



October 4, 2022

Ms. Nancy Marconi, Registrar
Ontario Energy Board
2300 Yonge Street, 27th floor
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Marconi,

**Re: ENWIN Utilities Ltd.
2023 IRM Rate Application, EB-2022-0027
Responses to Ontario Energy Board Staff Questions**

On September 27, 2022, ENWIN Utilities Ltd. (“**ENWIN**”) received written questions from Ontario Energy Board (“**OEB**”) Staff relating to ENWIN’s application under File No. EB-2022-0027. Attached to this letter you will find ENWIN’s written responses to OEB Staff’s written questions.

Please do not hesitate to contact me if you have any questions or concerns.

Sincerely,

ENWIN Utilities Ltd.

A handwritten signature in black ink, appearing to read "Claire Bebbington". The signature is fluid and cursive, written over a light blue horizontal line.

M. Claire Bebbington
Director Regulatory Affairs, General Counsel & Corporate Secretary
ENWIN Utilities Ltd.
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c.c. Musab Qureshi

**ENWIN Utilities Ltd.
EB-2022-0027**

Staff Question-1

Ref: IRM Rate Generator Model, Sheet 3 Continuity Schedule

Preamble:

ENWIN recorded a Closing Principal Balance as of December 31, 2020 Adjusted for Disposition during 2022 in Account 1580 of \$1,647,671. OEB staff also note that in ENWIN's 2022 IRM rate application, the Closing Principal Balance as of December 31, 2020 Adjusted for Disposition during 2022 in Account 1580 was a credit of \$999,967.

ENWIN recorded a Closing Principal Balance as of December 31, 2020 Adjusted for Disposition during 2022 in Account 1584 of \$3,477,701. OEB staff also note that in ENWIN's 2022 IRM rate application, the Closing Principal Balance as of December 31, 2020 Adjusted for Disposition during 2022 in Account 1584 was a credit of \$199,846.

Questions:

- a) Please explain the factors that have resulted in a substantial proposed balance in Account 1580 RSVA – Wholesale Market Service as compared to the balance in last year's application.

ENWIN Response

For clarity, ENWIN notes that the Closing Principal Balance of Account 1580 as of December 31, 2021, Adjusted for Dispositions during 2022, was a debit of \$1,647,671, while the Closing Principal Balance of Account 1580 as of December 31, 2020, Adjusted for Dispositions during 2021, was a credit of \$999,967. Including the CBR Class B sub-account balance, the Account 1580 2021 principal balance requested for disposition is a debit of \$1,462,309, compared to a credit of \$1,033,351 in the prior year.

The primary reason for the debit balance in Account 1580 at the end of 2021 was an increase in wholesale market service (WMS) charges assessed by the IESO in 2021 compared to revenues collected. As noted in the OEB's EB-2021-0300 Decision and Order, the weighted average of WMS charges billed by the IESO (including CBR) in the first ten months of 2021 was \$0.0041 per kilowatt-hour,¹ which was higher than the

¹ EB-2021-0300 Decision and Order, pp. 3-4.

2021 WMS rate (including CBR) charged to customers by electricity distributors of \$0.0034 per kilowatt-hour. As the WMS costs were higher than revenues in 2021, this resulted in a debit (recoverable) balance in Account 1580.

The EB-2021-0300 Decision and Order also noted that in 2020, the weighted average WMS charge assessed by the IESO (including CBR) was \$0.0029 per kilowatt-hour², which when compared against the 2020 WMS rate (including CBR) charged to customers of \$0.0034 per kilowatt-hour, would have driven a credit (refundable) balance in the account in the prior year.

b) Please explain the factors that have resulted in a substantial proposed balance in Account 1584 RSVA- Network as compared to the balance in last year's application.

ENWIN Response

For clarity, ENWIN notes that the Closing Principal Balance of Account 1584 as of December 31, 2021, Adjusted for Dispositions during 2022, was a debit of \$3,477,701, while the Closing Principal Balance of Account 1584 as of December 31, 2020, Adjusted for Dispositions during 2021, was a credit of \$199,846.

The primary reason for the debit balance in Account 1584 at the end of 2021 was an increase in wholesale transmission costs billed by the IESO compared to transmission revenues collected from customers. This was driven by an increase in the 2021 OEB-approved Uniform Transmission Rates (UTRs) compared to the UTRs upon which ENWIN's 2021 Retail Transmission Service Rates (RTSRs) were set.

ENWIN's 2021 Network RTSRs were based on a Network UTR of \$3.92 / kW, as approved in the EB-2020-0180 Decision.³ The actual Network UTRs approved by the OEB and billed by the IESO in 2021 were \$4.67 / kW from January – June 2021, and \$4.90 / kW for July – December 2021.⁴ This represents an average increase of approximately 22% compared to the Network UTR upon which ENWIN's 2021 Network RTSRs were set, which resulted in a debit (recoverable) balance in Account 1584. The accumulation of these differences in variance accounts until the new UTRs can be encompassed in the RTSRs ensures that customers continue to pay the true cost of transmission service over time.

² EB-2021-0300 Decision and Order, p. 4.

³ EB-2020-0017, ENWIN 2021 IRM Rate Application, 2021-IRM-Rate-Generator-Model_EnWin_20201210, Tab 11.

⁴ EB-2020-0251 Decision and Rate Order, p. 2; EB-2021-0176 Decision and Rate Order, p. 2.

In 2020, ENWIN notes that the UTRs upon which its RTSRs were set were more closely aligned with UTRs charged by the IESO, which led to a closer alignment between revenues and costs and a smaller balance in Account 1584.

Staff Question-2

Ref: Rate Generator Model, Tab 17. Regulatory Charges, Cell D33

Preamble:

On September 8, 2022, the Ontario Energy Board issued its Decision and Order in the above-noted proceeding which approved the Smart Meter Entity Charge (SME) to be levied and collected by the Independent Electricity System Operator, in its capacity as the Smart Metering Entity, effective January 1, 2023. The new SME is \$0.42 per smart meter per month, a reduction from the previous interim SME of \$0.43 per smart meter per month. OEB staff has updated the data in cell D33 to reflect the approved SMC of \$0.42 shown below:

Smart Meter Entity Charge (SME)

Smart Meter Entity Charge (SME)	\$	0.42
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Question:

- a) Please confirm that the model included in these staff questions reflects this update.

ENWIN Response

ENWIN confirms that the SME Charge has been updated on Tab 17. Regulatory Charges and Tab 20. Bill Impacts of the 2023 IRM Rate Generator Model. The updated SME charge will also need to be flowed through to Tab 19. Final Tariff Schedule when the 2023 IRM Rate Generator Model is finalized.