



October 18, 2024

via RESS

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.
2025 IRM Rate Application, EB-2024-0019
Responses to Ontario Energy Board Staff Interrogatories**

On October 4, 2024, ENWIN Utilities Ltd. (“**ENWIN**”) received written interrogatories from Ontario Energy Board (“**OEB**”) Staff relating to ENWIN’s 2025 IRM Rate Application under File No. EB-2024-0019.

Attached to this letter, you will find ENWIN’s written responses to OEB Staff’s written interrogatories. ENWIN has also provided an updated 2025 IRM Rate Generator Model (“**Appendix B**”) encompassing updates resulting from the written interrogatories.

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".

Ms. Claire Bebbington
Director, Regulatory Affairs
ENWIN Utilities Ltd.
(519) 251-7300 ext 886
regulatory@enwin.com

c.c. Oluwole (Wolly) Bibiresanmi, OEB Staff
Ljuba Djurdjevic, OEB Counsel

OEB Staff Interrogatories Responses

ENWIN Utilities Ltd. EB-2024-0019

Please note, that ENWIN Utilities Ltd. (ENWIN Utilities) is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff interrogatories and any other supporting documentation, 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*.

1-Staff-1

Total Bill Impact

Ref: ENWIN 2025 IRM Rate Generator Model, Tab 21

On Tab 21 in the Retail Transmission Service Rates Network Cells M104, M160, M216, M272, and M328, OEB staff noticed a total bill impact change greater than 10% above the threshold.

Question(s):

- a) Please explain the reason for these variances.

ENWIN Response

ENWIN incurs wholesale electricity transmission costs charged through Uniform Transmission Rates ("UTRs") and passes on these costs to customers through Retail Transmission Service Rates ("RTSRs"). RTSRs are calculated to recover the forecast of future wholesale transmission costs. The increase in RTSR Network Rates from current to proposed is primarily due to an increase in the UTR Network rate compared to that embedded in ENWIN's current 2024 RTSRs. ENWIN's 2024 RTSRs assumed a UTR Network rate of \$5.76 / kW, while the current forecast UTR Network Rate for 2025 is \$6.12 / kW.

- b) Please explain if mitigation plans are mapped out to be taken if the variances continue to grow further.

ENWIN Response

ENWIN is charged UTRs for the cost of wholesale electricity transmission and subsequently recovers this cost from its customers through RTSRs. Therefore, the revenue ENWIN generates from RTSRs is strictly a pass-through cost to recover charges incurred through UTRs and does not generate a profit.

UTRs are reviewed through Electricity Transmission rate applications and approved by the

OEB. As noted in response to 1-Staff-1 a), the main driver of increasing RTS Network Rates is increased actual and forecasted UTR Network charges. Since RTSRs are designed to recover UTR charges, mitigating RTSR increases would require mitigation of UTR costs incurred by ENWIN.

Additionally, while the bill impact change observed on Tab 21 in ENWIN’s 2025 IRM Rate Generator Model for RTSR-Network charges in cells M104, M160, M216, M272, and M328 is greater than 10%, it is important to note that RTSR-Network charges represent only a portion of total bill charges. The total bill impact for all rate class is expressed in cells O55:O64 and are well under the OEB’s 10% threshold.¹ Therefore, no mitigation plans are necessary.

1-Staff-2

Interest Adjustments during 2023

Ref: ENWIN 2025 IRM Rate Generator Model, Tab 3

In the noted reference, ENWIN Utilities adjusted Interest in Account 1595 for the years 2022 and 2023 as shown in Table 1 below:

Table 1: 2022 and 2023 Interest Adjustments

Account Descriptions	Account Number	Interest Adjustments ¹ during 2023
Group 1 Accounts		
LV Variance Account	1550	0
Smart Metering Entity Charge Variance Account	1551	0
RSVA - Wholesale Market Service Charge ⁵	1580	0
Variance WMS – Sub-account CBR Class A ⁵	1580	0
Variance WMS – Sub-account CBR Class B ⁵	1580	0
RSVA - Retail Transmission Network Charge	1584	0
RSVA - Retail Transmission Connection Charge	1586	0
RSVA - Power ⁴	1588	0
RSVA - Global Adjustment ⁴	1589	0
Disposition and Recovery/Refund of Regulatory Balances (2021) ³	1595	0
Disposition and Recovery/Refund of Regulatory Balances (2022) ³	1595	25,592
Disposition and Recovery/Refund of Regulatory Balances (2023) ³	1595	1,929
Disposition and Recovery/Refund of Regulatory Balances (2024) ³		

Question(s):

- a) Please confirm, and provide reasoning, for the adjustments.

ENWIN Response

ENWIN confirms the adjustments as shown in Table 1 are correct. The rate riders for the associated 1595 accounts have fully depleted the principal component of both accounts. The remaining rate riders are then used to draw down the interest component. ENWIN’s practice has been to reflect the draw down of the interest component in the “Interest Adjustments” column. This approach does not impact the ending account balances.

¹ OEB Chapter 3 Filing Requirements, Section 3.2.3.

Please refer to OEB Staff Question-2 from ENWIN's responses to OEB Staff questions dated October 4, 2021² from EB-2021-0019 for further information regarding this practice.

With respect to the specific interest adjustments highlighted in Table 1:

- For 2022, the \$25,592 relates to Group 1 rate rider customer billings attributed to the disposition of interest, as the Group 1 principal balance for disposition has been drawn down to zero.
- For 2023, the \$1,929 relates to Group 1 rate rider customer billings attributed to the disposition of interest, as the Group 1 principal balance for disposition has been drawn down to zero.

1-Staff-3

Account 1508: Other Regulatory Assets balance

Ref: Manager's Summary, Page 24

In the reference, ENWIN Utilities states that as the customer has now fully ceased operations, no new principal amounts will be added to the account, and the final principal balance has been audited. ENWIN Utilities therefore requests that the Account 1508 Other Regulatory Assets balance be approved for disposition on a final basis in this proceeding and then be closed.

Question(s):

- a) Please confirm ENWIN Utilities' planned disposition approach for the remaining Group 2 accounts balances.

ENWIN Response

ENWIN plans to dispose of its remaining Group 2 accounts in its next Cost of Service application scheduled for the 2028 rate year.

- b) Please explain ENWIN Utilities' strategy for eliminating the impact of intergenerational inequity in its distribution since the balances accumulated between 2020 to 2024.

ENWIN Response

Account 1508, Other Regulatory Assets, Subaccount Deferred Lost Customer Distribution Revenue was established in the EB-2019-0032 proceeding and balances accumulated between 2020 until the end of 2023 when the customer's operations concluded.

To reduce the impact of intergenerational inequity in the distribution of this

² <https://www.rds.oeb.ca/CMWebDrawer/Record/727281/File/document>

account, ENWIN has proposed to distribute the balance of this account amongst rate classes based on the rate classes' proportion of total usage as measured in the most recent reporting year (2023 RRR 2.1.5). This approach aligns with the method ENWIN most recently used to dispose of Group 2 accounts in its last Cost of Service proceeding (EB-2019-0032).

Additionally, disposing of this account balance in ENWIN's 2025 IRM Rate Application (EB-2024-0019) as opposed to waiting until its next Cost of Service proceeding in the 2028 rate year helps to reduce intergenerational inequity by minimizing the time between when the funds were collected and disposed of.

1-Staff-4

Account 1595 for 2022 and 2023

Ref 1: 2024 ENWIN IRM Rate Generator Model, Tab 3

Ref 2: 2025 ENWIN IRM Rate Generator Model, Tab 3

In Reference 1 and 2, the OEB-approved disposition during 2022 and 2023 appears to be missing from the Rate Generator Model's Account 1595 for year 2024 as shown in Table 2:

Table 2: 2022 and 2023 OEB-Approved Disposition

Year	OEB- Approved Disposition in 2022 \$	OEB- Approved Disposition in 2023 \$	Remarks
	EB-2022-0027	EB-2023-0017	Total
2022	3,397,131		-
2023		7,192,879	Approval excludes Account 1595

Question(s):

- a) Please confirm if the OEB's approved disposition was posted to Account 1595. If it was, please indicate where the amount can be located. If it was not posted, please provide reasoning as to why.

ENWIN Response

ENWIN confirms the OEB approved disposition amounts were posted into Account 1595 for each respective year.

Please note the values in the “Year” column in Table 2 are incorrect:

- \$3,397,131 reflects the OEB-Approved Principal Disposition that occurred in 2023 (excluding the LRAMVA). Including the LRAMVA principal disposition of \$(14,523), the overall Principal balance for disposition was \$3,382,608, which can be seen within Sub-account 1595 (2023) on Tab 3 in the 2025 IRM Rate Generator Model.
 - See cell BE36
- \$7,192,879 reflects the OEB-Approved Principal Disposition to occur in 2024 (excluding Sub-accounts 1595 (2018) and 1595(2020)). Tab 3 in the 2025 IRM Rate Generator Model reflects balances as of December 31, 2023, which is why the balance within Sub-account 1595 (2024) remains at zero.
 - However, see cells BM22:BM29 for the principal disposition amounts, which are populated for purposes of deriving the Closing Balances as of December 31, 2023, excluding amounts already approved for disposition, which sum to \$7,192,879.
- As of January 1, 2024, the amounts approved for disposition in EB-2023-0017 have been posted to Sub-account 1595 (2024), which will be shown in the Continuity Schedule of next year’s IRM Rate Generator Model.

1-Staff-5

Ref 1: Manager’s Summary, Page 24

On September 13, 2024, the OEB published the 2024 Quarter 4 prescribed accounting interest rates applicable to the carrying charges of deferral, variance and construction work in progress (CWIP) accounts of natural gas utilities, electricity distributors and other rate-regulated entities.

Question(s):

- a) Please update Tab 3 (Continuity Schedule) as necessary to reflect the Q4 2024 OEB-prescribed interest rate of 4.40%.

ENWIN Response

ENWIN has updated Tab 3 in its 2025 IRM Rate Generator Model to reflect this update.

The update model is attached as file titled: “ENWIN_Appendix B_2025-IRM-Rate-Generator-Model_20241018”

- b) Please update Table 8 (1508 Large Use Deferral Account Continuity) in Reference 1, using the Q4 2024 OEB-prescribed interest rate of 4.40%.

ENWIN Response

ENWIN has updated Table 8 from its Manager’s Summary to reflect this update below.

Year	Opening Balance	Transactions	Interest	Closing Balance
	DR / (CR)	DR / (CR)	DR / (CR)	DR / (CR)
2020	\$0	(\$218,335)	(\$905)	(\$219,240)
2021	(\$219,240)	(\$11,328)	(\$1,277)	(\$231,845)
2022	(\$231,845)	(\$11,478)	(\$4,549)	(\$247,872)
2023	(\$247,872)	(\$13,881)	(\$12,515)	(\$274,267)
2024	(\$274,267)	\$0	(\$13,121)	(\$287,388)
Total Principal				(\$255,022)
Total Interest				(\$32,366)
Total Balance Requested for Disposition				(\$287,388)

ENWIN has also updated the rate rider calculation below to reflect this revised balance and populated these rates on Tab 19 of the updated 2025 IRM Rate Generator Model.

Rate Class	Total Metered kWh		Balance Allocated to
	2023 RRR 2.1.5	% of Total kWh	Each Rate Class
			DR / (CR)
Residential	617,054,533	29.54%	(\$84,892)
GS < 50 kW	251,635,655	12.05%	(\$34,619)
GS 50 - 4999 kW	826,768,161	39.58%	(\$113,743)
Large Use - Regular	188,323,924	9.02%	(\$25,909)
Dedicated TS	195,544,001	9.36%	(\$26,902)
Unmetered	2,311,200	0.11%	(\$318)
Sentinel	690,257	0.03%	(\$95)
Street Light	6,620,372	0.32%	(\$911)
			(\$287,388)

Rate Class	Balance Allocated to Each Rate Class	Charge Determinant	Unit	Group 2
				Deferral/Variance Account Rate Rider (2025)
	DR / (CR)			DR / (CR)
Residential	(\$84,892)	82,208	# of Customers	(\$0.09)
GS < 50 kW	(\$34,619)	251,635,655	kWh	(\$0.0001)
GS 50 - 4999 kW	(\$113,743)	2,075,751	kW	(\$0.0548)
Large Use - Regular	(\$25,909)	371,859	kW	(\$0.0697)
Dedicated TS	(\$26,902)	371,189	kW	(\$0.0725)
Unmetered	(\$318)	2,311,200	kWh	(\$0.0001)
Sentinel	(\$95)	1,920	kW	(\$0.0495)
Street Light	(\$911)	19,106	kW	(\$0.0477)

1-Staff-6

Ref 1: Chapter 3 - Filing Requirements for Electricity Distribution Rate Applications Filed in 2024 for Rates Taking Effect in 2025, June 18, 2024, Pg. 16

Ref 2: 2025 IRM Rate Generator Model

Chapter 3 of the Filing Requirements in Reference 1 specifies that, when the OEB approves the disposition of Deferral and Variance Account (DVA) balances, the approved principal amounts and carrying charges are to be transferred to Account 1595 for the applicable rate year.

OEB staff observes that the principal and interest amount in Sub-account 1595 (2024) in Reference 2 do not match the total amounts approved by the OEB for disposition.

Question(s):

- a) Please confirm OEB staff's observation.
 - i. Please provide an explanation for the discrepancy and revise the schedule as applicable.

ENWIN Response

The Continuity Schedule in Tab 3 of the 2025 IRM Rate Generator Model is designed to be as of December 31, 2023. The balances within Sub-account 1595 (2024) do not begin until January 1, 2024. Given this timing, it has been ENWIN's past practice to populate the principal and interest balances within a 1595 sub-account once the year is fully reflected in the Continuity Schedule. Therefore, Sub-account 1595 (2024) will be populated in the Continuity Schedule of next year's IRM Rate Generator Model, which will reflect activity up to December 31, 2024.

The total OEB- approved disposition amounts in EB-2023-0017 were \$7,228,211 principal and \$43,784 interest. These amounts (excluding Sub-accounts 1595 (2018) and 1595 (2020) total amounts of \$(53,151) and \$(343,461), respectively) are encompassed within Tab 3 of the 2025 IRM Rate Generator Model under columns "Principal Disposition during 2024 – instructed by OEB" and "Interest Disposition during 2024 – instructed by OEB" for purposes of deriving the Closing Balances as of December 31, 2023 excluding amounts already approved for disposition.

Please see response to 1-Staff-4 above for further information.

1-Staff-7

Ref 1: Manager's Summary, Page 24

In Reference 1, ENWIN Utilities requests to dispose of and discontinue Account 1508, Sub-Account Deferred Lost Customer Distribution Revenue, given that the specific large-use customer has now fully ceased operations and no new principal amounts will

be added to this account.

OEB staff notes there are no transactions recorded in this account for 2024 activities.

Question(s):

- a) Please clarify when this customer fully ceased operations.

ENWIN Response

There were two accounts associated with this customer; a Large Use Regular account which was closed in November 2020 and a GS < 50 account which was closed in November 2023. Therefore, the customer fully ceased operations in November 2023.

- i. If the customer ceased operations during 2024, please confirm that ENWIN Utilities would not seek the disposition of 2024 transaction costs, given that ENWIN Utilities has requested the discontinuance of this 1508 Sub-Account in this application.

ENWIN Response

Not applicable – please see response to part a) above.