



**EB-2008-0227**

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

**AND IN THE MATTER OF** an application by ENWIN  
Utilities Ltd. for an order approving just and  
reasonable rates and other charges for electricity  
distribution to be effective May 1, 2009.

## **PROCEDURAL ORDER NO. 2**

ENWIN Utilities Ltd. ("ENWIN" or the "Applicant") filed an application with the Ontario Energy Board, received on September 18, 2008 under section 78 of the *Ontario Energy Board Act*, 1998, seeking approval for changes to the rates that ENWIN charges for electricity distribution, to be effective May 1, 2009. The Board has assigned the application File Number EB-2008-0227. The Board issued a Notice of Application and Hearing dated October 1, 2008.

Procedural Order No. 1 was issued on November 14, 2008, declaring that the Board would proceed by way of an oral hearing, approving the intervention list and setting the date for an Issues Conference. The Issues Conference was held on November 21, 2008, and parties agreed on a proposed Issues List.

Procedural Order No. 1 also addressed the Applicant's request for confidentiality in relation to its Load Forecast (Exhibit 3-2-2 "Throughput Revenue, Weather Normalized Forecast Methodology"). The Board ordered that the Applicant file a redacted version of the exhibit and provide it to all parties. This was done on November 17, 2008. Parties were to file any objections to the confidentiality request by November 21, 2008. No objections were filed.

The Board has determined that the non-redacted version of the exhibit will be kept confidential. Any person who is counsel of record for or a consultant to a party to this proceeding that wishes to have access to the non-redacted version of the exhibit, will be

required to execute a Declaration and Undertaking, the form of which can be found at Appendix D to the Board's Practice Direction on Confidential Filings. The Declaration and Undertaking must be filed with the Board and a copy provided to the Applicant. Requests for confidential filings are to be addressed to and administered by the Board.

The Board considers it necessary to make provision for the following procedural matters. Please be aware that further procedural orders may be issued from time to time.

**THE BOARD ORDERS THAT:**

1. The Issues List for this proceeding, attached as Appendix A, is approved and the Issues Day, originally planned for November 28, 2008 is not required.
2. Parties who wish information and material from the applicant that is in addition to the evidence filed with the Board, and that is relevant to the hearing, shall request it by written interrogatories filed with the Board. Board staff shall submit their interrogatories on or before Friday, December 5, 2008. Intervenors shall submit their interrogatories on or before Wednesday, December 10, 2008. Where possible, the questions should specifically reference the pre-filed evidence.
3. The applicant shall file with the Board complete responses to the interrogatories and deliver them to the intervenors no later than Friday, January 9, 2009.
4. Any intervenors that wish to file evidence shall inform the Board, the applicant and other parties of this intention no later than Friday, January 16, 2009.
5. A Settlement Conference will be convened on Monday, February 2, 2009, starting at 9:30 a.m., with the objective of reaching a settlement among the parties on the issues. The Settlement Conference will be held at 2300 Yonge Street, Toronto in the Board's ADR room on the 25th Floor.
6. Any Settlement Proposal arising from the Settlement Conference shall be filed with the Board on Friday, February 13, 2009. The Settlement Proposal should contain a list of any unsettled issues, identifying those issues that the parties believe must be dealt with by way of oral hearing.

7. Any Settlement Proposal will be reviewed by the Board on Thursday, February 19, 2009 at 9:30 a.m. in the Board's West hearing room on the 25th Floor at 2300 Yonge Street, Toronto.
8. The oral hearing in this proceeding will begin on Tuesday, February 24, 2009 at 9:30 a.m. in the Board's West hearing room on the 25th Floor at 2300 Yonge Street, Toronto. Due to prior commitments, the Board will not sit on Wednesday, February 25, 2009 or Thursday February 26, 2009.

All filings to the Board must quote file number EB-2008-0227, be made through the Board's web portal at [www.errr.oeb.gov.on.ca](http://www.errr.oeb.gov.on.ca), and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Please use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca). If the web portal is not available you may email your document to the address below. Those who do not have internet access are required to submit all filings on a CD or diskette in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

**Address**

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

Attention: Board Secretary  
E-mail: [Boardsec@oeb.gov.on.ca](mailto:Boardsec@oeb.gov.on.ca)  
Tel: 1-888-632-6273 (toll free)  
Fax: 416-440-7656

**DATED** at Toronto, November 28, 2008

**ONTARIO ENERGY BOARD**

*Original signed by*

Kristen Walli  
Board Secretary

**APPENDIX A**

**EB-2008-0227**

**ENWIN Utilities Ltd.**

**Distribution Rates Application**

**November 28, 2008**

ENWIN Utilities Ltd.

2009 Distribution Rates Application Proceeding EB-2008-0227

Approved Issues List: November 28, 2008

**1. ADMINISTRATION (Exhibit 1)**

- 1.1 Has ENWIN responded appropriately to all relevant Board directions and settlement agreements from previous proceedings?

**2. RATE BASE (Exhibit 2)**

- 2.1 Are the amounts proposed for Rate Base appropriate?
- 2.2 Are the amounts proposed for 2009 Capital Expenditures appropriate?
- 2.3 Are the 2009 sustaining/infrastructure capital expenditures proposed for the test year justified and appropriate, in particular the 4kv Conversion program and the Comprehensive ERP System?
- 2.4 Has the Working Capital Allowance been determined appropriately?
- 2.5 Does the asset condition information adequately address the condition of the distribution system assets and support the planning and budgeting for OMA and Capital expenditures for 2009?
- 2.6 Is ENWIN's overhead Capitalization Policy appropriate?

**3. REVENUE REQUIREMENT (Exhibit 3)**

- 3.1 Is the calculation of the proposed revenue requirement for 2009 appropriate?
- 3.2 Is the proposed amount for 2009 Other Revenues, including Corporate and Shared Services appropriate? Is the methodology used to cost and price these services appropriate?
- 3.3 Are the proposed Specific Service Charges for 2009 appropriate?
- 3.4 Are ENWIN's Economic and Business Planning Assumptions for 2009 appropriate?
- 3.5 Is the load forecast and methodology appropriate including the weather normalization methodology?
- 3.6 Has the impact of Conservation and Demand Management initiatives been suitably reflected in the load forecast?
- 3.7 Is the Revenue Deficiency calculation for the test year appropriate? (Exhibit 7)

**4. COST OF SERVICE (Exhibit 4)**

- 4.1 Are the overall levels of the 2009 Operation, Maintenance and Administration budgets appropriate?
- 4.2 Are the proposed Purchased Services and Shared Services appropriate?
- 4.3 Are the methodologies used to allocate Corporate and Shared Services appropriate?  
Are the Affiliate Service Agreements appropriate?
- 4.4 Are the 2009 Human Resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate?
- 4.5 Is ENWIN's depreciation expense appropriate?
- 4.6 Are the amounts proposed for 2009 capital and property taxes appropriate?
- 4.7 Is the amount proposed for 2009 Payments in Lieu of Taxes, including the methodology, appropriate?

**5. REGULATORY ASSETS (Exhibit 5)**

- 5.1 Is the proposal for the amounts, disposition and continuance of ENWIN's existing Deferral and Variance Accounts (Regulatory Assets) appropriate?

**6. COST OF CAPITAL/DEBT (Exhibit 6)**

- 6.1 Is the proposed Capital Structure and Rate of Return on Equity for ENWIN's distribution business appropriate?
- 6.2 Are ENWIN's proposed costs and mix for its short and long-term debt for the 2009 test year appropriate?

**7. COST ALLOCATION AND RATE DESIGN (Exhibit 8)**

- 7.1 Is ENWIN's cost allocation appropriate?
- 7.2 Are the proposed revenue to cost ratios appropriate?

**8. RATE DESIGN (Exhibit 10)**

- 8.1 Are customer charges and the fixed-variable splits for each class appropriate?
- 8.2 Are ENWIN's proposed rates appropriate?
- 8.3 Are the customer bill impacts appropriate?
- 8.4 Is the proposed rate impact mitigation plan reasonable?
- 8.5 Are the proposed Retail Transmission Service Rates appropriate? (Exhibit 3)
- 8.6 Are the proposed Loss Factors appropriate? (Exhibit 4)
- 8.7 Are the proposed Regulatory Asset (Deferral and Variance Account) rate riders appropriate? (Exhibit 5)
- 8.8 Is the Smart Meter rate adder change appropriate? (Exhibit 5)

**9. OTHER ISSUES**

- 9.1 Is the LRAM and SSM Proposal appropriate? (Exhibit 9)
- 9.2 Is service quality in relation to the OEB specified performance indicators acceptable?