



MILTON HYDRO DISTRIBUTION INC.

8069 Lawson Road, Milton, Ontario L9T 5C4
Telephone (905) 876-4611 • Fax (905) 876-2044

By RESS and Hand Delivery

November 23, 2010

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, ON
M4P 1E4

**Re Milton Hydro Distribution Inc., Distribution Licence ED-2003-0014
2011 Electricity Distribution Cost of Service Rate Application
EB-2010-0137
Responses to Interrogatories – Energy Probe**

Please find attached Milton Hydro Distribution Inc.'s ("Milton Hydro") responses to interrogatories on its 2011 Electricity Distribution Cost of Service Rate Application. Two hard copies are being delivered to your attention.

Should you require further information or clarification please contact me at 905-876-4611 ext. 246 or cameronmckenzie@miltonhydro.com

Yours truly,

Original signed by Cameron McKenzie

Cameron McKenzie, CGA
Director, Regulatory Affairs

IN THE MATTER OF the Ontario Energy Board Act, 1998, being
Schedule B to the Energy Competition Act, 1998, S.O. 1998, c.15;

AND IN THE MATTER OF an Application by Milton Hydro
Distribution Inc. to the Ontario Energy Board for an Order or
Orders approving or fixing just and reasonable rates and other
service charges for the distribution of electricity as of May 1, 2011.

MILTON HYDRO DISTRIBUTION INC. ("Milton Hydro")

RESPONSE TO ENERGY PROBE INTERROGATORIES

2011 ELECTRICITY DISTRIBUTION RATE APPLICATION

Filed: November 23, 2010

Cameron McKenzie, CGA
Director, Regulatory Affairs
Milton Hydro Distribution Inc.
8069 Lawson Road
Milton, Ontario
L9T 5C4
Tel: (905) 876-4611 ext 246
cameronmckenzie@miltonhydro.com

Interrogatory # 1

Ref: Exhibit 1, page 23

- a) Please provide the test year cost for the management fee noted at line 12.
- b) Is all of the management fee associated for the Milton Hydro Holding Inc. Board of Directors? If not, please provide a breakdown of the management fee into its components.
- c) What is the total cost associated with the Board of Directors of Milton Hydro Holding Inc. and how have these costs been allocated to Milton Hydro Distribution Inc. and the other affiliates?
- d) What is the cost associated with the Board of Directors of Milton Hydro Distribution Inc. that are included in the proposed revenue requirement?

Response:

- a) The 2011 Test Year management fee is \$152,257 and may be found in Milton Hydro's Application at Exhibit 4, Page 77, Table 30 – 2011 Test Year Shared Services/Corporate Cost Allocation.
- b) Milton Hydro confirms that all of the management fee is associated with the Milton Hydro Holding Inc. Board of Directors.
- c) The total cost associated with the Board of Directors of Milton Hydro Holding Inc. is \$155,364 with 98% allocated to Milton Hydro Distribution as found in Exhibit 4, Page 77, Table 30 – 2011 Test Year Shared Services/Corporate Cost Allocation.
- d) The cost associated with the Board of Directors of Milton Hydro Distribution Inc. that is included in the proposed revenue requirement is \$30,181

Interrogatory # 2

Ref: Exhibit 1, page 34

The evidence indicates that Milton Hydro has elected not to file an application for a CDM-related lost revenue adjustment ("LRAM") or shared savings ("SSM") at this time. Please indicate the significance of "at this time". Please specify the years for which Milton Hydro will not seek to recover these amounts in the current application and in any future application.

Response:

The significance of "at this time" is to leave the door open for Milton Hydro to file an LRAM/SSM application in the future. Milton Hydro will not file for an LRAM/SSM recovery for the years 2005 to 2010.

Interrogatory # 3

Ref: Exhibit 1, page 40

- a) Please provide the number of customers and number of employees used to calculate the Milton Hydro figures for 2009, 2010 and 2011 as shown in Table 7.
- b) Please provide the number of customers, number of employees and resulting customers served per employee for each of 2006 through 2008.

Response:

- a) Milton Hydro has provided the number of customers and number of employees used to calculate the Milton Hydro figures for 2009, 2010 and 2011 as shown in Table 7.

Customers Served Per Employee

Description	2009 Actual	2010 Bridge Year	2011 Test Year
Number of Customers	27,324	28,890	30,459
Number of FTEE's	40.06	44.27	51.00
Customers/FTEE's	682	653	597

Note: Number of customers includes metered customers only

- b) Milton Hydro has provided the number of customers, number of employees and resulting customers served per employee for each of 2006 through 2008

Customers Served Per Employee

Description	2005 Actual	2006 Actual	2007 Actual	2008 Actual
Number of Customers	19,858	20,978	22,642	25,181
Number of FTEE's	36.00	35.04	36.23	38.59
Customers/FTEE's	552	599	625	653

Note: Number of customers includes metered customers only

Interrogatory # 4

Ref: Exhibit 1, page 41

With respect to the information used to set the 2010 and 2011 budgets:

- a) Please provide the materials presented to the Board of Directors related to the preliminary capital budget and long range forecast at the special meeting of the Board noted in item 1.
- b) Please provide the refinements made by the Finance department to the capital budget and long range forecast as noted in item 2.
- c) Please provide a copy of the materials related to the updated capital budget that was provided to the Board of Directors for approval as noted in item 3.
- d) Please provide a copy of the approved budget, as noted in item 4, if it is different from that presented to the Board in item 3.
- e) What are the differences, if any, in the capital budget approved by the Board of Directors for 2010 and 2011 from that included in the bridge and test year forecasts in the current application.
- f) The evidence details the approval process related to the capital budget. What is the process for approval of the OM&A budget?

Response:

a-d) The preliminary 2010 Capital Budget and long range forecast was presented to the Board of Directors at a special meeting on November 30, 2009. An updated 2010 capital budget was approved by the Board of Directors at their meeting on December 7, 2009.

The only change from the Preliminary Capital Budget presented to the Board on November 30, 2009 to the Final Capital Budget approved by the Board on December 7, 2009 was the removal of \$125,000 in each of 2011 to 2014 in Other Capital Expenditures to reflect the

generator budgeted for in the 2010 Bridge Year.. The generator was a one-time expenditure and should not have been carried forward to future years.

Copies of the material presented to Milton Hydro's Board of Directors are provided as Attachment A.

- e) The following table provides Milton Hydro's Capital Budget approved by the Board of Directors, the 2010 Bridge Year and the differences.

Milton Hydro Capital Budget 2010 Approved by			
	BOD	2010 Bridge Year	Differences
Capital Budget	8,567,032	8,384,321	(182,711)
Smart Meter Disposition Journal Entry	-	3,874,240	3,874,240
WIP		1,200,000	1,200,000
	8,567,032	13,458,561	4,891,529

Differences:

Smart Meter Disposition Journal Entry	3,874,240
WIP	1,200,000
Over/Under Budgets per below	(182,711)
	4,891,529
Over budgeted capital contributions on subdivisions for 2010 Bridge Year	(604,000)
Under budgeted Regional/municipal projects in 2010 Budget	175,000
Under budgeted Leasehold Improvements in 2010 Budget	180,000
Under budgeted Computer Hardware/Software Requirements in 2010 Budget	87,000
Miscellaneous impacts	(20,000)
	(182,000)

Milton Hydro does not have a 2011 budget approved by its Board of Directors at this time.

- f) The Operating Maintenance and Administration Budget process is outlined in detail in Exhibit 4, Pages 6 and 7.

Interrogatory # 5

Ref: Exhibit 2, page 2

Please provide the most recent actual year-to-date capital expenditures available for 2010 in the same level of detail as shown in Table 1(a).

Response:

Milton Hydro has provided the following table which sets out the capital expenditures to the end of October 2010. Milton Hydro contracts out a significant portion of its capital work to third parties through an RFP process. Included in this table, under Committed Capital, are those projects which are currently being constructed by contractors and are to be completed by the end of 2010. Contracting out capital work allows Milton Hydro to complete its capital budget without being required to maintain higher staffing levels to complete the work in-house.

Summary of Capital Drivers

Capital Driver	2010							
	2010 Actual to Oct 2010	% of Total Capital Additions	Committed & Forecasted Capital	% of Total Capital Additions	2010 Bridge	% of Total Capital Additions	2011 Test Year	% of Total Capital Additions
Third Party Capital Drivers	2,989,489	42.2%	6,521,133	56.1%	7,715,296	61.9%	7,203,920	60.3%
Milton Hydro - Distribution Plant	3,531,035	49.8%	3,579,644	30.8%	3,190,234	25.6%	3,751,159	31.4%
Milton Hydro - Land & Building	113,038	1.6%	822,446	7.1%	880,000	7.1%	150,000	1.3%
Milton Hydro - Other Assets	455,113	6.4%	697,743	6.0%	669,055	5.4%	838,500	7.0%
Total	7,088,676		11,620,966		12,454,585		11,943,579	

Interrogatory # 6

Ref: Exhibit 2, page 4

For each actual year 2005 through 2009 and for the bridge and test years, please provide:

- a) the developer-driven capital expenditures;
- b) the capital contributions associated with these developer-driven capital expenditures;
- c) the municipal/regional-driven capital expenditures; and
- d) the capital contributions associated with these municipal/regional-driven capital expenditures.

Response:

Milton Hydro has provided the following table setting out the developer driven capital, the municipal/regional capital and the corresponding capital contributions.

	Capital Expenditures						
	2005	2006	2007	2008	2009	2010 Bridge	2011 Test
Developer Driven	4,956,981	5,442,112	4,211,949	8,098,630	4,990,545	5,021,836	5,553,200
Developer Driven - Capital Contributions	(5,029,575)	(5,310,853)	(1,122,142)	(5,421,289)	(3,371,079)	(3,111,873)	(3,272,350)
Municipal/Regional Driven	1,767,912	734,559	901,768	979,372	948,027	2,693,460	1,650,720
Municipal/Regional Driven- Capital Contributions	(383,250)	(377,889)	(303,786)	(388,225)	(303,071)	(958,392)	(522,588)

Interrogatory # 7

Ref: Exhibit 2, pages 41-42

With respect to the purchase of the land in 2009 please provide/confirm the following:

- a) the environmental assessment cost was \$101,580, being the difference between the total cost of \$2,218,530 and the \$2,116,950 paid to the Town of Milton;
- b) the amount paid by the Town of Milton to Hydro One for the land;
- c) the expiration of the current lease agreement; and
- d) the current/projected use of the land until the office and service centre are completed.

Response:

- a) Milton Hydro has provided the difference between the total cost of \$2,218,530 and \$2,116,950 paid to the town of Milton below:

Land Costs	
Sale Price	2,116,950
Land Transfer Tax & Appraisal Costs	39,015
Legal Fees	18,211
Environmental Study Audit	12,600
Real Estate Commission Fees	31,754
	101,580
	2,218,530

- b) The amount paid by the Town of Milton to Hydro One for the land was \$2,116,950.
- c) The expiration of the current lease agreement is October 31, 2014
- d) The purchased property will see construction activity once the building plans have been approved in 2011 and the contract awarded in 2012, however in the interim Milton Hydro requires the property to store transformers and poles due to the limited space at Lawson

Rd. Milton Hydro intends to erect a fenced compound to facilitate additional outside storage on the property.

Interrogatory # 8

Ref: Exhibit 2, pages 41-42

- a) Please provide a copy of the business analysis/plan that indicated buying the land and constructing the facilities was less expensive than continuing with the current lease agreement.
- b) What other options were considered? If these options were not included in the business analysis/plan requested above, please explain why not.

Response:

- a) Milton Hydro does not have a business plan or analysis that indicates buying the land and constructing the facilities was less expensive than continuing with the current lease agreement.

Milton Hydro leased the land and building at 55 Thompson Rd from the Town of Milton ("the Town"). In 2009 the Town received funding through Infrastructure Ontario for the construction of an Arts & Entertainment and Library complex on the site being leased by Milton Hydro. At about the same time the Town, through dealings with Hydro One on another matter, was able to negotiate the sale of un-serviced land at the Hydro One transformer station site at Fifth Line and Main St. E. Milton Hydro purchased the land from the Town of Milton for the same price the Town paid Hydro One.

Milton Hydro had to vacate 55 Thompson Rd. by end of October 2009 and quickly secured a five year lease at 8069 Lawson Rd within a larger manufacturing building for office space but the property has limited outside storage that is being shared by Milton Hydro and the landlord. The landlord has indicated that once the current lease expires, they will expand their operation to the full building and site.

- b) The requirements of Milton Hydro for an office/service centre site cannot be met by any readily available locations that have the appropriate office, warehouse and outside storage space requirements. The land purchased by Milton Hydro is currently un-

serviced and therefore represents a considerable savings over the purchase of serviced property.

Interrogatory # 9

Ref: Exhibit 2, page 44

Why is the total cost of the double bucket truck shown as a negative number, i.e. (\$ 342,202)?

Response:

The total cost of the double bucket truck should be a positive \$ 342,202 and is reflected correctly in Exhibit 2, Page 44, Table 18 – Vehicle Replacement Schedule

Interrogatory # 10

Ref: Exhibit 2, page 46

- a) Does Milton Hydro have any more recent information on the requests from developers for new subdivisions and the number of lots noted at lines 7-9?
- b) Please explain how Milton Hydro has estimated the number of additional residential homes in the 2010 bridge year related to the subdivisions that began in 2009, including any historical data that shows what percentage of lots become customers on a year by year basis.
- c) Please provide the total number of lots associated with the subdivisions that began in 2009 and indicate how many of those lots became customers in 2009.
- d) Please provide the total number of lots associated with the subdivisions that are expected to begin in 2010.

Response:

Milton Hydro does not have any more recent information from developers.

- a) Milton Hydro estimated the number of additional residential connections in the 2010 bridge year related to the subdivisions that were energized in 2009 by reviewing the number of lots proposed for the subdivisions, the physical progress and sales of units on a per subdivision basis, discussions with the builder and/or developer, and Milton Hydro's interpretation of the information. The information provided by the development community is not typically provided as a formal corporate estimate but rather as an informal "best guess". Notably current connection totals for new customer connections indicates Milton Hydro will be extremely close to the 1,500 new customers estimated for 2010.

Below is the percentage connection information for subdivisions first energized in 2006 or later. The percentage indicates the aggregate number of units connected in a given year relative to the total number of units in all subdivisions first energized that calendar year.

	2006	2007	2008	2009	2010	Total
Number of lots becoming customers as a percentage - for subdivisions energized in 2006	55.4%	40.1%	2.0%	2.2%	0.2%	99.8%
Number of lots becoming customers as a percentage - for subdivisions energized in 2007	-	48.8%	35.6%	12.2%	0.3%	96.9%
Number of lots becoming customers as a percentage - for subdivisions energized in 2008	-	-	31.4%	66.8%	0.7%	98.9%
Number of lots becoming customers as a percentage - for subdivisions energized in 2009	-	-	-	67.6%	32.0%	99.6%
Number of lots becoming customers as a percentage - for subdivisions energized in 2010	-	-	-	-	63.7%	63.7%

- b) In 2009, approximately 1,283 lots associated with subdivisions were energized of which approximately 867 were connected and became customers. The remainder of the lots energized in 2009 are projected to be connected in 2010.
- c) In 2010, approximately 1,360 lots associated with subdivisions are expected to be energized. It is projected that 63.7% of those lots will be connected in 2010 and the remainder will be connected in 2011.

Interrogatory # 11

Ref: Exhibit 2, page 48

- a) Please confirm that the 10 relocation projects shown have either been completed or are still projected to be completed in 2010. If this cannot be confirmed, please indicate when the project is now expected to be completed.
- b) How many poles did Milton Hydro replace in each of 2006 through 2009?

Response:

- a) All projects have been or will be completed in 2010 with the following exceptions:

#3. Lower Base Line @ 16 mile creek - \$133,733. Project delayed due to property acquisition delays experienced by Region of Halton. The projected completion date is dependent on the Region being able to acquire the land - currently unknown.

#5. RR#25 @ Hwy 401 to 5th Side Rd. - \$232,560. The project is partially completed. The Region of Halton experienced property issues that have delayed Milton Hydro's contractor. The project is expected to be completed by February of 2011.

#7. Main St. @ Bronte to Tremaine Rd. - \$687,034. The project has been delayed by Town of Milton property acquisition issues. The project is now expected to be completed in 2011.

In addition the following projects were not forecasted as part of Milton Hydro's 2010 Bridge Year but were added to and completed in 2010.

- Britannia at 4th Line - \$114,910
- 4th Line extension south of Louis St. Laurent - \$45,455
- 20 Sideroad west of 2nd Line - \$67,200

- b) Milton Hydro has provided the following table which sets out the number of poles replaced by year as explained in Exhibit 2.

Test Year	Rural Poles Replaced	Urban Poles Replaced	Total Poles Replaced
2005	47	11	58
2006	50	2	52
2007	36	0	36
2008	10	3	13
2009	21	2	23

Interrogatory # 12

Ref: Exhibit 2, pages 49-50

- a) How many FIT/micro-FIT projects are captured in the \$100,127 figure?
- b) Please provide a breakdown of the \$100,127 into amounts that Milton Hydro is obligated to bear, up to the \$90,000 per MW limit and how much is the result of projects such as the one noted in the evidence where the customer would be responsible for the \$15,000 additional cost.

Response:

- a) The \$100,127 is an estimate of Milton Hydro's expected costs to connect FIT/microFit projects and is not based on specific projects as the take up was unknown at the time of estimating the capital requirements.
- b) As provided in a) above, Milton Hydro does not have specific information on projects and capital requirements, rather has provided for potential capital investment requirements in meeting the obligation to connect renewable generation up to the \$90,000 per MW..

Interrogatory # 13

Ref: Exhibit 2, pages 50-51

- a) Has Milton Hydro purchased the land in question and, if so, what was the actual cost associated with the land?
- b) Does Milton Hydro still believe that it will purchase the land before the end of 2010, if it has not already done so?

Response:

- a) Milton Hydro has not purchased the land in question as of November 23, 2010.
- b) Milton Hydro is currently in negotiations with the property owner and believes that this land will be purchased by the end of the year.

Interrogatory # 14

Ref: Exhibit 2, pages 43 & 53

Is the new office site at 8069 Lawson Rd. the same property noted on page 43 of Exhibit 2?

Response:

The new office site at 8069 Lawson Road is not the same property noted on page 43 & 53 of Exhibit 2. The office site at 8069 is the building that Milton Hydro is currently leasing over a five year term November 1, 2009 to October 31, 2014. The property identified on page 43 is the land that Milton Hydro purchased in 2009 at Fifth Line and Main Street and the property identified on page 53 is the land Milton Hydro is negotiating to purchase in 2010 which is the corner of the property at Fifth Line and Main Street.

Interrogatory # 15

Ref: Exhibit 2, page 44 & 54

Table 18 on page 44 shows that the double bucket truck purchased in 2009 replaced a vehicle that was 23 years old and that the double bucket truck forecast to be purchased in 2012 will replace a 20-year-old vehicle. The double bucket truck forecast to be replaced in 2010 is only 10 years old. Please explain why it is necessary to replace a 10-year-old truck, when the other double bucket truck being replaced is at least twice as old.

Response:

The single bucket truck replaced in 2010 was purchased in 2000 and had limited versatility. Milton Hydro normally replaces its vehicles on a 10 – 20 year cycle depending on its condition, functionality and repair costs. The single bucket truck in question was purchased at a time when Milton Hydro's distribution system was dominated by shorter poles and work practices.

Milton Hydro requires Bucket trucks to be multi-use to handle conductor stringing, hanging transformers and air break switches plus the basic no power calls which Truck #30 could not do by itself.

Interrogatory # 16

Ref: Exhibit 2, pages 45 & 53

Is the \$70,000 generator noted in page 53 the same \$70,000 noted in Table 19 on page 45 in account 1990 - Other Tangible Property? If yes, please explain why the generator has been placed in this account and please provide the depreciation rate used for this asset. If no, please provide a description of what has been included in account 1990.

Response:

The \$70,000 generator noted on page 53 is the same \$70,000 noted in Table 19 on page 45 in account 1990 - Other Tangible Property. The generator was placed in this account as there is no provision for back-up generators in the Uniform System of Accounts. The USoA account 1990 provides for the cost of tangible utility plant not provided for elsewhere.

The back-up generator is being depreciated over 15 years and will be moved to the new office/service centre once it is constructed.

Interrogatory # 17

Ref: Exhibit 2, page 45

Please confirm that, based on the most recent information available, all of the work in progress shown in Table 19 at the beginning of the year (\$1,374,900) will be in service by the end of 2010. If this cannot be confirmed, please indicate how much is now expected to be in service by year end.

Response:

Milton Hydro maintains a work in progress account solely for the purpose of reallocating meters and transformers from inventory to work in progress at the end of each fiscal year. This entry is subsequently reversed on January 1st of the following year. Meters and transformers are capitalized as they are put into service.

In 2008, Milton Hydro was required to implement CICA Handbook Section 3031, Inventories requiring inventories, meters & transformers, to be reclassified to property, plant and equipment.

Interrogatory # 18

Ref: Exhibit 2, pages 46 & 56

- a) Please reconcile the 9 additional requests from developers noted on page 56 with the 7 additional requests noted on page 46.
- b) Please explain how Milton Hydro has estimated that 1,300 lots will be ready for connection in 2011.

Response:

- a) Milton Hydro received the 7 requests noted in Exhibit 2, Page 46 which refer to requests for subdivisions expected to be energized in 2010 which will initially add to the customer connection count in 2010.

The 9 requests noted in Exhibit 2, Page 56 refers to requests for subdivisions expected to be energized in 2011 which will initially add to the customer connection count in 2011.

- b) Milton Hydro estimated that 1,300 lots will be ready for connection in 2011 by reviewing municipal development information, the number of lots proposed for the subdivisions, the progress made by the developer within the subdivision development process, the historical performance of the developer, discussions with the builder and/or developer, and Milton Hydro's interpretation of the information. Milton Hydro forecasted a total of 1,500 new Residential connections allowing for carry over from 2010.

Interrogatory # 19

Ref: Exhibit 2, pages 47 & 57

Please provide a table for 2006 through 2011 that shows the costs and number of customers by type associated with customer driven projects - new connections for both overhead and underground services in the following format.

	2006	2007	2008	2009	2010	2011
Overhead \$						
Res customers						
GS customers						
Underground \$						
Res customers						
GS customers						

Response:

Milton Hydro has provided the following table which sets out the number of customers and costs associated with customer driven projects - new connections for both overhead and underground services.

	2006	2007	2008	2009	2010 Bridge	2011 Test
Overhead \$	\$ 98,928	\$ 92,231	\$ 157,131	\$ 96,121	\$ 181,500	\$ 186,400
Residential Customers	8	16	10	16	10	10
GS Customers	17	20	19	10	10	10
Underground \$	\$ 394,058	\$ 628,208	\$ 361,523	\$ 761,020	\$ 885,000	\$ 901,800
Residential Customers	2	5	0	4	10	10
GS Customers	8	20	15	35	30	30

Interrogatory # 20

Ref: Exhibit 2, page 59

- a) How many FIT/micro-FIT projects are captured in the \$150,127 figure?
- b) Please provide a breakdown of the \$150,127 into amounts that Milton Hydro is obligated to bear, up to the \$90,000 per MW limit and how much is the result of projects that have costs that exceed this limit.

Response:

- a) The \$150,127 is an estimate of Milton Hydro's expected costs to connect FIT/microFit projects and is not based on specific projects as the take up was unknown at the time of estimating the capital requirements.
- b) As provided in a) above, Milton Hydro does not have specific information on projects and capital requirements, rather has provided for potential capital investment requirements in meeting the obligation to connect renewable generation up to the \$90,000 per MW.

Interrogatory # 21

Ref: Exhibit 2, page 59

Can the architectural design be delayed until 2012 given that construction is not expected to be completed until 2014? If not, please explain why not.

Response:

Milton Hydro has determined that the architectural design should proceed in 2011 as proposed to ensure that the new building is complete prior to the expiration of the lease at 8069 Lawson Rd. The lease expires in October 2014 and therefore to allow a reasonable amount of time to complete the move in process, the new building should be completed in summer of 2014. As the current property is subject to zoning and other building plan processes, an appropriate time for building plan approval, tendering awarding and construction of the project is thirty months. Therefore the final drawings must be completed by January 2012. In order to have drawings ready for January 2012, the architect must be hired in 2011.

Interrogatory # 22

Ref: Exhibit 2, page 67

- a) Please explain how the non-RPP price of \$0.06704 was calculated based on the figures provided in the OEB's Regulated Price Plan Price Report - May, 2010 to April 30, 2011 issued April 15, 2010.
- b) Please update the cost of power calculation to reflect the OEB's Regulated Price Plan Price Report - November 1, 2010 to October 31, 2011 issued October 18, 2010.
- c) Does Milton Hydro agree that Ontario Electricity Market Price Forecast shown in Table 1 of the document noted above in part (b) for the period May 2011 through April 2012 should be used in place of the November 2010 through October 2011 period? If not, why not?

Response:

- a) Milton Hydro calculated the Non-RPP electricity price as follows:

Ontario Electricity Market Price Forecast (\$ per MWh)			
Quarter	Calendar Period	Average	Term Average
Q1	May 11 - July 11	\$37.80	
Q2	Aug 11 - Oct 11	\$40.84	\$39.32
Global Adjustment			\$27.72
Non-RPP electricity price			\$67.04

- b) Milton Hydro has calculated the Non-RPP electricity price from the Regulated Price Plan Price Report dated October 15, 2011 as follows:

Ontario Electricity Market Price Forecast (\$ per MWh)			
Quarter	Calendar Period	Average	Term Average
Q3	May 11 - July 11	\$35.20	
Q4	Aug 11 - Oct 11	\$37.57	
Q1	Nov 11 - Jan 12	\$37.87	
Q2	Feb 12 - Apr 12	\$33.85	\$36.12
Global Adjustment			\$26.38
Non-RPP electricity price			\$62.50

Milton Hydro has revised the 2011 Test Year Cost of Power calculation to reflect the electricity pricing in the October 15, 2010 Report as follows:

Cost of Power Summary	2011
Cost of Power Account	\$\$\$
4705-Power Purchased	47,389,828
4708-Charges-WMS	3,773,963
4714-Charges-NW	4,184,623
4716-Charges-CN	3,339,030
4730-Rural Rate Assistance	943,491
4750-Low Voltage	139,074
TOTAL	59,770,008

- c) Milton Hydro agrees that the Ontario Electricity Market Price Forecast shown in Table 1 of the document noted above in part (b) for the period May 2011 through April 2012 should be used in place of the November 2010 through October 2011 period. Milton Hydro's response to part b) to this interrogatory is based on this time frame. The calculation of the cost of power for 2011 cost of service applications should be consistent across all applicants.

Interrogatory # 23

Ref: Exhibit 3, page 2

- a) Does the 2010 bridge year forecast shown in Table 1 include any actual data for 2010?
If yes, please explain how many months of actual 2010 data is included.
- b) Please provide a table in the same level of detail as Table 1 for each of the line items included that shows the most recent year-to-date figures that are available for 2010, along with a column that shows the year-to-date figures for the corresponding period in 2009.

Response:

- a) There is no actual data for 2010 included in Exhibit 3, Table 1
- b) Milton Hydro has provided the following table for year to date operating revenues and the corresponding period for 2009.

Summary of Operating Revenues		
Description	2010 Actual - Jan - Sept	2009 Actual - Jan - Sept
<u>Distribution Revenues</u>		
Residential	5,876,894	5,206,839
GS<50	1,297,089	1,188,242
GS>50	1,052,529	1,004,157
GS>1000 to 4999 kW	545,400	571,830
Large User	314,045	283,265
Sentinel	2,211	2,867
Street Light	21,307	19,082
Unmetered Scattered Load		
Base Distribution Revenue	9,109,476	8,276,283
<u>Other Distribution Revenue</u>		
Late Payment Charges	124,651	101,408
Specific Service Charges	27,376	25,751
Interest Income	31,584	27,692
Other Distribution Revenue	917,471	798,306
Other Revenue	1,101,083	953,157
Total Revenue Net of TX Allowance	10,210,559	9,229,440
Variance from 2010 vs 2009	10.6%	

Interrogatory # 24

Ref: Exhibit 3, page 7

- a) Please confirm that the ten year average calculated for heating and cooling degree days for the 2011 test year uses data for June 2000 through May 2010. If this cannot be confirmed, please indicate the period of data used to calculate the averages.
- b) Please update the ten year averages to include data through October, 2010 and provide the impact on the volumetric forecast for the weather sensitive rate classes and provide the impact on the revenue deficiency of this change.

Response:

- a) Milton Hydro calculated the ten year average using the actual data from January 2001 to December 2009 for the first nine years and then used the 10 year average calculated for 2010 in the average for HDD and CDD for 2011.
- b) Milton Hydro has updated the HDD and the CDD with actual data available to October 2010 and recalculated the impact on the weather sensitive customer classes and revenue deficiency.

Year	Residential	General Service < 50 kW	General Service > 50 to 999 kW	Revenue Deficiency
	kWh			\$\$\$
2001 Actual	134,047,710	59,298,833	145,138,639	
2002 Actual	150,212,623	60,711,850	147,962,301	
2003 Actual	158,175,327	61,255,640	148,063,380	
2004 Actual	169,087,408	61,650,512	155,978,135	
2005 Actual	192,683,717	65,492,217	164,259,880	
2006 Actual	195,292,370	64,355,939	165,309,885	
2007 Actual	211,418,658	68,462,631	172,334,963	
2008 Actual	218,391,097	71,310,393	180,947,735	
2009 Actual	230,401,041	73,618,223	184,558,255	
2010 Bridge Year 10 year HDD/CDD As Filed	249,747,033	73,958,013	183,863,131	
2010 Bridge Year 10 year HDD/CDD to Oct 2010	251,446,776	74,246,861	184,219,658	
2011 Test Year 10 Year HDD/CDD As Filed	258,520,606	75,044,767	187,300,109	1,690,053
2011 Test Year 10 Year HDD/CDD to Oct 2010	258,610,458	75,033,476	187,324,586	1,689,035

Interrogatory # 25

Ref: Exhibit 3, pages 9-10

- a) Did Milton Hydro attempt to use another economic variable in the weather sensitive rate classes such as the provincial or local unemployment rate? If not, why not?
- b) Please add the unemployment rate (provincial if no local rate is available) to each of the equations estimated for the weather sensitive rate classes and provide the regression statistics in the same format as in Table 4.
- c) For any of the regression equations requested in part (b) above that have coefficients that are both statistically significant and the correct sign, please provide the forecast for 2010 and 2011, indicating how the unemployment rate was forecast for those years.

Response:

- a) Milton Hydro has not considered any other economic or income variables in the class specific regression models for each of the weather sensitive classes. Milton Hydro reviewed regression models for seven 2010 cost of service filers and five 2011 cost of service filers currently before the OEB in order to determine alternative economic variables to consider. Each applicant used the Ontario GDP. Milton Hydro initially included the Ontario GDP in Run 1 as found in Exhibit 3, Page 6, Table 3. The statistical result in every case was either a non-intuitive negative coefficient or a *t Stat* of less than the absolute value of two. The statistical results found in Exhibit 3, Page 7, Table 4 were good without the economic variable.
- b) Milton Hydro has added the Mississauga Halton Health Integration Network Ontario unemployment rate beginning January 2002 to December 2009 and the weighted average of the Stats Canada Labour Force Characteristics for the three months ending October 2010 for Toronto and Hamilton to the load forecast model. The following table provides the regression result.

Regression Statistics	Residential		General Service <50 kW		General Service >50-999 kW	
Multiple R	0.9784		0.9676		0.9663	
R Square	0.9572		0.9363		0.9337	
Adjusted R Square	0.9538		0.9320		0.9276	
Standard Error	656444.3284		152960.1767		325623.3160	
Observations	96.0000		96.0000		96.0000	
	Coefficients	t Stat	Coefficients	t Stat	Coefficients	t Stat
Intercept	-13910254.59	-5.278	-3659678.24	-5.759	-7512204.76	-5.424
Heating Degree Days	6732.31	15.022	2073.46	19.917	1528.18	6.897
Cooling Degree Days	35265.81	13.123	5638.44	9.104	8703.08	6.574
Number of Days in Month	561876.60	6.560	110696.06	5.555	177073.68	3.958
Spring Fall Flag	-1471239.94	-7.889	-191607.75	-4.421	-169797.46	-1.841
Blackout Flag	-2085300.31	-3.073	-	-	-1171438.84	-3.440
Number of Peak Hours	-	-	-	-	9105.05	4.042
Unempl Rate	-46806.68	-0.461	75468.96	3.205	238048.36	4.729
Number of Customers	610.46	35.350	2369.82	24.353	44027.66	32.444

c) Milton Hydro submits that the regression results for the Unemployment Rate, as provided in the table for part b) above, do not have either coefficients that are both statistically significant and the correct sign and therefore should be excluded from the regression analysis. The coefficient of the Residential customer class for the Unemployment Rate is negative which is intuitively correct however the *t-Stat* is less than the absolute value of two which means the variable is not statistically significant. The coefficients for the Unemployment Rate for both General Service customer classes are positive which is intuitively incorrect. In Milton Hydro's view, the unemployment rate should intuitively cause consumption to decline which suggest the coefficient on the Unemployment Rate should be negative.

The remaining regression equations that are statistically sound are the same regression variables used in Milton Hydro's load forecast as filed in its Application and therefore the load forecast, as filed, will not change.

Milton Hydro used the unemployment statistics from the CANSIM results Table 109-503 for the Mississauga Halton Health Integration Network Ontario for the years 2002 to 2009. Milton Hydro used the weighted average of the Stats Canada Labour Force Characteristics for the three months ending October 2010 for Toronto and Hamilton.

Interrogatory # 26

Ref: Exhibit 3, page 14

- a) How has Milton Hydro reflected the July, 2010 transfer of one customer from the General Service 1,000 - 4,999 kW customer class to the General Service >50 - 999 kW customer class in the volumetric forecast for the class the customer is now in?
- b) Please provide the annual kWh volumes for this customer for each of 2007 through 2009, along with the most recent year-to-date volumes available for 2010 and the corresponding period in 2009.
- c) Has the customer forecast for the General Service >50 - 999 rate class been explicitly increased for this customer transfer in 2010?
- d) What is the impact on the revenue deficiency if the geometric mean is used to forecast residential customers for 2010 and 2011 rather than the 1,500 additions used?

Response:

- a) Milton Hydro initially adjusted the customer count for the General Service 1,000 – 4,999 kW in its Application down from 12 to 11 to reflect the change in customer class numbers. Subsequent to the filing of Milton Hydro's Application a second customer was reclassified from the General Service >50 to 999 kW customer class and into the General Service 1,000-4,999 kW and a new customer was added to the General Service 1,000 – 4,999kW customer class. In the span of two months Milton Hydro lost one customer and gained two customers in the General Service 1000-4999 customer class. The review and movement of customers, customers moving out and in, or addition of new customers may occur at any time which is precisely the reason that the forecast models work on average customer usage.
- b) This interrogatory is no longer relevant as Milton Hydro has not lost any customers in the General Service 1,000 – 4,999 customer class.

- c) Milton Hydro did not manually or explicitly alter the forecast for the General Service >50 – 999 customer class and due to the subsequent changes in customer counts this interrogatory is no longer relevant.
- d) Milton Hydro has used the geometric mean to forecast residential customers for 2010 and 2011 rather than the 1,500 additions used in its Application. As expected the result is a record number of residential connections during a period of a slow economy. The following table provides the decrease in Milton Hydro's revenue deficiency

Year	Residential	Revenue Deficiency
	kWh	\$\$\$
2010 Bridge Year 10 year HDD/CDD As Filed	249,747,033	
2010 Bridge Year 10 year HDD/CDD to Oct 2010	253,918,640	
2011 Test Year 10 Year HDD/CDD As Filed	258,520,606	1,690,053
2011 Test Year 10 Year HDD/CDD to Oct 2010	271,422,418	1,539,572

Interrogatory # 27

Ref: Exhibit 3, page 15

Please provide a table in the same level of detail by rate class as Table 11 that shows the actual number of customers based on the most recent month available for 2010 and the number of customers for each rate class on the same month in 2009.

Response:

Milton Hydro has provided the following table setting out the number of customers to October 2010 and the corresponding period for 2009.

Customers by Class								
Period	Residential	General Service < 50	General Service >50 to 999 kW	General Service ≥ 1000 to 4999 kW	Large User > 4999 kW	Streetlights	Sentinel Lights	Unmetered Loads
Jan - Oct 2010	26,231	2,264	255	13	2	2,787	276	182
Jan - Oct 2009	24,685	2,185	273	12	2	2,763	281	183

Interrogatory # 28

Ref: Exhibit 3, pages 16-17

- a) Has the average kWh consumption for the General Service 1,000 - 4,999 kW rate class in Table 13 been calculated with or without the inclusion of the customer that was transferred out of the class in July 2010?
- b) If the response to part (a) is that the average use calculated in Table 13 includes the customer that was transferred out of the class, please recalculate the historical average excluding this customer and provide the geometric mean for this class as shown in Table 14.

Response:

- a) Milton Hydro calculated the average kWh consumption for the General Service 1,000 - 4,999 kW rate class in Table 13 for the years 2001 to 2009 based on actual customer counts for each year which would have included the customer that was transferred out if they were included in this class in each particular year.
- b) The average use in Table 13 is consistent with the number of customers in the General Service 1,000 – 4,999 kW customer class as discussed in interrogatory #26 the reclassification of one customer out is replaced by the reclassification of a second customer in. The geometric mean for this class will not change.

Interrogatory # 29

Ref: Exhibit 3, page 16

- a) For each of the General Service 1,000 - 4,999 kW and Large User > 4,999 kW customers, please estimate a regression equation that is based on the annual average kWh consumption per customer data shown in Table 13 and includes annual explanatory variables for heating and cooling degree days, the spring/fall flag and Ontario real GDP and provide the results of the regressions.
- b) Please provide a second run based on the response to part (a) by removing all explanatory variables that have a t-statistic less than 1.50 and/or have an incorrect sign on the estimated coefficient.
- c) Please provide a forecast for 2010 and 2011 from any resulting equation in part (b) above.

Response:

- a) Milton Hydro has estimated a regression equation that is based on the annual average kWh consumption per customer data shown in Table 13 and includes annual explanatory variables for heating and cooling degree days, the spring/fall flag and Ontario real GDP and provided the results below.

Regression Statistics	General Service 1000-4999 kW		Large User	
Multiple R	0.6530		0.6151	
R Square	0.4264		0.3783	
Adjusted R Square	0.4041		0.3542	
Standard Error	779005.3176		1132901.9209	
Observations	108.0000		108.0000	
	Coefficients	t Stat	Coefficients	t Stat
Intercept	20187349.02	13.329	-10346723.24	-4.697
Heating Degree Days	954.44	1.907	293.44	0.403
Cooling Degree Days	11199.89	3.868	2083.23	0.495
Spring Fall Flag	490621.22	2.385	532837.64	1.781
Ontario GDP	-80334.77	-7.242	123284.07	7.642

- b) Milton Hydro has provided a second run based on the response to part (a) by removing all explanatory variables that have a *t*-Stat of less than 1.50 and/or have an incorrect sign on the estimated coefficient. Milton Hydro would note that all regression analysis prepared for its Application are based on a *t* Stat value equal to or greater than the absolute value of two.

Regression Statistics	General Service 1000-4999 kW		Large User	
Multiple R	0.3665		0.6139	
R Square	0.1343		0.3768	
Adjusted R Square	0.1093		0.3650	
Standard Error	952399.0284		1123392.7258	
Observations	108.0000		108.0000	
	Coefficients	t Stat	Coefficients	t Stat
Intercept	9461990.97	24.379	-10059918.15	-4.787
Heating Degree Days	1201.06	1.968		
Cooling Degree Days	12838.39	3.638		
Spring Fall Flag	558973.10	2.225	431825.05	1.997
Ontario Real GDP Monthly %			122660.32	7.692

- c) Milton Hydro has provided the forecast for 2010 and 2011 from the resulting equation in part (b) above.

Year	General Service 1000-9999 kW	Large User
2010 Bridge Year 10 year HDD/CDD As Filed	104,583,289	69,292,234
2010 Bridge Year 10 year HDD/CDD - IR #29 b)	126,018,581	83,519,112
2011 Test Year 10 Year HDD/CDD As Filed	94,342,584	78,821,751
2011 Test Year 10 Year HDD/CDD - IR #29 b)	127,345,629	88,647,215

Interrogatory # 30

Ref: Exhibit 3, page 3

Please provide the 2010 and 2011 forecast that results from the equation shown for the General Service 1,000 - 4,999 kW class in Table 4.

Response:

Milton Hydro has provided the forecast below for 2010 and 2011 for the General Service 1,000-4,999 kW customer class that is derived from the regression analysis used in Exhibit 3, Page 7, Table 4. Milton Hydro has included all regression equations, as requested in the interrogatory, without regard as to whether the coefficients are both statistically significant and the correct sign or the *t Stats* are greater than the absolute value of two.

Year	General Service 1000-9999 kW
2010 Bridge Year 10 year HDD/CDD As Filed	104,583,289
2010 Bridge Year 10 year HDD/CDD - Table 4	126,128,762
2011 Test Year 10 Year HDD/CDD As Filed	94,342,584
2011 Test Year 10 Year HDD/CDD - Table 4	127,538,660

Interrogatory # 31

Ref: Exhibit 3, page 16

Please provide tables similar to Tables 12 and 13 for the rate classes shown in these tables based on the most recent year-to-date information available for 2010 and for the corresponding period in 2009.

Response:

Actual Consumption by Customer Class					
Period	General Service 1000-4999kW	Large User > 4999 kW	Streetlights	Sentinel Lights	Unmetered Loads
2010 Jan -Sept	82,157,339	57,760,954	4,200,259	117,402	960,970
2009 Jan -Sept	88,230,501	42,422,932	3,793,801	130,011	928,014

Actual Average kWh Consumption per Customer by Customer Class					
Period	Service 1000-4999 kW	4999 kW	Streetlights	Sentinel	Loads
2010 Jan -Sept	6,846,445	28,880,477	1,510	425	5,194
2009 Jan -Sept	7,352,542	21,211,466	1,376	463	5,099

Interrogatory # 32

Ref: Exhibit 3, page 20

What is the impact on the revenue deficiency if the kW forecast for 2011 is based on the 2009 kW to kWh ratios shown in Table 18 rather than the average used? Please show the impact on the revenues at current rates for each of the rate classes shown.

Response:

Milton Hydro has provided the impact on its revenue deficiency by basing the kW forecast for 2011 on the 2009 kW to kWh ratios as follows:

Revenue Deficiency	
2011 Revenue Deficiency as Filed	1,690,053
2011 Revenue Deficiency per EP_IR#32	1,589,283

Milton Hydro has set out the Distribution Revenue impacts as filed in its Application and the implementation of this interrogatory.

Customer Class	As Filed	EP_IR#32
	Dist. Rev. Excluding Transformer	Dist. Rev. Excluding Transformer
Residential	7,764,594	7,764,594
GS < 50 kW	1,574,036	1,574,036
GS >50 to 999 kW	1,409,483	1,394,270
GS >1000 to 4999 kW	580,119	628,547
Large Use	527,679	597,597
Sentinel Lights	2,713	2,710
Street Lighting	17,958	17,837
Unmetered and Scattered	41,548	41,548
Total Distribution Revenue	11,918,130	12,021,140

Interrogatory # 33

Exhibit 3, page 28 (updated)

- a) Please provide the actual SSS Admin revenues collected in 2009.
- b) Please explain how the increase in SSS Admin fees has been calculated in relation to the increase in customers forecast.
- c) For account 4235 Occupancy Charge forecast for 2010, please provide the most recent year-to-date figure for 2010 in this line item along with the corresponding figure for the same period in 2009.

Response:

- a) Milton Hydro collected actual SSS Admin revenues in 2009 of \$70,968
- b) Milton Hydro determined its SSS administration based on a May 18, 2010 survey submitted to the Ontario Energy Board. Approximately 10% of Milton Hydro's customers are enrolled with retailers, therefore 90% of Milton Hydro customers are charged the SSS administration fee.

Milton Hydro estimated its 2010 Bridge Year and 2011 Test Year, customer growth at 1,500 customers of which 90% will remain on SSS or 1,350. (1,500 customers x 90%)

Milton Hydro used 6 months to estimate this increase in new customer growth through the year. The increase in SSS Administration charge for 2011 is calculated as follows:

$$1,350 \text{ SSS customers} \times .25 \text{ cents} \times 6 \text{ months} = \$2,025$$

	2010 Bridge	2011 Test	Increase
SSS Administration Fees	73,779	75,804	2,025

- c) Milton Hydro has provided the Occupancy Charges for the actual period January to September 2010 and the corresponding period for 2009 in the table below. Move in

accounts are down 11.7% year over year for the period which is consistent with the slowdown in growth during the same period.

	2010 Jan - Sept	2009 Jan - Sept	Variance
4235 Occupancy Charges	158,620	179,550	(20,930)

Interrogatory # 34

Ref: Exhibit 3, page 27 &

Exhibit 2, Table 18

- a) Please explain why the sale of the vehicles being replaced in 2011 as shown in Table 18 of Exhibit 2 results in a gain of only \$1,000.
- b) Please explain the reduction of \$500 shown in Table 29 under a cost of service application.
- c) Please provide a table showing the most recent year-to-date actual figures for 2010 and the figures for the corresponding period in 2009 in the same level of detail as Table 29.

Response:

- a) At the time of filing Milton Hydro's Application it was estimated that the 2011 Test Year gain to be realized on the sale of other property would be \$1,000.
- b) Milton Hydro reduced the estimated gain in accordance with the 2006 Electricity Distribution Rate Handbook Section 4.6.1 Assets Sold to a Non-Affiliate – A capital gain or loss that falls below the materiality threshold shall be shared between the ratepayers and the shareholders on a 50/50 basis in determining the revenue requirement.
- c) Milton Hydro has provided the September year to date gain on disposition of assets and the corresponding gain for the same period in 2009.

Account 4355 - Gain on Disposition of Utility and Other Property		
	2010 Jan - Sept	2009 Jan - Sept
Sale of Truck	(35,119)	-
Sale of Storage Trailer	(1,200)	-
Sale of Reel & Pole Trailer	(714)	-
	(37,033)	-

Interrogatory # 35

Ref: Exhibit 4, page 1

Please provide the most recent year-to-date actual expenditures for 2010 and the corresponding figures for the same period in 2009 in the same level of detail as shown in Table 1.

Response:

Milton Hydro has provided the September year to date expenditures for 2010 and the corresponding expenditures for 2009 in the following table.

Summary of Operating, Maintenance and Administration Costs		
Description	Jan - Sept 2010	Jan - Sept 2009
Operation	749,805	616,794
Maintenance	661,422	620,450
Billing and Collections	993,966	951,752
Communtiy Relations	11,463	2,563
Administrative and General Expenses	1,914,981	1,623,144
Total Controllable Costs	4,331,637	3,814,703
Capital Tax	30,495	75,000
Total OM&A Costs	4,362,132	3,889,703

Interrogatory # 36

Ref: Exhibit 4, page 4

- a) Please explain how the capital PST related figures shown in Table 5 for 2010 and 2011 reflect the change in the level of capital expenditures for the bridge and test years relative the average for 2007 through 2009.
- b) Did the project by project forecast for of the capital cost take into account the removal of the PST from the cost in the budget process?

Response:

- a) At the time of filing its Application the best Milton Hydro could do is to review all accounts payable transactions for the years 2007-2009 and determined a 3 year average of PST expenditures and apply the average to the 2010 Bridge Year and the 2011 Test year. The accounts payable were categorized into OM&A and capital.
- b) Milton Hydro took into account the removal of the PST from total costs in determining the costs such as material, that would have attracted PST. The PST is not applicable to labour costs or contractor labour costs.

Interrogatory # 37

Ref: Exhibit 4, page 5

- a) How many of the staff changes (additions and deletions) shown in Table 6 for the 2010 bridge year have taken place at the current time?
- b) Please provide a table that shows for each of the staff additions shown for 2010 whether the position is a replacement or a net addition to staff, the total wages and benefits associated with the position and whether the position is currently filled or vacant.
- c) Please provide a table that shows for each of the staff additions shown for 2011 whether the position is a replacement for a net addition to staff and the total wages and benefits associated with the position.

Response:

- a) Milton Hydro has hired five of the new positions and is currently in the process of interviewing for the remaining two.
- b) Milton Hydro has provided the table below which sets out the change in staffing and the total wages and benefits associated with the staffing changes.

2010 Bridge Year					
Additions/Replacements	Additions	Deletions	Description	Filled/Vacant	Wages & Benefits
Customer Service:					
Billing Supervisor		-1	Retired in March, 2010		
Billing Supervisor	1		CSR Promoted to Billing Supervisor	Filled	
CSR		-1	CSR Promoted to Billing Supervisor		
CSR	1		Replaced CSR promoted	Filled	
Net change	2	-2			
Engineering/Operations:					
Director of Engineering	1		Replacement for VP Eng & Ops	Filled	
Director of Operations	1		New Position	Filled	
Engineering Technician	1		New position	Filled	
Labourer	1		New position	Filled	
P&C Lineman	1		New position - interviews taking place.	Vacant	
P&C Apprentice	1		New position - interviews taking place.	Vacant	
Distribution Engineer		-1	Resigned in May 2010		
Distribution Engineer	1		Replacement	Filled	
Net change	7	-1			
IT Technologist:					
IT Supervisor		-1	Resigned		
IT Specialist	1		Replacement	Filled	
Net change	1	-1			
Metering:					
Metering Supervisor	1		New position	Filled	
Metering Technician		-1	Metering Technician Promoted Superv		
Net change	1	-1			
Outside Lines:					
Journeyman		-2	Moved to another LDC		
Journeyman	3		2 Replacement & 1 new	Filled	
Net change	3	-2			
Total	14	-7			\$ 303,799

- c) Milton Hydro has provided the following table which sets out the staffing changes for the 2011 Test Year.

2011 Test Year				
Additions/Replacements	Additions	Deletions	Description	Wages & Benefits
Customer Service:				
CSR	1		New Position	
Financial Services:				
Accounting Clerk	1		New Position	
Outside Lines:				
Journeyman	1		New Position	
Total	3	0		\$ 175,911

Interrogatory # 38

Ref: Exhibit 4, page 6

Is there any difference between the OM&A forecasts for 2010 and 2011 included in the current application from that approved by the Board of Directors? If yes, please provide the difference and the reasons for the difference.

Response:

Milton Hydro has provided the following table setting out the Board of Directors approved 2010 budget and the 2010 Bridge Year forecast including explanation for the differences. At this time Milton Hydro does not have a Board of Directors approved 2011 budget.

2010 Approved by			
	BofD	2010 Bridge Year	2010 Variance
Operations & Maintenance	1,674,033	1,874,982	200,949
Administration	4,103,487	4,081,901	(21,586)
Smart Meter Disposition JE	-	291,868	291,868
	5,777,520	6,248,751	471,231

Operations:	2010 Variance
Operations & Metering Wages	209,138
Misc. Maintenance	7,037
2010 Adjustment for PST 6 months	(15,226)
	200,949

Administration:	
2010 Adjustment for PST 6 months	(17,693)
Hydro, Water	(48,000)
Rent/Taxes	37,451
Moving Expenses	42,000
Meter Reading	(4,700)
Employee Future Benefits	(16,000)
Credit Insurance	(2,000)
Audit & Legal	15,000
Regulatory	(10,000)
Gifts and Donations	(5,000)
Software & Computer Maintenance	(12,644)
	(21,586)

Interrogatory # 39

Ref: Exhibit 4, page 19

Please confirm that the increase in OM&A costs shown in Table 9 between 2009 and 2011 is 19.7% with the moving expenses recorded in 2009 included and 23.4% when the moving expenses are removed.

Response:

Milton Hydro confirms that the increase in OM&A costs shown in Table 9 between 2009 and 2011 is 19.7% with the moving expenses recorded in 2009 included and 23.4% when the moving expenses are removed.

Interrogatory # 40

Ref: Exhibit 4, page 23

Please provide the actual cost of tree trimming for each of 2005 through 2009, along with the forecast for 2010 and 2011.

Response:

Milton Hydro has provided the table below setting out the actual tree trimming expenditures for 2005 to 2009 and the 2010 Bridge Year and 2011 Test Year forecast.

USoA	Tree Trimming						
	2005	2006	2007	2008	2009	2010 Bridge	2011 Test
5135	201,938	144,675	216,405	166,972	190,764	191,614	158,900

Interrogatory # 41

Ref: Exhibit 4, pages 36-37

- a) What is the basis for the \$100,000 in intervenors costs forecast by Milton Hydro, including the expected number of intervenors?
- b) Please calculate the amount of LEAP funding based on 0.12% of the distribution revenue requirement.

Response:

- a) Milton Hydro forecasted four intervenors (excluding OEB staff) at a cost of \$25,000 each for a total intervenor cost of \$100,000.
- b) Milton Hydro has calculated its Low Income Assistance Program contribution to be 0.12% of its proposed distribution revenue requirement including miscellaneous revenue to be \$18,075. Milton Hydro has not included any amount in its 2011 Test Year Revenue Requirement for any legacy programs.

Interrogatory # 42

Ref: Exhibit 4, page 55

Please provide the impact on the 2011 revenue requirement of each of the three increases shown for 2011.

Response:

The impact of each of the negotiated union wage increases on revenue requirement is set out in the table below:

	Cumulative 2011 Revenue Requirement Impact	Change
Revenue Requirement without 2011 Negotiated Union Increases	15,023,550	
Effective January 1, 2011 - 2.75% increase (all members)	15,032,684	9,134
Effective April 1, 2011 - .25% increase (all members)	15,058,201	25,517
Effective April 1, 2011 - \$.25 increase (Journeyman/Lineman)	15,061,832	3,631
Total		38,282

Interrogatory # 43

Ref: Exhibit 4, pages 57-58

- a) What increase has been forecast for 2010 and 2011 for executive and management employees?
- b) What is the impact on the test year revenue requirement of the increase forecast for executive and management employees?
- c) What is the cost of the incentive compensation plan forecast for 2011 and what percentage of the annual base salary does this represent?

Response:

- a) Milton Hydro has forecast the annual increase for 2010 and 2011 executive and management employees at 3%.
- b) Milton Hydro has calculated the impact of this 3% increase on the 2011 Test Year revenue requirement to be \$40,905.
- c) Milton Hydro's 2011 Test year incentive compensation plan has been forecast at 3% of annual base salary. The cost of this 2011 Test Year incentive compensation package is estimated at \$58,966.

Interrogatory # 44

Ref: Exhibit 4, page 60

What would be the reduction in the number of employees in 2011 if the customers served per employee shown in Table 20 remained at the forecasted level of 653 for 2010?

Response:

Milton Hydro's number of employees for the 2011 Test Year would be 46.64 if the customers served per employee remained at the forecasted level of 653 Customers/FTEE for 2010. Milton Hydro has filled five of the seven positions included in its Application and is currently interviewing for the Protection & Control journeyman and apprentice. With the full complement of staff in the 2011 Test Year Milton Hydro's customers served per employee remains higher than the 2010 Peer Group average.

Description	2010 Bridge Year	2010 Peer Group as Reported	2011 Test Year	2011 Test Year at 2010 level
Number of Customers	28,890		30,459	30,459
Number of FTEE's	44.27		51.00	46.64
Customers/FTEE's	653	571	597	653

Interrogatory # 45

Ref: Exhibit 4, pages 70-74

- a) Please reconcile the figure of 98% on line 14 of page 70 with the 90% shown in Table 24 related to the management fee.
- b) Please break down the management fee (\$72,266) and the cost (\$80,296) into each of its components such as MHHI Board of Directors fees, meeting expenses, management services, administration, legal, audit and insurance expenses.
- c) How has Milton Hydro accounted for the revenue requirement associated with the working capital allowance of 15% applied to the OM&A expenses incurred to provide services to its affiliates?
- d) What is the rate base impact of including the working capital allowance associated with the OM&A costs related to providing the services to its affiliates?
- e) Does Milton Hydro Distribution have its own Board of Directors? If so, what is the related costs included in the revenue requirement?

Response:

- a) Milton Hydro's proportion of the 98% management fee referred to in Exhibit 4 page 70 relates to the percentage allocation of Milton Hydro Holdings Inc ("MHHI") services provided to Milton Hydro Distribution. This percentage allocation has been in effect since 2009. Prior to 2009, 90% of the MHHI Board services were allocated to Milton Hydro Distribution. During this time Milton Hydro Telecom ("MHTI") was an active business. In August 2008 Milton Hydro Telecom services sold its major communication asset but continues to provide sentinel light rental services.
- b) Milton Hydro has provided the following table which sets out the management fees for MHHI and Milton Hydro's proportionate share.

Milton Hydro Holdings Inc. Summary of Management Fee Charge - 2005		
Milton Hydro Holdings Inc. Expenses	% Allocation	Amount
Directors Stipend		37,500
Meeting Fees		23,600
Meeting Expense		149
Insurance		6,853
Miscellaneous		550
Legal and Audit		1,900
Administration - Contract Staff		9,744
Total Expenses		80,296
Charged to Milton Hydro	90%	72,266
Charged to MHTI	10%	8,030

- c) Milton Hydro's management fees charged to its affiliates is recorded to the expense incurred to provide the service to the affiliate. In this way there is no impact on the working capital allowance of 15% as expenses are reduced by management fees received.
- d) Not applicable as expenses included in working capital are net of revenues.
- e) Milton Hydro Distribution Inc. has its own Board of Directors. The related costs included in the Revenue Requirement for the 2011 Test year are \$30,181.

Interrogatory # 46

Ref: Exhibit 4, page 91

Please explain why the computer hardware additions in 2010 and 2011 appear to have been included in CCA Class 10 rather than Class 50.

Response:

Milton Hydro has inadvertently recorded computer hardware additions in CCA Class 10 in the 2010 Bridge year and the 2011 Test Year. The computer hardware additions should be included in CCA Class 52 which is amortized at 100% due to its purchase after January 27, 2009 and before February 2011.

Milton Hydro will make this correction on the CCA Continuity Schedules and any other tax schedules that are affected.

Interrogatory # 47

Ref: Exhibit 4, page 90

Has Milton Hydro included a tax reduction of \$36,250 related to the Ontario small business tax rate on the first \$500,000 in taxable income (calculated as \$500,000 times the difference between 11.75% and 4.50%)? If not, why not?

Response:

Milton Hydro did not include a tax reduction of \$36,250 related to the Ontario small business tax rate on the first \$500,000 in taxable income. Milton Hydro has confirmed with its external tax consultants that effective July 1, 2010 all Canadian Controlled Private Corporations can avail themselves to a lower tax rate on the first \$500,000 of taxable income. Accordingly, Milton Hydro should include this tax reduction in its determination of its tax provision and filing of return effective for the 2010 calendar year.

Interrogatory # 48

Ref: Exhibit 5, page 3

- a) What are the terms associated with the loans from Infrastructure Ontario forecast for December 1, 2010 and June 1, 2011?
- b) What are the current interest rates available from Infrastructure Ontario based on the terms identified in (a) above based on the latest information available?

Response:

- a) Milton Hydro's documents set out the terms associated with the loans from Infrastructure Ontario forecast for December 1, 2010 and June 1, 2011 to be 25 years
- b) Milton Hydro has accessed the Infrastructure Ontario online lending rates which set out the current interest rates available from Infrastructure Ontario based on the terms identified in a) are as follows:

Term: 25 years @ 4.51% (as at November 5, 2010)

(OIPC online lending rates are updated frequently as we track the movement of our cost of borrowing in the capital markets. Debentures –rates on debentures are fixed for the entire life of the loan once the debenture is purchased by Infrastructure Ontario)

Interrogatory # 49

Ref: Exhibit 7, pages 4 & 7

Milton Hydro plans to adjust the street lighting and sentinel light revenue to cost ratios to 70% in 2012. What is the projected increase in revenues from these classes? For which rate class does Milton Hydro propose to reduce the revenue to cost ratio to offset this revenue increase assuming the Board does not approve the changes to the ratios for 2012 as shown in the table on page 7?

Response

Milton Hydro projects the additional increase in revenue resulting from setting the revenue to cost ratios for the Street Lighting and the Sentinel Lighting customer classes at 70% in 2012 to be approximately \$114,000. In the event the OEB does not approve Milton Hydro's proposed reallocation of revenue to cost ratios for the remaining classes in 2012, Milton Hydro will wait for further OEB direction on the next steps to take which may be resolved through the consultation process on the Review of Electricity Distribution Cost Allocation Policy, OEB File EB-2010-0219.

Interrogatory # 50

Ref: Exhibit 8, page 23 & Exhibit 9, page 27

- a) Please assume that the smart meter rate rider for disposition of variance shown on Table 21 of Exhibit 9 is disposed of over three years. Please provide the 2011 test year bill impact summary shown in Table 21 of Exhibit 8 based on this change.
- b) Please assume that the smart meter rate rider for disposition of variance shown on Table 21 of Exhibit 9 is disposed of over two years. Please provide the 2011 test year bill impact summary shown in Table 21 of Exhibit 8 based on this change.

Response:

- a) Milton Hydro has provided the following table which sets out the impact of the disposition of the Smart Meter variance over three years.

Class	Typical kWh Usage	Typical kW Demand	Monthly \$ Impact	Total Bill Impact %
Residential	800		2.61	2.32%
General Service < 50kW	5,000		26.30	4.01%
General Service > 50 - 999kW	200,000	500	692.16	2.88%
General Service > 1000 - 4999kW	1,600,000	4,000	4,642.08	2.65%
Large Use	3,100,000	7,500	3,657.49	1.09%
Streetlighting	526,732	1,484	11,440.66	21.45%
Sentinel Lighting	50	1	13.60	160.76%
Unmetered & Scattered	630		4.54	5.54%

- b) Milton Hydro has provided the following table which sets out the impact of the disposition of the Smart Meter variance over two years.

Class	Typical kWh Usage	Typical kW Demand	Monthly \$ Impact	Total Bill Impact %
Residential	800		2.28	2.02%
General Service < 50kW	5,000		25.97	3.96%
General Service > 50 - 999kW	200,000	500	691.84	2.88%
General Service > 1000 - 4999kW	1,600,000	4,000	4,641.75	2.65%
Large Use	3,100,000	7,500	3,657.16	1.09%
Streetlighting	526,732	1,484	11,440.66	21.45%
Sentinel Lighting	50	1	13.60	160.76%
Unmetered & Scattered	630		4.54	5.54%

Milton Hydro would note that the Smart Meter rate rider was proposed over four years as a means of mitigating future IRM increases. The following table provides the immediate customer impacts on Residential and General Service <50 kW with no Smart Meter Rider in the following year of IRM before any IRM adjustment.

Bill Impact Summary - No Smart Meter Credit Following Year

Class	Typical kWh Usage	Typical kW Demand	Monthly \$ Impact	Total Bill Impact %
Residential	800		3.26	2.89%
General Service < 50kW	5,000		26.95	4.11%

ATTACHMENT A

Milton Hydro Distribution Inc.

Summary of Capital Expenditures

As at December 31

Milton Hydro Distribution Inc.

Capital Expenditures

presented to the Board on November 30, 2009

Total Residential Units - per year		2,500	2,100	2,300	2,300	2,300	2,300	2,300
		2009 Budget	2009 Projected	2010	2011	2012	2013	2014
Growth-Related Capex								
		\$						
MH Developer Capital Projects		364,193	142,950	679,335	603,688	713,650	771,938	795,096
Subdivision Capital Costs		6,300,000	4,384,163	5,796,000	5,796,000	5,796,000	5,796,000	5,796,000
General Service Connections (new) - OH & UG		1,359,701	1,054,416	1,200,000	1,236,000	1,273,080	1,311,272	1,350,611
Total Growth Related Capital Expenditures		8,023,894	5,581,529	7,675,335	7,635,688	7,782,730	7,879,210	7,941,707
Land for New Headquarters		3,000,000	2,223,282	700,000	-	-	-	-
Building for New Headquarters		-	-	-	-	-	1,500,000	2,000,000
Milton Hydro builds their own TS		-	-	-	-	-	-	1,600,000
Asset Management, Municipal, Meters, UG/OH Services		3,819,463	2,465,117	5,610,943	5,445,302	5,609,000	5,777,000	5,950,000
Non-Growth Related Capital Expenditures		6,819,463	4,688,399	6,310,943	5,445,302	5,609,000	7,277,000	9,550,000
Total Transmission and Distribution Capital Expenditures		14,843,357	10,269,928	13,986,278	13,080,990	13,391,730	15,156,210	17,491,707
Total Other Capital Expenditures (office eqmt, tools)		506,650	898,332	599,750	524,750	599,750	654,750	484,750
GRAND TOTAL OF CAPITAL EXPENDITURES		15,350,007	11,168,260	14,586,028	13,605,740	13,991,480	15,810,960	17,976,457
Less: Contributed Capital Portion of CAPEX								
Refunds to Developers		2,520,000	1,600,000	2,100,000	2,318,400	2,318,400	2,318,400	2,318,400
Capital Contributions Received - Growth-Related		(7,673,894)	(5,267,086)	(7,327,873)	(7,313,688)	(7,393,594)	(7,485,250)	(7,544,621)
Capital Contributions Received - Non-Growth Related		(356,913)	(339,344)	(791,123)	(522,588)	(522,588)	(522,588)	(522,588)
Total Capital Contributions - net		(5,510,807)	(4,006,430)	(6,018,996)	(5,517,876)	(5,597,782)	(5,689,438)	(5,748,809)
Net Capital Expenditures - Net Impact on Cash Flow		\$ 9,839,200	\$ 7,161,830	\$ 8,567,032	\$ 8,087,864	\$ 8,393,699	\$ 10,121,523	\$ 12,227,647

Milton Hydro Distribution Inc.

Summary of Capital Expenditures

As at December 31

Milton Hydro Distribution Inc.

Capital Expenditures

Presented to the Board on December 7, 2009 - APPROVED BUDGET

Total Residential Units - per year		2,500	2,100	2,300	2,300	2,300	2,300	2,300
		2009 Budget	2009 Projected	2010	2011	2012	2013	2014
Growth-Related Capex								
MH Developer Driven Capital Projects	\$	364,193	142,950	679,335	603,688	713,650	771,938	795,096
Subdivision Capital Costs		6,300,000	4,384,163	5,796,000	5,796,000	5,796,000	5,796,000	5,796,000
General Service Connections (new) - OH & UG		1,359,701	1,054,416	1,200,000	1,236,000	1,273,080	1,311,272	1,350,611
Total Growth Related Capital Expenditures		8,023,894	5,581,529	7,675,335	7,635,688	7,782,730	7,879,210	7,941,707
Land for New Headquarters		3,000,000	2,223,282	700,000	-	-	-	-
Building for New Headquarters		-	-	-	-	-	1,500,000	2,000,000
Milton Hydro builds their own TS		-	-	-	-	-	-	1,600,000
Asset Management, Municipal, Meters, UG/OH Services		3,819,463	2,465,117	5,610,943	5,445,302	5,609,000	5,777,000	5,950,000
Non-Growth Related Capex		6,819,463	4,688,399	6,310,943	5,445,302	5,609,000	7,277,000	9,550,000
Total Transmission and Distribution Capital Expenditures		14,843,357	10,269,928	13,986,278	13,080,990	13,391,730	15,156,210	17,491,707
Total Other Capital Expenditures (office eqmt, tools)		506,650	898,332	599,750	399,750	474,750	529,750	359,750
GRAND TOTAL OF CAPITAL EXPENDITURES		15,350,007	11,168,260	14,586,028	13,480,740	13,866,480	15,685,960	17,851,457
Less: Contributed Capital Portion of CAPEX								
Refunds to Developers		2,520,000	1,600,000	2,100,000	2,318,400	2,318,400	2,318,400	2,318,400
Capital Contributions Received - Growth-Related		(7,673,894)	(5,267,086)	(7,327,873)	(7,313,688)	(7,393,594)	(7,485,250)	(7,544,621)
Capital Contributions Received - Non-Growth Related		(356,913)	(339,344)	(791,123)	(522,588)	(522,588)	(522,588)	(522,588)
Total Capital Contributions - net		(5,510,807)	(4,006,430)	(6,018,996)	(5,517,876)	(5,597,782)	(5,689,438)	(5,748,809)
Net Capital Expenditures - Net Impact on Cash Flow	\$	9,839,200	7,161,830	8,567,032	7,962,864	8,268,699	9,996,523	12,102,647

Change from Preliminary Budget Presented to the Board on November 30, 2009:

2011 to 2014 -- removed \$125,000 in each of 2011 to 2014 in Other Capital Expenditures to reflect the generator budgeted for 2010 (\$125,000) would be a one-time expenditure

Milton Hydro Distribution Inc.
2010 CAPITAL BUDGET

	DESCRIPTION	Ref.	BUDGET		
			2010 Cost	CONTRIB CAPITAL	NET TOTAL
GROWTH RELATED CAPEX					
MHDI - Developer projects	See attached schedule		\$ 679,335	\$ 635,423	\$ 43,913
Residential Subdivision Cost	(2300 units x \$2520)		\$ 5,796,000	\$ 5,492,450	\$ 303,550
O/H Services (new)			\$ 187,500	\$ 187,500	\$ -
U/G Services (new)			\$ 1,012,500	\$ 1,012,500	\$ -
Total General Services Connections			\$ 1,200,000	\$ 1,200,000	\$ -
TOTAL GROWTH RELATED CAPEX			\$ 7,675,335	\$ 7,327,873	\$ 347,463
MHDI - Asset Management	See attached schedule		\$ 3,130,616	\$ -	\$ 3,130,616
Municipal (Region/Town) projects	See attached schedule		\$ 2,350,507	\$ 791,123	\$ 1,559,384
			\$ 5,481,123	\$ 791,123	\$ 4,690,000
Land	Corner Lot - 5th/Main street		\$ 700,000	\$ -	\$ 700,000
OH Services	Service Upgrades		\$ 12,000	\$ -	\$ 12,000
	New Residential Services - individual		\$ 32,000	\$ -	\$ 32,000
			\$ 44,000	\$ -	\$ 44,000
UG Services	New House Residential		\$ 22,500	\$ -	\$ -
			\$ 22,500	\$ -	\$ 22,500
METER	Meters (See attached)		\$ 366,870	\$ -	\$ 366,870
	Less: Meters - Residential Subdiv.		\$ (303,550)	\$ -	\$ (303,550)
			\$ 63,320	\$ -	\$ 63,320
TOTAL NON GROWTH RELATED CAPEX			\$ 6,310,943	\$ 791,123	\$ 5,519,820
<u>Other Capital Expenditures</u>					
OFFICE EQUIPMENT	Office Furnishings (new positions)		\$ 5,000		\$ 5,000
COMMUNICATION EQUIPMENT	Miscellaneous		\$ 1,000		\$ 1,000
OTHER TANGIBLE PROPERTY	Generator (back up power)		\$ 125,000		\$ 125,000
STORES EQUIPMENT	Miscellaneous		\$ 5,000		\$ 5,000
COMPUTER HARDWARE	See attached schedule		\$130,500		\$ 130,500
COMPUTER SOFTWARE	See attached schedule		\$25,000		\$ 25,000
ROLLING STOCK	See attached schedule		\$285,000		\$285,000
MAJOR TOOLS	See attached schedule		\$ 23,250		\$ 23,250
TOTAL - OTHER CAPEX			\$ 599,750	\$ -	\$ 599,750
			\$ 14,586,028	\$ 8,118,996	\$ 6,467,032
Less: Rebate to Developer of Capital Contribution during year ***				\$ 2,100,000	\$ 2,100,000
Net Impact on Cash Flow Statement for 2010			\$ 14,586,028	\$ 6,018,996	\$ 8,567,032

** - contributed capital policy - 100% contributed capital on new general service; residential funded through rates

*** rebate based on MH's policy of paying based on connections/load at anniversary of signing subdivision agreement

Capital Works Budget Year 2010

2010 Budget											
		Projects Description	Material	Hours	Contract	Labour	Job Total	Capital Contribution	Net Capex		
2010	Asset Mgt	09-003 Timberlea SC-13 to SC-12 Install ducts, cable and tra	\$ 172,000	510.00	\$ 5,000	\$ 63,750	\$ 240,750	\$	\$ 240,750	\$	\$ 240,750
		09-010 Install reclosers at MS-6 (CARRYOVER due to Smart	\$ 54,000	48.00	\$ 5,500	\$ 6,000	\$ 65,500	\$	\$ 65,500	\$	\$ 65,500
		10A Pole Replacement Program* 2010	\$ 41,792	30.00	\$ 61,275	\$ 3,750	\$ 106,817	\$	\$ 106,817	\$	\$ 106,817
		10B Derry Road Twiss to McNiven rebuild to 27.6 kV	\$ 113,920	76.00	\$ 209,938	\$ 9,500	\$ 333,358	\$	\$ 333,358	\$	\$ 333,358
		10C FIT Projects 2010	\$ 2	1.00	\$ 100,000	\$ 125	\$ 100,127	\$	\$ 100,127	\$	\$ 100,127
		10E Pitfield townhome rebuild to 27.6 kV 950 m and 8 tran	\$ 65,485	130.00	\$ 113,990	\$ 16,250	\$ 195,725	\$	\$ 195,725	\$	\$ 195,725
		10F Smartgrid projects (includes Scadamates, etc) 2010	\$ 200,000	-	\$ 5,700	\$ -	\$ 205,700	\$	\$ 205,700	\$	\$ 205,700
		10G Timberlea area underground re-hab on 13.8 kV	\$ 135,048	40.00	\$ 406,685	\$ 5,000	\$ 546,733	\$	\$ 546,733	\$	\$ 546,733
		10K 551 Commercial rebuild to 27.6 kV 700 m and 12 tran	\$ 80,717	10.00	\$ 130,498	\$ 1,250	\$ 212,465	\$	\$ 212,465	\$	\$ 212,465
		09-001 3 Sideroad Tremaine Road to Kelso Gate CARRYOV	\$ 8,000	1,084.00	\$ 8,200	\$ 135,500	\$ 151,700	\$	\$ 151,700	\$	\$ 151,700
		09-006 Dorset Park Wilson and Frobisher CARRYOVER	\$ 111,936	10.00	\$ 36,169	\$ 1,250	\$ 149,355	\$	\$ 149,355	\$	\$ 149,355
		09-009 Bronte St MS-4 to Derry CARRYOVER	\$ 47,000	20.00	\$ 107,375	\$ 2,500	\$ 156,875	\$	\$ 156,875	\$	\$ 156,875
		10S Upgrade grounding at substations using copperweld	\$ 14,000	10.00	\$ 24,938	\$ 1,250	\$ 40,188	\$	\$ 40,188	\$	\$ 40,188
		10T Eliminate heatshrink from transformers	\$ 100,000	1,300.00	\$ 6,000	\$ 162,500	\$ 268,500	\$	\$ 268,500	\$	\$ 268,500
		10U Rebuild Line, 2nd Line from 20th to 25 S.R.	\$ 114,300	90.00	\$ 231,275	\$ 11,250	\$ 356,825	\$	\$ 356,825	\$	\$ 356,825
Asset Mgt Total			\$ 1,258,200	3,359.00	\$ 1,452,541	\$ 419,875	\$ 3,130,616	\$ -	\$ 3,130,616	\$ -	
Developer	10H James Snow Pkwy, Louis St Laurent to Brittannia - D	\$ 20,000	64.00	\$ 302,250	\$ 8,000	\$ 330,250	\$ 330,250	\$ 330,250	\$ -	\$ -	
	10J Main St. west of Savoline Blvd to Tremaine Road 27.6	\$ 114,560	40.00	\$ 99,613	\$ 5,000	\$ 219,173	\$ 219,173	\$ 219,173	\$ -	\$ -	
	10V Extend Pole Line from Derry to new fire hall (JSP)	\$ 88,000	10.00	\$ 40,663	\$ 1,250	\$ 129,913	\$ 86,000	\$ 86,000	\$ 43,913	\$ 43,913	
Developer Total			\$ 222,560	114.00	\$ 442,525	\$ 14,250	\$ 679,335	\$ 635,423	\$ 43,913	\$ 43,913	
Municipal	10L Louis St. Laurent to Regional Rd 25 27.6 kV line .5 kr	\$ 250,810	30.00	\$ 71,081	\$ 3,750	\$ 325,641	\$ 18,348	\$ 18,348	\$ 307,293	\$ 307,293	
	10M Lower Base Line at 16 Mile Creek for TOM	\$ 51,533	30.00	\$ 78,450	\$ 3,750	\$ 133,733	\$ 41,250	\$ 41,250	\$ 92,483	\$ 92,483	
	10N Reg Rd 25 Derry to Britannia Rd 27.6 kV pole relocat	\$ 318,374	170.00	\$ 410,106	\$ 21,250	\$ 749,730	\$ 215,688	\$ 215,688	\$ 534,043	\$ 534,043	
	10P Regional Road 25 401 to 5 Sideroad	\$ 91,110	60.00	\$ 133,950	\$ 7,500	\$ 232,560	\$ 70,469	\$ 70,469	\$ 162,091	\$ 162,091	
	10Q Tremaine Rd Derry to Main	\$ 62,867	50.00	\$ 113,622	\$ 6,250	\$ 182,739	\$ 97,588	\$ 97,588	\$ 85,151	\$ 85,151	
	10R Main St Bronte to Tremaine	\$ 319,296	60.00	\$ 360,238	\$ 7,500	\$ 687,034	\$ 325,038	\$ 325,038	\$ 361,996	\$ 361,996	
	10W Britannia Rd and 5th Line - Road realignment (traffic li	\$ 6,675	143.00	\$ -	\$ 17,875	\$ 24,550	\$ 8,223	\$ 8,223	\$ 16,328	\$ 16,328	
	10X Derry Rd Install sidewalk struts (Thompson to JSP)	\$ 3,520	88.00	\$ -	\$ 11,000	\$ 14,520	\$ 14,520	\$ 14,520	\$ -	\$ -	
	Municipal Total			\$ 1,104,185	631.00	\$ 1,167,447	\$ 78,875	\$ 2,350,507	\$ 791,123	\$ 1,559,384	\$ 1,559,384

2010 Total

\$ 2,584,945 4,104.00 \$ 3,062,513 \$ 513,000 \$ 6,160,458 \$ 1,426,546 \$ 4,733,912

2010 Services Budget

MILTON HYDRO DISTRIBUTION INC

2010 Services

	Quantity	Total Hrs	Labour \$	Material \$	Total	Contributed	Net Services
Overhead							
O/H Residential Services - new	10	80	\$ 10,000	\$ 22,000	\$ 32,000	\$ -	\$ 32,000
O/H Service Upgrades	10	80	\$ 10,000	\$ 2,000	\$ 12,000	\$ -	\$ 12,000
O/H G.S. Services - new	10	300	\$ 37,500	\$ 150,000	\$ 187,500	\$ 187,500	\$ -
Total Overhead		460	\$ 57,500	\$ 174,000	\$ 231,500	\$ 187,500	\$ 44,000
Underground							\$ -
U/G Residential Services - new	10	60	\$ 7,500	\$ 15,000	\$ 22,500	\$ -	\$ 22,500
U/G G.S. Services - new	30	900	\$ 112,500	\$ 900,000	\$ 1,012,500	\$ 1,012,500	\$ -
Total Underground		960	\$ 120,000	\$ 915,000	\$ 1,035,000	\$ 1,012,500	\$ 22,500

Metering Dept 2010 Budget

Rural and C&I Mesh Clean up Capital Cost

	Quantity	Total
Single Phase Meters 1 EL	34	\$7,480
Single Phase Meters 1.5 EL	142	\$22,720
Network Meters 2EL	12	\$3,000
Polyphase 3p4w	170	\$108,800
RS485, Stick	35	\$22,400

\$164,400

A-base Adapters Polyphase	66	\$16,500
---------------------------	----	----------

\$16,500

		Total
Pole Gates	6	\$13,200
Repeaters MaxRange LAN	6	\$2,850
Rural LAN remote Antenna	6	\$4,140

\$20,190

Total Smart Meter Clean Up Cost

\$201,090

New Construction

	Quantity	Total
Residential	2300	\$287,500
Commercial & Industrial	100	\$40,000
Ct's & Pt's	120	\$19,800
Test Blocks	32	\$3,520

\$350,820

		Total
Pole Gates	6	\$13,200
Repeaters MaxRange LAN	6	\$2,850
LAN remote Antenna	6	\$4,140

\$16,050

New Construction

\$366,870 (Residential - \$303,550)

Total: **\$567,960**

10 YEAR VEHICLE/EQUIPMENT REPLACEMENT PROJECTION

Year 2010

Description				Chassis		Hydraulics				
Vehicle Type	Vehicle #	Fuel Type	Year	Make	Make	2009 Budget	2009P	2010	2011	2012
1 Dbl Bucket 68' reach	#43	Diesel	2009	GMC	Posi-Plus (68')	\$ 275,000	\$340,000			
2 Double Bucket	#19	Diesel	1992	International	Altec (55')					
3 Digger/Derrick	#26	Diesel	1996	International	Altec (D947)					
5 Step Van	#28	Diesel	1999	GMC					\$80,000	
6 Pickup Truck 4x4	gone 2009	Gas	2000	GMC						
7 Single Bucket	#30	Diesel	2000	International	Posi-Plus (42')			\$235,000		
8 Montana	#42	Gas	2009	Chevrolet						
9 Full-Size Van	#32	Gas	2001	Chevrolet						\$40,000
10 Utility Vehicle 4x4 Blazer	#33	Gas	2002	Chevrolet					\$45,000	
11 Step Van	#34	Gas	2002	GMC						
12 Pickup Truck 4x4	#35	Gas	2003	Chevrolet					\$45,000	
13 Pickup Truck 4x4	#36	Gas	2003	Ford						\$45,000
14 Digger/Derrick	#37	Diesel	2004	International	Altec (1988-D1090)					\$200,000
15 Pickup Truck 4x4	#38	Gas	2004	Ford						
16 Single Bucket	#39	Diesel	2004	International	Posi-Plus (42')					
17 Jeep 4x4	#40	Gas	2007	Dodge						
18 Pickup Truck 4x4	#41	Gas	2008	Dodge						
19 Pole Trailer	---		1983	TJ Welding				\$50,000		
20 Reel Trailer (-> 3 position)	---		1973	???						
21 2 Position Reel Trailer	---		2003	Sauber						
21										
22 Bobcat/Loader	---	Diesel	2003	Bobcat A300						
23 Dumping Trailer/float			2010	?					\$40,000	
Total:						\$275,000	\$340,000	\$285,000	\$210,000	\$285,000

Milton Hydro Distribution Inc.

2010 Budget

Hardware

Harris application server (only need if move to Harris v6.0)	\$	10,000.00
New Web Server	\$	10,000.00
Settlement 1 Server	\$	10,000.00
Mv-90 Server	\$	10,000.00
Truck tough book (x2)	\$	12,000.00
Docking stations for tough books w install (x2)	\$	4,000.00
Laptops (YC)	\$	2,500.00
New Desktop/laptop (Ruth's replacement)	\$	2,000.00
GPS System for Trucks about 1000 per car	\$	6,000.00
Scanner (bar coding) for Inventory	\$	20,000.00
Scanning station New (Nexus) PC	\$	1,500.00
Eng Tech Desktop	\$	2,500.00
Control Room Screens	\$	30,000.00
Misc hardware as needed	\$	10,000.00
	\$	130,500.00

Software

Installation Costs for upgrade harris v6.1	\$	15,000.00
Misc software as needed	\$	10,000.00
	\$	25,000.00
	\$	155,500.00

Operations, Engineering, Stores

Capital Items (Tools) - 2010

		2009	2010	2011
1	Digital Multimeter	\$ 450.00		
2	Transformer Tester (e.g. Megger T	\$ 7,500.00		
3	Chainsaw, Gas, extendable		\$ 750.00	
4	Insulated measuring stick	\$ 1,200.00		
5	extendable hook stick	\$ 750.00		
6	guy steel reels for digger derricks *	\$ 500.00		
7	portable shoring box			\$ 2,500.00
8	battery reciprocating saw		\$ 350.00	
9	butterfly clevis * 2	\$ 300.00	\$ 300.00	
10	chop saw (revised: new blades onl	\$ 100.00		
11	voltmeters * 3	\$ 600.00		
12	stores chainsaw	\$ 400.00		
13	mini jackhammer	\$ 300.00		
14	Polyphase meter installation tester		\$ 17,500.00	
15	hydraulic ground rod pounder	\$ 400.00		
16	Stray voltage test equipment		\$ 5,000.00	
17	Sundry (hand tools, insulated hose	\$ 1,200.00	\$ 3,000.00	
	Total:	\$ 13,700.00	\$ 26,900.00	\$ 2,500.00

* Required to satisfy regulatory guideline changes to O. Reg. 22/04

Small Tools	\$ 4,250.00	\$ 3,650.00	\$ -	expense
Major Tools	\$ 9,450.00	\$ 23,250.00	\$ 2,500.00	capital
	\$ 13,700.00	\$ 26,900.00	\$ 2,500.00	