



November 15, 2024

via RESS and Email

Ms. Nancy Marconi, Registrar  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
P.O. Box 2319  
Toronto, ON M4P 1E4

Dear Ms. Marconi,

**RE: 2025 IRM Rate Application, EB-2024-0019  
ENWIN Utilities Ltd.'s Reply Submission**

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Pursuant to the Ontario Energy Board's ("OEB") Procedural Order No. 1 dated September 24, 2024, please find enclosed ENWIN Utilities Ltd.'s reply submission in the above-referenced proceeding, which have been filed in the Regulatory Electronic Submission System ("RESS") and delivered to the individuals listed below by email.

Thank you for considering ENWIN Utilities Ltd.'s reply submission, and 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, with the first name being the most prominent.

Ms. Claire Bebbington  
Director, Regulatory Affairs

Cc: Oluwole (Wolly) Bibiresanmi, OEB Case Manager  
Ljuba Djurdjevic, OEB Counsel

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ENWIN Utilities Ltd.

4545 Rhodes Drive | PO Box 1625 Station A | Windsor ON N8W 5T1 | 519-251-7300

**EB-2024-0019**

**ONTARIO ENERGY BOARD**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule B) as amended (the “Act”);

**AND IN THE MATTER OF** an Application by ENWIN Utilities Ltd. for an Order or Orders pursuant to section 78 of the Act approving or fixing a proposed schedule of distribution rates, retail transmission rates and other charges, effective January 1, 2025.

**ENWIN UTILITIES LTD.  
REPLY SUBMISSIONS**

**November 15, 2024**

**A. INTRODUCTION**

1. On August 15, 2024, ENWIN Utilities Ltd. (“ENWIN”) filed an incentive rate-setting mechanism (“IRM”) application (the “Application”) with the Ontario Energy Board (“OEB”) pursuant to section 78 of the *Ontario Energy Board Act, 1998*, seeking approval of its proposed distribution rates, retail transmission rates and other charges effective January 1, 2025, including the disposition of amounts accumulated in a Group 2 deferral and variance account referred to as the Deferred Lost Customer Distribution Revenue Account.<sup>1</sup>
2. The OEB issued its Notice of Hearing for ENWIN’s 2025 IRM Application on September 4, 2024.<sup>2</sup> Pursuant to Procedural Order No.1 issued by the OEB on September 24, 2024,<sup>3</sup> OEB Staff filed its written submission on November 1, 2024.<sup>4</sup> This represents ENWIN’s reply to the submission it received from OEB Staff.

**B. REPLY TO THE SUBMISSION**

3. OEB Staff supports ENWIN’s proposed price cap adjustment and requested adjustments to its Retail Transmission Service Rates (“RTSRs”).<sup>5</sup> Therefore, and for the reasons set out in the Application, ENWIN requests that its proposed distribution rates, retail transmission rates and other charges be approved effective January 1, 2025.
4. As a condition of ENWIN’s Cost of Service deferral approval,<sup>6</sup> ENWIN was required to file a proposal in its 2025 IRM Application for clearance of any balances accumulated in its Deferred Lost Customer Distribution Revenue Account established in the EB-2019-0032<sup>7</sup> proceeding to account for the eventual loss of revenues related to a large customer.

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<sup>1</sup> EB-2024-0019 – ENWIN’s 2025 IRM Rate Application dated August 15, 2024.

<sup>2</sup> EB-2024-0019 - OEB’s Notice of Hearing dated September 4, 2024

<sup>3</sup> EB-2024-0019 - OEB’s Procedural Order No. 1 dated September 24, 2024

<sup>4</sup> OEB Staff Submission dated November 1, 2024

<sup>5</sup> OEB Staff Submission dated November 1, 2024, page 1

<sup>6</sup> EB-2024-0019 - OEB March 5, 2024 Letter Approving Deferral Request

<sup>7</sup> EB-2019-0032 - [ENWIN Utilities Ltd. 2020 Cost of Service](#)

OEB Staff support ENWIN's request to dispose of this account in the credit amount of \$287,388 over a one-year period and the closure of the account after disposition.<sup>8</sup> Therefore, ENWIN submits that the proposed disposition and subsequent closure of this account (upon transfer of the balance to Account 1595 for disposition) should be approved.

5. OEB Staff is of the view that ENWIN should allocate the balance of the Deferred Lost Customer Distribution Revenue Account to each rate class based on the distribution revenues of ENWIN's last Cost of Service application and then allocate it within each rate class based on kWh (i.e. use kWh as the billing determinant for each rate class).<sup>9</sup> OEB staff notes that this allocation method reflects the principle of cost causation, and that the same allocation method was approved for Niagara-on-the-Lake Hydro Inc.'s revenue variance account in the OEB decision for EB-2018-0056.<sup>10</sup>
6. ENWIN supports utilizing an allocation methodology that both reflects the principle of cost causation and aligns with previous OEB decisions related to similar accounts. Therefore, ENWIN agrees to allocate the account balance to each rate class using the distribution revenues approved in its EB-2019-0032 proceeding. However, ENWIN proposes to utilize billing determinants consistent with those ENWIN has used for other Group 2 rate riders, which is also consistent with the ultimate approach used in the Niagara-on-the-Lake Hydro Inc. example cited by OEB Staff.
7. The rate rider derivation originally approved in EB-2018-0056 was subsequently amended in EB-2023-0041 for the same reason, namely, consistency with billing determinants used for other Group 2 rate riders. As a result, the accounting order approved in EB-2023-0041 states "[t]he rate rider will be determined by allocating the balance of the variance account across customer classes based on customer class revenue. Within each customer class it

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<sup>8</sup> OEB Staff Submission dated November 1, 2024, page 3

<sup>9</sup> OEB Staff Submission dated November 1, 2024, page 3

<sup>10</sup> EB-2018-0056 - Decision and Order, April 11, 2019, Appendix I - Draft Accounting Order for Specified Customer Revenue Variance Account.

will be allocated across customers based on allocators consistent with the disbursement of other Group 2 balances.”<sup>11</sup>

8. Therefore, ENWIN submits that the same allocation methodology approved by the OEB for the revenue variance account in EB-2023-0041 should apply in this case to ensure the balance of the Deferred Lost Customer Distribution Revenue Account is allocated in a manner consistent with the disbursement of other Group 2 balances. Specifically, the balance of this account should be allocated across customers within each customer class based on the following allocators:
- Residential Service Classification - a fixed rate per customer;
  - General Service less than 50kW Service Classification - based on kWh;
  - General Service 50 to 4,999 kW Service Classification - based on kW;
  - Large Use – Regular Service Classification - based on kW;
  - Dedicated Transformer Station Service Classification - based on kW;
  - Unmetered Scattered Load Service Classification - a fixed rate per connection;
  - Sentinel Lighting Service Classification - a fixed rate per connection; and
  - Street Lighting Service Classification - a fixed rate per connection.
9. Based on the foregoing, ENWIN has updated Tables 8 through 10 from its Manager's Summary to reflect the revised Group 2 rate rider calculations for approval by the OEB.

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<sup>11</sup> EB-2023-0041 - Decision and Order, September 21, 2023, Schedule B – Accounting Order for Large Use Customer Revenue Variance Account

*Table 8R - Account 1508, Other Regulatory Assets, Subaccount Deferred Lost Customer*

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)

*Table 9R – Allocation to Rate Classes*

Rate Class	Distribution Revenue	% of Distribution	Balance Allocated to
	EB-2019-0032 <sup>(1)</sup>	Revenue	Each Rate Class
			DR / (CR)
Residential	25,251,685	50.21%	(\$144,307)
GS < 50 kW	5,782,634	11.50%	(\$33,046)
GS 50 - 4999 kW	13,035,482	25.92%	(\$74,495)
Large Use - Regular	1,424,620	2.83%	(\$8,141)
Dedicated TS	3,084,504	6.13%	(\$17,627)
Unmetered	94,012	0.19%	(\$537)
Sentinel	75,680	0.15%	(\$432)
Street Light	1,540,173	3.06%	(\$8,802)
			(\$287,388)

Note (1): EB-2019-0032, Revenue Requirement Workform, November 21, 2019, Tab 13, total Class Revenue Requirement, <https://www.rds.oeb.ca/CMWebDrawer/Record/659751/File/document>

*Table 10R – Deferred Lost Customer Distribution Revenue Account Rate Rider Calculation*

Rate Class	Balance Allocated to Each Rate Class DR / (CR)	Charge Determinant	Unit	Group 2 Deferral/Variance Account Rate Rider (2025)
				DR / (CR)
Residential	(\$144,307)	82,208	# of Customers	(\$0.15)
GS < 50 kW	(\$33,046)	251,635,655	kWh	(\$0.0001)
GS 50 - 4999 kW	(\$74,495)	2,075,751	kW	(\$0.0359)
Large Use - Regular	(\$8,141)	371,859	kW	(\$0.0219)
Dedicated TS	(\$17,627)	371,189	kW	(\$0.0475)
Unmetered	(\$537)	745	Per Connection	(\$0.06)
Sentinel	(\$432)	476	Per Connection	(\$0.08)
Street Light	(\$8,802)	24,975	Per Connection	(\$0.03)

**C. CONCLUSION**

10. ENWIN requests that the following be approved:

- Proposed distribution rates, retail transmission rates and other charges effective January 1, 2025.
- The proposed disposition of Account 1508 Subaccount – Deferred Lost Customer Distribution Revenue in the credit balance of \$287,388 over a one-year period, using the rate riders outlined in Table 10R above.
- The proposed closure of Account 1508 Subaccount – Deferred Lost Customer Distribution Revenue following disposition.

All of which is respectfully submitted this 15<sup>th</sup> day of November, 2024.

ENWIN Utilities Ltd.



Ms. Claire Bebbington  
 Director, Regulatory Affairs