



EB-2012-0025

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 Milton
Hydro Distribution Inc. for an order or orders to dispose
Account 1562 – Deferred Payments in Lieu of Taxes
("Deferred PILS").

BEFORE: Karen Taylor
Presiding Member

Cynthia Chaplin
Vice Chair and Member

DECISION AND FINAL RATE ORDER

April 26, 2012

Background

On December 23, 2010, the Board issued its Decision on the Combined PILS proceeding EB-2008-0381 ("Combined PILS Decision"). The Board indicated that the remaining distributors will be expected to apply for final disposition of Deferred PILS with their next general rates application, either IRM or cost of service.

The Board also indicated in the Combined PILS Decision that if the distributor files evidence in accordance with the various decisions made in the course of the Combined PILS proceeding, including the use of the updated SIMPIL model, the determination of the final account balance will be handled expeditiously and in a largely administrative manner. However, if a distributor files on a basis which differs from what is contemplated by the Combined PILS Decision, the application can take some time to

process, and therefore should not be included in an IRM application. Deviations from the Combined PILS Decision could include taking a different position on issues considered by the Board in the Combined PILs proceeding, addressing issues not arising in the Combined PILs proceeding or filing older SIMPIL models rather than the updated models containing the Excel worksheet 'TAXREC 3' as used by Halton Hills Hydro Inc.

Milton Hydro Distribution Inc. ("Milton Hydro") filed its Deferred PILs claim as part of its 2012 Incentive Rate Mechanism ("IRM") Application (EB-2011-0183), dated September 19, 2011. The Board determined that Milton Hydro's application was not consistent with the various decisions made in the course of the Combined PILS proceeding. The inconsistencies identified related to policy, in that Milton Hydro reduced its total interest expense each year by deducting interest expense on customer deposits, and on prudentials to the IESO, in the calculation of the interest claw-back penalty. Also, it was not apparent how Milton Hydro may have treated interest expense on regulatory liabilities in its evidence.

Therefore, the Board did not hear the request for disposition of Deferred PILs as part of Milton Hydro's 2012 IRM application and noted that it would consider it on a stand-alone basis in a separate application which Milton Hydro was expected to file by no later than April 1, 2012.

The Application

Milton Hydro filed its stand alone Deferred PILs application on January 20, 2012. Milton Hydro proposed a one-year disposition period commencing May 1, 2012. The Board assigned the application file number EB-2012-0025.

The Board issued a Notice of Application and Hearing and Procedural Order No.1, dated March 8, 2012, granting intervenor status and cost eligibility to the intervenors of record in Milton Hydro's 2012 IRM proceeding. The Board noted that the Vulnerable Energy Consumers Coalition ("VECC") was granted intervenor and cost eligibility status in the IRM proceeding. The Board also granted intervenor status to Ms. J. Shewchun who did not request costs in Milton Hydro's 2012 IRM proceeding.

The Deferred PILs evidence filed by Milton Hydro in this proceeding includes tax returns, financial statements, Excel models from prior applications, calculations of amounts recovered from customers, SIMPIL¹ Excel worksheets and continuity schedules that show the principal and interest amounts in the Deferred PILs balance. In pre-filed evidence Milton Hydro applied to refund to customers a credit balance of \$716,074 consisting of a principal credit amount of \$625,507 plus related carrying charges of \$90,567.

On April 12, 2012, Milton Hydro filed amended evidence supporting a refund to customers of a credit balance of \$775,338 consisting of a credit principal amount of \$666,850 plus related credit carrying charges of \$108,488

In its submission, Board staff noted that Milton Hydro's amended balance was calculated in accordance with the regulatory guidance and previous decisions issued by the Board in determining the amounts in Account 1562 Deferred PILs.²

Board staff also noted that in determining the excess interest true-up variances in the SIMPIL models, the Board-approved maximum deemed interest of \$1,082,730 was deducted from actual interest expense. Milton Hydro did not include interest expense related to customer deposits³ consistent with the Board's decision in Hydro One Brampton's 2012 IRM application (EB-2011-0174). Fees charged on prudential letters of credit were included in interest expense. Milton Hydro stated in its Manager's Summary that "while Milton does not agree that bank charges and fees relating to the requirement to provide a prudential letter of credit to the Independent Electricity System Operator are interest charges, Milton Hydro has included the fees charged in other interest expense."⁴ Board staff noted that including interest related to the prudential letter of credit in the true-up calculations is consistent with the Board's decisions.⁵ Board staff submitted that there are no further issues concerning the interest expense true-up calculations submitted by Milton Hydro.

¹ Spreadsheet implementation model for payments-in-lieu of taxes

² Decisions in Combined Proceeding, EB-2008-0381 – August 12, 2011; June 24, 2011; December 23, 2010; December 18, 2009. Hydro One Brampton, EB-2011-0174, December 22, 2011. Whitby Hydro, EB-2011-0206, December 22, 2011. Kitchener-Wilmot Hydro, EB-2011-0179, April 4, 2012. Staff Discussion Paper, August 20, 2008.

³ EB-2011-0174, December 22, 2011, pg9-10.

⁴ Milton Hydro EB-2011-0183 PILs application Manager's Summary, Page 3.

⁵ Burlington Hydro, EB-2011-015, March 20, 2012. Kitchener-Wilmot Hydro, EB-2011-0179, April 4, 2012. Thunder Bay Hydro Electricity Distribution Inc., EB-2011-0197, April 4, 2012.

Finally, Board staff noted that in response to Board staff interrogatories, Milton Hydro filed the revised 2001 SIMPIL model using the tax rate that excludes the surtax rate of 1.12% to calculate the true-up variance and updated PILs continuity schedule. Milton Hydro also provided an updated Excel workbook *PILs Billings to Customers* that shows the number of customers, billed kWh/ kW and associated fixed and variable PILs rate slivers.

VECC and Ms. J. Shewchun did not file interrogatories or submissions.

In its reply submission, dated April 18, 2012, Milton Hydro confirmed that it is seeking to dispose of the \$775,338 credit balance in Account 1562 over a one year period. Milton Hydro also noted, as originally requested in its Application, that it is seeking for a May 1, 2012 implementation date of the proposed rate riders, as seen in the table below.

| Calculation of Milton Hydro's Proposed Rate Riders for Disposition of USoA 1562 | | | | | | |
|---|-------------------------------|---------------------------------------|------------------------------------|-----------------------------------|----------------------------|--------|
| Allocation of Account 1562 & Rate Rider Calculation | | | | | | |
| % of Distribution Revenue - 2012 | | | | | | |
| Customer Class | IRM Rate Generator - Sheet 11 | Allocation of Balance in Account 1562 | Metered kWh - 2011 Cost of Service | Metered kW - 2011 Cost of Service | Rate Rider for Disposition | Units |
| Residential | 64.66% | (501,304) | 260,408,065 | | (0.0019) | \$/kWh |
| General Service Less Than 50 kW | 13.08% | (101,386) | 75,603,703 | | (0.0013) | \$/kWh |
| General Service 50 to 999 kW | 11.41% | (88,443) | | 511,697 | (0.1728) | \$/kW |
| General Service 1,000 to 4,999 kW | 5.34% | (41,439) | | 230,486 | (0.1798) | \$/kW |
| Large Use | 4.18% | (32,429) | | 188,668 | (0.1719) | \$/kW |
| Unmetered Scattered Load | 0.34% | (2,660) | 1,519,815 | | (0.0018) | \$/kWh |
| Sentinel Lighting | 0.07% | (560) | | 465 | (1.2035) | \$/kW |
| Street Lighting | 0.92% | (7,117) | | 17,810 | (0.3996) | \$/kW |
| Total | 100.00% | (775,338) | | | | |

Board Findings

The Board approves the disposition of a revised credit balance of \$775,338, representing principal and interest to April 30, 2012, in Account 1562 on a final basis, over a one year period, May 1, 2012 to April 30, 2013. The Board finds that the approved amount to be repaid to customers is consistent with previous regulatory guidance and past decisions of the Board.

For accounting and reporting purposes, the balance of Account 1562 shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595 pursuant to the requirements specified in Article 220, Account Descriptions, of the Accounting Procedures Handbook for Electricity Distributors. The

date of the journal entry to transfer the approved account balances to the sub-accounts of Account 1595 is the date on which disposition of the balances are effective in rates, which generally is the start of the rate year (e.g. May 1), and this entry should be completed on a timely basis to ensure that these adjustments are included in the June 30, 2012 (Quarter 3) RRR data reported.

THE BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Appendix A of this Order will become final effective May 1, 2012, and will apply to electricity consumed or estimated to have been consumed on and after May 1, 2012. Milton Hydro shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

The Board will issue a separate decision on cost awards once the following steps are completed:

1. VECC shall submit its cost claims no later than **7 days** from the date of issuance of the final Rate Order.
2. Milton Hydro shall file with the Board and forward to VECC any objections to the claimed costs within **21 days** from the date of issuance of the final Rate Order.
3. VECC shall file with the Board and forward to Milton Hydro any responses to any objections for cost claims within **28 days** from the date of issuance of the final Rate Order.
4. Milton Hydro shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

All filings to the Board must quote file number **EB-2012-0025**, be made through the Board's web portal at, www.errr.ontarioenergyboard.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. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.ontarioenergyboard.ca. If the web portal is not available parties may email their document to the address below. Those who do not have internet access are required to

submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 2 paper copies.

DATED at Toronto, April 26, 2012

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

Appendix A
To Decision and Order
Final Tariff of Rates and Charges
Board File No: EB-2012-0025
DATED: April 26, 2012

Milton Hydro Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0183
EB-2012-0025

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to detached, semi-detached and townhouse residential buildings as defined in local zoning bylaws. A residential service is a single-family unit used for domestic or household purposes, including seasonal occupancy. At Milton Hydro's discretion, residential rates may be applied to apartment buildings with 6 or less units by simple application of the residential rate by blocking the residential rate by the number of units. Further servicing details are available in the distributor's Conditions of Service.

Where the residential dwelling comprises the entire electrical load of a farm, it is defined as a residential service. Where the residential dwelling does not comprise the entire electrical load of the farm:

- The service will be defined as a General Service if the occupant derives his/her principal livelihood from the working of the farm;
- The service will be defined as a Residential Service if the occupant does not derive his/her principal livelihood from the working of the farm;
- Where the residential farm dwelling is supplied by one separately metered service and the electrical loads in other buildings are supplied by a different separately metered service, then the former is defined as a Residential Service and the latter is defined as a General Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

| | | |
|--|--------|----------|
| Service Charge | \$ | 14.93 |
| Distribution Volumetric Rate | \$/kWh | 0.0139 |
| Low Voltage Service Rate | \$/kWh | 0.0002 |
| Rate Rider for Global Adjustment Sub-Account Disposition (2012) – Effective until April 30, 2013 | | |
| Applicable only for Non-RPP Customers | \$/kWh | (0.0036) |
| Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013 | \$/kWh | (0.0009) |
| Rate Rider for Disposition of Balance in Account 1562 (2012) – Effective until April 30, 2013 | \$/kWh | (0.0019) |
| Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) | | |
| Recovery (2012) – Effective until April 30, 2013 | \$/kWh | 0.0005 |
| Rate Rider for Tax Change – Effective until April 30, 2013 | \$/kWh | (0.0001) |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0068 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0052 |

Issuance Date: April 26, 2012

Milton Hydro Distribution Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0183
EB-2012-0025

RESIDENTIAL SERVICE CLASSIFICATION

MONTHLY RATES AND CHARGES – Regulatory Component

| | | |
|---|--------|--------|
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0011 |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 |

Milton Hydro Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0183
EB-2012-0025

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification refers to a non-residential customer with an average peak demand below 50 kW over the past twelve months. For a new customer without prior billing history, the peak demand will be based on the customer's proposed capacity. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

| | | |
|---|--------|----------|
| Service Charge | \$ | 15.89 |
| Distribution Volumetric Rate | \$/kWh | 0.0169 |
| Low Voltage Service Rate | \$/kWh | 0.0002 |
| Rate Rider for Global Adjustment Sub-Account Disposition (2012) – Effective until April 30, 2013 Applicable only for Non-RPP Customers | \$/kWh | (0.0036) |
| Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013 | \$/kWh | (0.0009) |
| Rate Rider for Disposition of Balance in Account 1562 (2012) – Effective until April 30, 2013 | \$/kWh | (0.0013) |
| Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery (2012) – Effective until April 30, 2013 | \$/kWh | 0.0011 |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0062 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0046 |

MONTHLY RATES AND CHARGES – Regulatory Component

| | | |
|---|--------|--------|
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0011 |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 |

Milton Hydro Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0183
EB-2012-0025

GENERAL SERVICE 50 to 999 kW SERVICE CLASSIFICATION

This classification refers to a non-residential customer with an average peak demand equal to or greater than 50 kW and less than 1,000 kW over the past twelve months. For a new customer without prior billing history, the peak demand will be based on the customer's proposed capacity. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

| | | |
|--|-------|----------|
| Service Charge | \$ | 75.45 |
| Distribution Volumetric Rate | \$/kW | 2.5138 |
| Low Voltage Service Rate | \$/kW | 0.0792 |
| Minimum Distribution Charge – per kW of maximum billing demand in the previous 11 months | \$/kW | 0.5713 |
| Rate Rider for Global Adjustment Sub-Account Disposition (2012) – Effective until April 30, 2013 | | |
| Applicable only for Non-RPP Customers | \$/kW | (1.3326) |
| Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013 | \$/kW | (0.3321) |
| Rate Rider for Disposition of Balance in Account 1562 (2012) – Effective until April 30, 2013 | \$/kW | (0.1728) |
| Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) | | |
| Recovery (2012) – Effective until April 30, 2013 | \$/kW | 0.0645 |
| Rate Rider for Tax Change – Effective until April 30, 2013 | \$/kW | (0.0063) |
| Retail Transmission Rate – Network Service Rate | \$/kW | 2.7913 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 2.1577 |

MONTHLY RATES AND CHARGES – Regulatory Component

| | | |
|---|--------|--------|
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0011 |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 |

Milton Hydro Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0183
EB-2012-0025

GENERAL SERVICE 1,000 to 4,999 kW SERVICE CLASSIFICATION

This classification refers to a non-residential customer with an average peak demand equal to or greater than 1,000 kW and less than 5,000 kW, regardless of when the demand occurs, averaged over twelve months. For a new customer without prior billing history, the peak demand will be based on the customer's proposed capacity. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

| | | |
|--|-------|----------|
| Service Charge | \$ | 870.05 |
| Distribution Volumetric Rate | \$/kW | 2.7456 |
| Low Voltage Service Rate | \$/kW | 0.0779 |
| Minimum Distribution Charge – per kW of maximum billing demand in the previous 11 months | \$/kW | 0.5713 |
| Rate Rider for Global Adjustment Sub-Account Disposition (2012) – Effective until April 30, 2013 | | |
| Applicable only for Non-RPP Customers | \$/kW | (1.7642) |
| Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013 | \$/kW | (0.4397) |
| Rate Rider for Disposition of Balance in Account 1562 (2012) – Effective until April 30, 2013 | \$/kW | (0.1798) |
| Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery (2012) – Effective until April 30, 2013 | \$/kW | 0.0995 |
| Rate Rider for Tax Change – Effective until April 30, 2013 | \$/kW | (0.0076) |
| Retail Transmission Rate – Network Service Rate | \$/kW | 2.7453 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 2.1225 |

MONTHLY RATES AND CHARGES – Regulatory Component

| | | |
|---|--------|--------|
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0011 |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 |

Milton Hydro Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0183
EB-2012-0025

LARGE USE SERVICE CLASSIFICATION

This classification refers to a non-residential customer with an average peak demand equal to or greater than 5,000 kW, regardless of when the demand occurs, averaged over twelve months. For a new customer without prior billing history, the peak demand will be based on the customer's proposed capacity. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

| | | |
|--|-------|----------|
| Service Charge | \$ | 3,633.20 |
| Distribution Volumetric Rate | \$/kW | 2.1752 |
| Low Voltage Service Rate | \$/kW | 0.0871 |
| Minimum Distribution Charge – per kW of maximum billing demand in the previous 11 months | \$/kW | 0.5713 |
| Rate Rider for Global Adjustment Sub-Account Disposition (2012) – Effective until April 30, 2013 | | |
| Applicable only for Non-RPP Customers | \$/kW | (1.6416) |
| Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013 | \$/kW | (0.4092) |
| Rate Rider for Disposition of Balance in Account 1562 (2012) – Effective until April 30, 2013 | \$/kW | (0.1719) |
| Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) | | |
| Recovery (2012) – Effective until April 30, 2013 | \$/kW | 0.2405 |
| Rate Rider for Tax Adjustments – Effective until April 30, 2013 | \$/kW | (0.0061) |
| Retail Transmission Rate – Network Service Rate – Interval Metered | \$/kW | 2.9728 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered | \$/kW | 2.3737 |

MONTHLY RATES AND CHARGES – Regulatory Component

| | | |
|---|--------|--------|
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0011 |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 |

Milton Hydro Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0183
EB-2012-0025

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to the supply of electricity to unmetered loads less than 50 kW including traffic signals and pedestrian X-walks signals/beacons, bus shelters, telephone booths, signs, Cable TV amplifiers and decorative lighting and tree lighting connected to Milton Hydro's distribution system, and similar small unmetered loads. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

| | | |
|---|--------|----------|
| Service Charge (per connection) | \$ | 7.60 |
| Distribution Volumetric Rate | \$/kWh | 0.0161 |
| Low Voltage Service Rate | \$/kWh | 0.0002 |
| Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013 | \$/kWh | (0.0009) |
| Rate Rider for Disposition of Balance in Account 1562 (2012) – Effective until April 30, 2013 | \$/kWh | (0.0018) |
| Rate Rider for Tax Adjustments – Effective until April 30, 2013 | \$/kWh | (0.0001) |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0062 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0046 |

MONTHLY RATES AND CHARGES – Regulatory Component

| | | |
|---|--------|--------|
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0011 |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 |

Milton Hydro Distribution Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0183
EB-2012-0025

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to all services supported to supply sentinel lighting equipment. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

| | | |
|---|-------|----------|
| Service Charge (per connection) | \$ | 2.36 |
| Distribution Volumetric Rate | \$/kW | 17.8646 |
| Low Voltage Service Rate | \$/kW | 0.0544 |
| Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013 | \$/kW | (0.3239) |
| Rate Rider for Disposition of Balance in Account 1562 (2012) – Effective until April 30, 2013 | \$/kW | (1.2035) |
| Rate Rider for Tax Change – Effective until April 30, 2013 | \$/kW | (0.0424) |
| Retail Transmission Rate – Network Service Rate | \$/kW | 1.9001 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 1.4819 |

MONTHLY RATES AND CHARGES – Regulatory Component

| | | |
|---|--------|--------|
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0011 |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 |

Milton Hydro Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0183
EB-2012-0025

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to all services supplied to street lighting equipment owned by or operated for a municipality or the Province of Ontario. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

| | | |
|---|-------|----------|
| Service Charge (per connection) | \$ | 1.97 |
| Distribution Volumetric Rate | \$/kW | 8.6404 |
| Low Voltage Service Rate | \$/kW | 0.0532 |
| Rate Rider for Global Adjustment Sub-Account Disposition (2012) – Effective until April 30, 2013 Applicable only for Non-RPP Customers | \$/kW | (1.2825) |
| Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013 | \$/kW | (0.3197) |
| Rate Rider for Disposition of Balance in Account 1562 (2012) – Effective until April 30, 2013 | \$/kW | (0.3996) |
| Rate Rider for Tax Change – Effective until April 30, 2013 | \$/kW | (0.0141) |
| Retail Transmission Rate – Network Service Rate | \$/kW | 1.8905 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 1.4515 |

MONTHLY RATES AND CHARGES – Regulatory Component

| | | |
|---|--------|--------|
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0011 |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 |

Milton Hydro Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0183
EB-2012-0025

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

| | | |
|----------------|----|------|
| Service Charge | \$ | 5.25 |
|----------------|----|------|

Milton Hydro Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0183
EB-2012-0025

ALLOWANCES

| | | |
|---|-------|--------|
| Transformer Allowance for Ownership - per kW of billing demand/month | \$/kW | (0.60) |
| Primary Metering Allowance for transformer losses – applied to measured demand and energy | % | (1.00) |

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

| | | |
|---|----|--------|
| Customer Administration | | |
| Arrears certificate | \$ | 15.00 |
| Statement of account | \$ | 15.00 |
| Easement letter | \$ | 15.00 |
| Credit reference/credit check (plus credit agency costs) | \$ | 15.00 |
| Account set up charge/change of occupancy charge (plus credit agency costs if applicable) | \$ | 30.00 |
| Returned Cheque (plus bank charges) | \$ | 15.00 |
| Special meter reads | \$ | 30.00 |
| Non-Payment of Account | | |
| Late Payment - per month | % | 1.50 |
| Late Payment - per annum | % | 19.56 |
| Collection of account charge – no disconnection | \$ | 30.00 |
| Disconnect/Reconnect Charges for non payment of account - At Meter During Regular Hours | \$ | 65.00 |
| Disconnect/Reconnect Charges for non payment of account - At Meter After Hours | \$ | 185.00 |
| Optional Interval/TOU Meter charge \$/month | \$ | 5.50 |
| Specific Charge for Access to the Power Poles – per pole/year | \$ | 22.35 |
| Clearance Pole Attachment charge \$/pole/year | \$ | 5.59 |

Milton Hydro Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0183
EB-2012-0025

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

| | | |
|--|----------|-----------|
| One-time charge, per retailer, to establish the service agreement between the distributor and the retailer | \$ | 100.00 |
| Monthly Fixed Charge, per retailer | \$ | 20.00 |
| Monthly Variable Charge, per customer, per retailer | \$/cust. | 0.50 |
| Distributor-consolidated billing monthly charge, per customer, per retailer | \$/cust. | 0.30 |
| Retailer-consolidated billing monthly credit, per customer, per retailer | \$/cust. | (0.30) |
| Service Transaction Requests (STR) | | |
| Request fee, per request, applied to the requesting party | \$ | 0.25 |
| Processing fee, per request, applied to the requesting party | \$ | 0.50 |
| Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party | | |
| Up to twice a year | \$ | no charge |
| More than twice a year, per request (plus incremental delivery costs) | \$ | 2.00 |

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

| | |
|---|--------|
| Total Loss Factor – Secondary Metered Customer < 5,000 kW | 1.0362 |
| Total Loss Factor – Secondary Metered Customer > 5,000 kW | 1.0149 |
| Total Loss Factor – Primary Metered Customer < 5,000 kW | 1.0258 |
| Total Loss Factor – Primary Metered Customer > 5,000 kW | 1.0048 |