities) filed an Incentive Rate-Setting Mechanism application seeking Ontario Energy Board approval for:

- Distribution rates, retail transmission rates and other charges effective from January 1, 2022, including the disposition of amounts accumulated in certain deferral and variance accounts, and
- An amendment to the description for its Large Use 3TS Service rate classification to remove the 5,000 kW demand threshold.

The OEB decided to hear ENWIN Utilities' IRM application for 2022 rates in two phases. In Phase 1, distribution rates, retail transmission rates and other charges effective from January 1, 2022, and the disposition of amounts accumulated in certain deferral and variance accounts were approved by the OEB on a final basis on December 9, 2021.

In Phase 2, the OEB is hearing ENWIN Utilities' request to amend the description of its Large Use – 3TS Service rate classification to remove the current 5,000 kW demand threshold.

The OEB approves ENWIN Utilities' request to amend the description of the Large Use – 3TS Service rate classification. There are no impacts to the rates and charges for ENWIN Utilities' customers as a result of this decision. The OEB is providing ENWIN Utilities the opportunity to revise the name of the rate classification in the Order section of this decision.

2 CONTEXT AND PROCESS

In its Cost of Service application for 2020 rates¹, ENWIN Utilities proposed that the former Large Use – Ford Annex Service customer class be consolidated into the existing Large Use – 3TS Service customer class. The consolidation proposal from the 2020 Cost of Service application was premised on creating one consistent customer class for ENWIN Utilities' customers that are serviced by dedicated ENWIN Utilities-owned and operated transmission-connected transformer stations.

In that proceeding, intervenors that were parties to a partial Settlement Agreement were agreeable to the proposed customer class consolidation. The Settlement Proposal was approved by the OEB and incorporated in ENWIN Utilities' Tariff of Rates and Charges effective January 1, 2020.² To facilitate the consolidation of the Large Use – Ford Annex customer class into the Large Use – 3TS Service class, no adjustments to the Large Use – 3TS Service Classification description were proposed or required, as the existing customers being classified in the consolidated rate class satisfied the existing description.

All intervenors from ENWIN Utilities' 2020 rates Cost of Service application were approved as intervenors in Phase 2 of this proceeding. These parties include:

- Association of Major Power Consumers of Ontario (AMPCO),
- Consumers Council of Canada (CCC),
- School Energy Coalition (SEC), and
- Vulnerable Energy Consumers Coalition (VECC).

Customers in ENWIN Utilities' Large Use – Regular and Large Use – 3TS Service rate classifications were invited to seek intervenor status in Phase 2 of this proceeding. No such requests were received.

On January 13, 2022, the OEB held a Technical Conference where AMPCO, SEC, VECC and OEB staff asked questions regarding the evidence filed in this proceeding. A portion of the Technical Conference was held in camera. Two undertakings were committed to, and the responses were subsequently filed by ENWIN Utilities. One of these undertakings was filed under a claim of confidentiality.

¹ EB-2019-0032

² EB-2019-0032, Decision and Order, October 17, 2019

AMPCO filed its written submission with the OEB on January 26, 2022.

SEC, and VECC and OEB staff filed their written submissions with the OEB on January 27, 2022.

ENWIN Utilities filed its written reply submission with the OEB on January 31, 2022.

3 DECISION

3.1 Confidential Treatment of Technical Conference

On January 11, 2022, the OEB approved confidential treatment for certain portions of the evidence in this proceeding as it contained specific customer information, including load profiles and energy usage which could cause competitive harm if disclosed publicly.

On January 13, 2022, the OEB held a Technical Conference where OEB staff and intervenors asked questions regarding the evidence filed in this proceeding. A portion of this Technical Conference was held in camera to allow OEB staff and those intervenors who filed a Form of Declaration and Undertaking with the OEB to ask ENWIN Utilities questions of a confidential nature. Both the Technical Conference transcript and a subsequent undertaking response JTX1.2 were redacted as ENWIN Utilities sought confidential treatment for this information claiming that they contained customer specific information that could cause competitive harm.

Neither OEB staff nor approved intervenors objected to the confidential treatment of the transcript from the in camera portion of the Technical Conference or ENWIN Utilities' response to undertaking JTX1.2.

Findings

The OEB grants ENWIN Utilities' request for confidential treatment of its response to Technical Conference undertaking JTX 1.2 as well as certain parts of the Technical Conference transcript in pages 16, 19, 20, 22 and 41 through 49. This information relates to the load profiles and energy usage of specific customers. The OEB finds that this information is commercially sensitive, is similar to the previously approved confidential evidence, and the disclosure of which could cause competitive harm. This information shall remain redacted and access to this information shall only be provided to those who sign the OEB's Declaration and Undertaking.

3.2 Amendment to Large Use – 3TS Service Rate Classification

On August 18, 2021, ENWIN Utilities filed an Incentive Rate-Setting Mechanism application with the OEB. As part of this application, ENWIN Utilities sought an amendment to the description for its Large Use – 3TS Service rate classification to remove the 5,000 kW demand threshold.

The current description of the Large Use – 3TS Service customer class is as follows:

LARGE USE - 3TS SERVICE CLASSIFICATION

This classification applies to a customer whose monthly peak load, averaged over 12 consecutive months, is equal to or greater than 5,000 kW and the premise is serviced by a dedicated Transformer Station. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

ENWIN Utilities proposed that the OEB approve a modification to the description of the Large Use – 3TS Service customer class as follows:

LARGE USE - 3TS SERVICE CLASSIFICATION

This classification applies to a customer whose premise is serviced by a dedicated Transformer Station. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

ENWIN Utilities positioned this request to simplify the Large Use – 3TS Service rate classification by focusing on the main element of the rate classification, being service by a dedicated ENWIN Utilities-owned transformer station. ENWIN Utilities stated that it does not anticipate any additional customers entering the Large Use – 3TS Service rate classification because of the proposed amendment. ENWIN Utilities further stated that it has engaged with the customers of the Large Use – 3TS Service rate classification and has not been informed of any concerns relating to its proposed amendment.³

APMCO, SEC, and VECC were either supportive of or did not object to ENWIN Utilities' proposed amendment to its Large Use – 3TS Service rate classification description. VECC supported ENWIN Utilities' proposed amendment but submitted that the Large Use – 3TS Service rate classification description should be amended to clarify that the rate classification applies to those customers serviced by a dedicated transformer station connected to the transmission system.⁴ SEC submitted that the revised description should refer to customers serviced by a dedicated ENWIN Utilities-owned transmission connected transformer station.⁵

³ Application and Evidence, August 18, 2021

⁴ VECC Submission, January 27, 2022

⁵ SEC Submission, January 27, 2022

OEB staff supported the proposed description amendment yet suggested additional steps that ENWIN Utilities should take prior to its next cost of service application related to cost allocation, rate design and customer communication.

Findings

The OEB approves the proposed description of the Large Use – 3TS Service Classification under section 21(7) of the Ontario Energy Board Act, 1998 effective January 1, 2022 on a final basis.

The difference between the current and proposed descriptions is the removal from the current description of the threshold of 5,000 kW monthly peak load, averaged over 12 consecutive months. With the proposed description, the rate class would only apply to customers on the basis of being serviced by an ENWIN Utilities-owned and dedicated transformer station. This provides better alignment between customer classifications and the most significant cost driver of serving customers in each class.

The OEB finds that the proposed description would also simplify the Large Use – 3TS Service Classification description and differentiate it from the Large Use – Regular Service Classification which applies to customers whose peak load is equal to or greater than 5,000 kW.

No concerns have been expressed by affected ENWIN Utilities customers related to this proposed change. Also, ENWIN Utilities does not expect customers outside of the Large Use 3TS Service class to request access to a dedicated ENWIN Utilities-owned transformer station.

In reply submission, ENWIN Utilities responded to OEB staff submission and committed to undertaking a review of the cost allocation and rate design for the 3TS Service Classification and include the results of the review, including any proposed updates, in its next cost of service application. ENWIN Utilities also stated that, as part of its review of the Conditions of Service starting in 2022, it will further clarify the level of service provided to all of its service classifications, where required (which in this instance includes the level of service associated with the 3TS Service Classification), and it will notify customers of any proposed changes to the Conditions of Service as set out in the Distribution System Code.

The OEB is satisfied with ENWIN Utilities' proposed approach to OEB staff's suggestions. The OEB also agrees with ENWIN Utilities that updating its Conditions of Service to clarify what constitutes a "dedicated transformer station" is appropriate.

Regarding suggestions to further amend the rate class description by SEC and VECC, the OEB finds the proposed amended description is sufficient for the Tariff of Rates and Charges. ENWIN Utilities has the opportunity to provide further clarity to customers when updating its Conditions of Service.

Regarding the labelling of this rate class, the OEB suggests that it may be appropriate for ENWIN Utilities to change it from "Large Use – 3TS Service customers" to a more representative label based on the approved class definition in this proceeding. The reference to "Large" was associated with the 5,000 kW threshold which no longer exists. The 3TS is also not descriptive and it uses an acronym that assumes there will always be 3 customers.

The new definition of this rate class, as approved in this proceeding, as well as any proposed new label, shall be reflected in the proposed Tariff of Rates and Charges for OEB approval.

4 IMPLEMENTATION

ENWIN Utilities shall file with the OEB a revised Tariff of Rates and Charges, which reflects the approved Large Use – 3TS Service rate classification description as follows:

This classification applies to a customer whose premise is serviced by a dedicated Transformer Station. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

The revised Tariff of Rates and Charges to be filed with the OEB by ENWIN Utilities shall also reflect any new proposed label for the Large Use – 3TS Service rate classification.

The OEB shall issue a subsequent Decision with respect to the revised Tariff of Rates and Charges filed by ENWIN Utilities.

The OEB is making provision for cost eligible intervenors to file cost claims in this proceeding.

5 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

- 1. ENWIN Utilities Ltd. shall file with the OEB a revised Tariff of Rates and Charges with the new Large Use 3TS Service rate classification description and any proposed labelling for this rate classification by **February 10, 2022**.
- 2. Intervenors shall file with the OEB, and forward to ENWIN Utilities Ltd., their respective cost claims by **February 24, 2022**.
- 3. ENWIN Utilities Ltd. shall file with the OEB, and forward to intervenors, any objections to the claimed costs by **March 3, 2022**.
- 4. Intervenors shall file with the OEB, and forward to ENWIN Utilities Ltd., any responses to any objections for cost claims by **March 10, 2022**.
- 5. ENWIN Utilities Ltd. shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's Rules of Practice and Procedure.

Please quote file number, **EB-2021-0019**, for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the <u>OEB's online</u> filing portal.

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address
- Please use the document naming conventions and document submission standards outlined in the <u>Regulatory Electronic Submission System (RESS)</u> <u>Document Guidelines</u> found at the <u>Filing Systems page</u> on the OEB's website
- Parties are encouraged to use RESS. Those who have not yet <u>set up an account</u>, or require assistance using the online filing portal can contact registrar@oeb.ca for assistance

All communications should be directed to the attention of the Registrar at the address below and be received by end of business, 4:45 p.m., on the required date.

Email: registrar@oeb.ca

Tel: 1-877-632-2727 (Toll free)

DATED at Toronto February 3, 2022

ONTARIO ENERGY BOARD

Nancy Marconi Acting Registrar