



## **MILTON HYDRO DISTRIBUTION INC.**

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By RESS and Hand Delivery

November 23, 2010

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street  
27<sup>th</sup> 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– Vulnerable Energy Consumer Council**

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](mailto: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 VULNERABLE ENERGY CONSUMER COUNCIL INTERROGATORIES**

**2011 ELECTRICITY DISTRIBUTION RATE APPLICATION**

**Filed: November 23, 2010**

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Director, Regulatory Affairs

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## **LOAD FORECAST**

### **Interrogatory #1**

**Reference:** Exhibit 3, page 2

- a) Please confirm that the revenues by class set out in Table 1 exclude revenues from both the smart meter rate adder and the LV rate adder. If not, please re-do the table with these revenues excluded.

### **Response:**

- a) Milton Hydro confirms that the revenues by class set out in Table 1 exclude revenues from both Smart Meter and Low Voltage (LV) adders.

## Interrogatory #2

**Reference:** Exhibit 3, pages 5-7 and page 11

- a) With respect to the GS 1000-4999 class results set out in Table 4, please indicate whether or not the coefficients for HDD and CDD were statistically significant. If either were, please explain the conclusion that class is not weather sensitive and should be removed from the weather normalization load forecasting process.
- b) Did Milton test other measures of economic activity such as Monthly Full-Time Employment levels for the relevant economic region as reported by Statistics Canada's Monthly Labour Force Survey? If not, why not? If yes, what were the results?

## Response:

- a) Milton Hydro ran the HDD and CDD for the General Service 1,000 – 4,999 customer class and the resulting coefficients were positive, however the HDD *t Stat* was less than the absolute value of two and the CDD *t Stat* was greater than the absolute value of two. In addition, the R Squared value was only 53.47 % indicating the variables used, including the HDD and CDD were not well predictors of the outcome. This is further confirmed in Milton Hydro's response to Energy Probe's interrogatory #29 both in parts a) and b) whereby when the number of variables was decreased but still included HDD and CDD, the R Squared decreased to 42.64% in part a) and 13.43% in part b). Weather sensitivity is a combination of HDD and CDD and Milton Hydro determined that both must be greater than the absolute value of two in order to be statistically significant. Furthermore, upon reviewing the Hydro One weather normalized load forecast prepared for Milton Hydro using 2004 data the result was a slight potential for weather sensitivity of 0.3% impact on consumption. Based on this information Milton Hydro determined that this customer class was not weather sensitive.
- b) Milton Hydro tested the economic activity using the Ontario GDP and did not test other economic measures. Milton Hydro did not test Monthly Full-Time Employment levels.

### Interrogatory #3

**Reference:** Exhibit 3, page 9

- a) Please restate the 2010 results as shown in Table 6 using the 10-year average HDD and CDD values for all 12 months of the year.
- b) Please provide a weather-normalized actual use for each customer class for 2008 and 2009. Please perform the weather correction using the relevant coefficients for CDD and HDD for customer class and the monthly differenced between the actual CDD and HDD values versus the weather normal values.

**Response:**

- a) Milton Hydro has restated the 2010 results as shown in Table 6 using the 10-year average HDD and CDD values for all 12 months of the year.

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 <b>As Filed</b>	249,747,033	73,958,013	183,863,131	
2010 Bridge Year 10 year HDD/CDD <b>10 Yr Avge</b>	250,548,258	74,359,769	183,974,884	
2011 Test Year 10 Year HDD/CDD	258,520,606	75,044,767	187,300,109	1,690,053

- b) Milton Hydro has calculated weather normalized actual use for each customer class for 2008 and 2009 using the requested methodology. The formula, as Milton Hydro understands this request is: [ Estimated weather normalized kWh for Jan 2008 = Actual consumed kWh for Jan

2008 - (HDD coefficient X (Actual Jan 2008 HDD – 2011 Jan Weather Normalized HDD used in the 2011 forecast)) - (CDD coefficient X (Actual Jan 2008 CDD – 2011 Jan Weather Normalized CDD used in the 2010 forecast))

The following table provides the calculated usage and the filed usage.

Year	Residential	General Service < 50 kW	General Service > 50 to 999 kW
	kWh		
2008 Actual kWh as Filed	218,391,097	71,310,393	180,947,735
2008 Weather Normal VEC IR#3 b)	220,499,361	71,544,345	181,416,125
2009 Actual kWh as Filed	230,401,041	73,618,223	184,558,255
2009 Weather Normal VEC IR#3 b)	235,058,872	74,275,331	185,563,299

#### **Interrogatory #4**

**Reference:** Exhibit 3, page 12

- a) Please provide the source/basis for the 34,000,000 CDM target for Milton.
- b) Please provide any materials or supporting analysis that Milton received from either the OPA or the OEB regarding the determination of the CDM targets for LDCs, particularly any regarding the anticipated CDM savings for the years between 2010 and 2014.
- c) Since the OPA's advice on CDM targets analyzed Residential separately from other customer classes, why didn't Milton do the same when allocating its CDM target to customer classes?

**Response:**

- a) The source for the four year 34,000,000 kWh target for Milton Hydro was the Jun22, 2010 OEB proceeding EB-2010-0216 Appendix D. Milton Hydro's CDM target was recently updated on November 12, 2010 to 33,500,000 kWh over the next four years.
- b) Milton Hydro has provided the web link to the OEB website to the documentation provide all distributors in Ontario regarding the CDM targets and timelines provided in the OEB proceedings EB-2010-0216 as follows;  
  
[http://www.oeb.gov.on.ca/OEB/Industry/Regulatory+Proceedings/Policy+Initiatives+and+Consultations/Conservation+and+Demand+Management+\(CDM\)/CDM+Management+Targets](http://www.oeb.gov.on.ca/OEB/Industry/Regulatory+Proceedings/Policy+Initiatives+and+Consultations/Conservation+and+Demand+Management+(CDM)/CDM+Management+Targets) and  
  
[http://www.oeb.gov.on.ca/OEB/Documents/EB-2010-0216/dec\\_order\\_CDM\\_directive\\_20101112.pdf](http://www.oeb.gov.on.ca/OEB/Documents/EB-2010-0216/dec_order_CDM_directive_20101112.pdf)
- c) Milton Hydro is required to deliver a mix of CDM programs to all consumers therefore Milton Hydro allocated the CDM target across all classes in proportion to their contribution to Milton Hydro's total kWh.

## Interrogatory #5

**Reference:** Exhibit 3, pages 13-15

- Are the customer count values set out in Table 9 average annual counts or year-end counts?
- Please provide the actual customer count for each class for the most recent month available.
- Please comment on the customer count growth shown in this section for 2010 and 2011 versus the number of new connections assumed for purposes of forecasting capital spending (Exhibit 2).

## Response:

- The customer counts set out in Table 9 are year-end counts.
- Milton Hydro has provided the following table of actual number of customers as of October 2010

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
2010 Jan -Oct	26,231	2,264	255	13	2	2,787	276	182

- Milton Hydro Residential customer class is on track to connect 1,500 new homes by the end of the 2010 Bridge Year which reflects well for the forecast of 1,500 for the 2011 Test Year. Milton Hydro may have over projected the General Service >50 – 999 kW customer class for both years.

Customers by Class vs Bridge Year								
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
2010 Jan -Oct	26,231	2,264	255	13	2	2,787	276	182
2010 Bridge	26,332	2,258	287	11	2	2,834	275	195
Variance	101	(6)	32	(2)	-	47	(1)	13



## Interrogatory #6

**Reference:** Exhibit 3, pages 15-19

- a) How many of the 10 GS 1000-4999 customers that Milton had over the 2001-2004 period are also expected to be customers for 2010 and 2011?
- b) How many of the 11 GS 1000-4999 customers forecast for 2011 were customers of Milton for the 2002-2010 period?
- c) Please recalculate the geometric mean growth rate for the GS 1000-4999 class (Table 14) using only the historical consumption and customer count for those customers forecast to be taking power in 2011.
- d) Given the positive economic growth projected for Ontario for 2010 and 2011, why is it reasonable to assume that the average usage for the GS 1000-4999 class will decline over this period?

## Response:

- a) Milton Hydro expects seven of the ten GS 1000-4999 kV customers that Milton had in 2001-2004 to continue to be customers in 2010 and 2011.
- b) Milton Hydro expects seven of the eleven GS 1000-4999 kV customers that Milton had in 2002-2010 to continue to be customers in 2011.
- c) Milton Hydro has provide the geometric mean growth rate for the GS 1000-4999 class using only the historical consumption and customer count for those customers forecast to be taking power in 2011 in the following table.

Geomean using actual kWh for >1000 - 4999	
2002 Actual	1.04099
2003 Actual	0.98958
2004 Actual	0.81593
2005 Actual	1.04254
2006 Actual	0.97047
2007 Actual	1.05928
2008 Actual	1.01673
2009 Actual	0.93919
<b>Geometric Mean Based on Actual kWh</b>	<b>0.98135</b>

- d) Milton Hydro has projected that average usage for the General Service 1,000 – 4,999 customer class to decline given the recent decline in consumption over the last three years and the resulting geomean calculations.

## **Interrogatory #7**

**Reference:** Exhibit 3, page 27

- a) Please explain what the sources are in 2008 and 2009 for Revenue from Non-Utility Operations (Account #4375).
- b) Please explain what the sources are in 2010 and 2011 for Revenue from Non-Utility Operations and explain the decrease from 2009 to 2010.
- c) Please the negative value for Interest and Dividend Income for 2010.
- d) Please confirm that Milton is not proposing to introduce any new Miscellaneous Charges or change any of its existing Miscellaneous Charges. If this is not the case, please provide a schedule setting out all new/revised Miscellaneous charges and the rationale for each.

## **Response:**

- a) Milton Hydro has recorded revenue from Non-Utility Operations in USoA 4375 for the years 2008 & 2009 from the Ontario Power Authority (OPA) funded conservation efforts offered to LDC's for their participation in Conservation Energy efficient approved programs.
- b) Milton Hydro has estimated that the OPA conservation program incentives will be lower due to lower take up as many of the programs directed at commercial customers have been offered in 2009.
- c) Milton Hydro estimated the 2010 Bridge Year interest income to be \$45,000 similar to 2011 Test Year. The difference in 2010 Bridge year is the Smart Meter Disposition which reverses the carrying charges captured in the Smart Meter Capital (Account 1555) \$ 89,157 and Smart Meter OM&A (Account 1556) \$19,822.
- d) Milton Hydro is not proposing to introduce any new Miscellaneous Charges or change the existing Miscellaneous Charges

## **COST ALLOCATION**

### **Interrogatory #8**

**Reference:** Exhibit 7, Appendix A

a) With respect to Sheet I6, please explain:

- How the number of bills (Row #35) was established for the Street Lighting class.
- How the number of street light connections compares with the number of street light fixtures.

b) With respect to Sheet I7.1, what is the basis for the various unit meter capital costs assumed?

### **Response:**

a) Milton Hydro has four street light accounts for billing purposes and bills monthly.

Milton Hydro has 2,895 street light connection points (pedestals) from which the Town connects approximately 8,000 street light fixtures

b) Milton Hydro based the unit meter capital costs on estimated installed costs.

## Interrogatory #9

**Reference:** Exhibit 7, page 6

- a) Please provide a schedule that sets out the derivation of revenues at approved rates for each customer class and that shows the fixed and variable revenues separately. Please confirm that the rates used exclude the smart meter and LV rate adders.

## Response:

- a) Milton Hydro has provided the following table which sets out the derivation of revenues at approved rates for each customer class and that shows the fixed and variable revenues separately.

Milton Hydro confirms that the rates used exclude the smart meter and LV rate adders.

Customer Class	Annualized kWh/kW	Annualize Customer Count / Connections	2010 Fixed Distribution Charge	2010 Variable Distribution Charge	Fixed Distribution Revenue	Variable Distribution Revenue	Transformer Allowance	Distirbution Revenue at Approved Rates
Residential	258,520,606	324,984	13.71	0.0128	4,455,531	3,309,064		7,764,594
GS< 50kW	75,044,767	27,438	14.70	0.0156	403,338	1,170,698		1,574,036
GS > 50 - 999 kW	507,929	3,514	70.90	2.3658	249,174	1,201,658	41,349	1,409,483
GS > 1000 - 4999 kW	193,246	135	926.33	2.9296	125,043	566,133	111,058	580,119
Large Users	173,521	24	4,126.26	2.4703	99,030	428,649		527,679
Streetlights	465	3,268	0.40	3.0225	1,307	1,406		2,713
Sentinel Lights	17,810	34,375	0.16	0.6995	5,500	12,458		17,958
Unmetered & Scattered	1,519,815	2,417	7.38	0.0156	17,838	23,709		41,548
<b>Total</b>					<b>5,356,762</b>	<b>6,713,775</b>	<b>152,407</b>	<b>11,918,130</b>

## **RATE DESIGN**

### **Interrogatory #10**

**Reference:** Exhibit 8, page 5

- a) Please explain why Milton is proposing to increase the fixed charge for the GS 1000-4999 and Large Use classes when the currently approved charge in both cases is well above the Board's ceiling.

### **Response:**

- a) Milton Hydro is proposing to maintain the current fixed/variable split pending the outcome of the OEB initiated consultation process EB-2010-0060 – Consultation on Distribution Revenue Decoupling as discussed in Exhibit 8, Page 3, Proposed Fixed Charges.

**Interrogatory #11**

**Reference:** Exhibit 8, page 7

- a) What is the basis the LV loads and rates shown in Table 10?
- b) If not the basis for Table 10, please provide a schedule that sets out the actual 2009 LV billing quantities and the revenues based on Hydro One Networks' approved 2010 LV (ST) rates.

**Response:**

- a) The LV loads are based on 2009 billing quantities from Hydro One and the rates are based on the May 1, 2010 approved rates for Hydro One.
- b) Not required

## Interrogatory #12

**Reference:** Exhibit 9, Tables 6 and 9

- a) For those RRA accounts that Milton Hydro is seeking to clear please reconcile any differences between the Closing Principal Amounts as of December 31, 2009 shown in Table 6 with the Principal Amounts as of December 31, 2009 shown in Table 9. In a number of cases the values are different (e.g. LV Variance Account).

### Response:

- a) Milton Hydro has replicated Table 9 and provided the reconciliation of the December 31, 2009 year end balances. In its 2010 IRM Rate Application Milton Hydro was approved to dispose of its 2008 Year end balances for its Group 1 Regulatory Asset balances including the RSVA – Power – Sub-Account – Global Adjustment. The closing balances for 2009 were adjusted for this approved disposition.

USoA	Account Description	Closing Principal Balance as of Dec-31-09	Transfer of Board-approved amounts to 1595 as per 2009 EDR (principal only)	Principal Amounts as of Dec 31, 2009
<b>Group 1</b>				
1550	Low Voltage Variance Account	(105,250)	(2,618)	(107,868)
1580	RSVA – Wholesale Market Service Charges	(1,857,782)	1,636,096	(221,686)
1584	RSVA – Retail Transmission Network Charges	79,752	25,902	105,654
1586	RSVA – Retail Transmission Connection Charges	(71,377)	81,369	9,992
1588	RSVA – Power (excluding the Global Adjustment sub-account)	(1,049,667)	559,990	(489,677)
1590	Recovery of Regulatory Asset Balances	207,648	(207,651)	(3)
	<b>Subtotal - Group 1</b>	<b>(2,796,676)</b>	<b>2,093,088</b>	<b>(703,588)</b>
<b>Group 2</b>				
1508	Other Regulatory Assets (OEB Assess, Pension Cont, CDM, HO)	90903		90,903
1582	RSVA - One Time Charges	34,876		34,876
	<b>Subtotal - Group 2</b>	<b>125,779</b>		<b>125,779</b>
<b>Grand Total</b>		<b>(2,670,896)</b>	<b>2,093,088</b>	<b>(577,808)</b>
<b>Non RPP Global Adjustment (excluding MUSH)</b>				
1588	RSVA – Power – Sub-Account – Global Adjustment	924,581	(235,843)	688,738



### **Interrogatory #13**

**Reference:** Exhibit 9, pages 4, 11 & 14

Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (EB-2008-0046)

- a) Please confirm that, at the time of the Board's EB-2008-0046 Report, Account #1508 (Other Regulatory Assets) on had two sub-accounts: OEB Cost Assessment and Pension Contributions.
- b) With respect to page 4, how was the original \$300,750 recovery of CDM costs allocated to customer classes? Why shouldn't the same method be use to allocate the over recovery?
- c) Why is it appropriate to allocate the Hydro One Regulatory Asset cost recovery on the basis of Dx Revenue? Given that it is effectively unrecovered LV charges why shouldn't it be allocated in a similar manner to that used to recover the LV Account balance?

### **Response:**

- a) At the time of Board EB-2008-0046, Milton Hydro had had five sub-accounts for USoA 1508: OEB Cost Assessment; Pension Contributions; Post 3<sup>rd</sup> Tranche CDM; Hydro One Regulatory Costs; and IFRS Costs.
- b) Milton Hydro has provided the following table which sets out the original \$300,750 and the expenditures for the CDM costs included in USoA 1508. The second table sets out the disposition of the USoA 1508 sub-account balance in the amount of \$205,629 using the same methodology as the original CDM program allocation.

Program (OEB Approved Expenses)	By Rate Class				
	Direct Costs	Residential	GS<50	GS 50-999	GS > 1000
Seminar Series	\$ (10,000)		\$ (5,000)	\$ (5,000)	
Newsletter	\$ (15,000)	\$ (15,000)			
Small Commercial education programs	\$ (50,750)		\$ (50,750)		
The Energy Drill	\$ (150,000)			\$ (125,000)	\$ (25,000)
IESO Transitional Demand Response Pilot	\$ (40,000)			\$ (20,000)	\$ (20,000)
Community intervention for reducing electricity use	\$ -				
Developing electricity response systems to promote CDM	\$ (10,000)	\$ (10,000)			
Program Development research	\$ -				
Program planning/coordination/administration	\$ (25,000)			\$ (25,000)	
<b>Total OEB Approved Expenses</b>	<b>\$ (300,750)</b>	<b>\$ (25,000)</b>	<b>\$ (55,750)</b>	<b>\$ (175,000)</b>	<b>\$ (45,000)</b>
<b>CDM Expenditures</b>					
IESO Transitional Demand Response Pilot	\$ 6,600			\$ 6,600	
The Energy Drill	\$ 74,621			\$ 74,621	
Developing electricity response systems to promote CDM	\$ 10,000	\$ 10,000			
Social Housing Corporation	\$ 3,900	\$ 3,900			
<b>Total Expenditures</b>	<b>\$ 95,121</b>	<b>\$ 13,900</b>	<b>\$ -</b>	<b>\$ 81,221</b>	<b>\$ -</b>
<b>Net Amount in OEB Account 1508 - CDM post 3rd Tranche</b>	<b>\$ (205,629)</b>	<b>\$ (11,100)</b>	<b>\$ (55,750)</b>	<b>\$ (93,779)</b>	<b>\$ (45,000)</b>

<b>Customer Class Allocators</b>	<b>100.0%</b>	<b>5.4%</b>	<b>27.1%</b>	<b>45.6%</b>	<b>21.9%</b>
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2011 - Rate Rider Calculation												
USoA	Deferral and Variance Accounts	Amount	ALLOCATOR	Residential	GS < 50 KW	GS > 50 < 999	GS > 1000 < 4999	Large Users	Sentinel Lighting	Street Lighting	Unmetered & Scattered	Total
<b>Group 1</b>												
1550	Low Voltage Variance Account	\$ (109,179)	kWh	\$ (37,315)	\$ (11,915)	\$ (30,070)	\$ (19,008)	\$ (9,759)	\$ (28)	\$ (881)	\$ (204)	\$ (109,179)
1580	RSVA - Wholesale Market Service Charges	\$ (221,806)	kWh	\$ (75,808)	\$ (24,207)	\$ (61,088)	\$ (38,616)	\$ (19,826)	\$ (57)	\$ (1,789)	\$ (415)	\$ (221,806)
1584	RSVA - Retail Transmission Network Charges	\$ 107,058	kWh	\$ 36,590	\$ 11,684	\$ 29,485	\$ 18,639	\$ 9,570	\$ 27	\$ 864	\$ 200	\$ 107,058
1586	RSVA - Retail Transmission Connection Charges	\$ 10,234	kWh	\$ 3,498	\$ 1,117	\$ 2,819	\$ 1,782	\$ 915	\$ 3	\$ 83	\$ 19	\$ 10,234
1588	RSVA - Power (excluding the Global Adjustment sub-account)	\$ (490,520)	kWh	\$ (167,647)	\$ (53,532)	\$ (135,096)	\$ (85,399)	\$ (43,846)	\$ (126)	\$ (3,957)	\$ (917)	\$ (490,520)
1590	Recovery of Regulatory Asset Balances	\$ (2,476)	kWh	\$ (846)	\$ (270)	\$ (682)	\$ (431)	\$ (221)	\$ (1)	\$ (20)	\$ (5)	\$ (2,476)
	<b>Subtotal - Group 1</b>	<b>\$ (706,689)</b>		<b>\$ (241,529)</b>	<b>\$ (77,124)</b>	<b>\$ (194,632)</b>	<b>\$ (123,033)</b>	<b>\$ (63,168)</b>	<b>\$ (181)</b>	<b>\$ (5,701)</b>	<b>\$ (1,321)</b>	<b>\$ (706,689)</b>
<b>Group 2</b>												
1508	Other Regulatory Assets	\$ 322,794	Dx Revenue	\$ 201,112	\$ 44,451	\$ 40,249	\$ 23,030	\$ 12,050	\$ 95	\$ 765	\$ 1,044	\$ 322,794
1508	Other Regulatory Assets (CDM only)	\$ (205,328)	CDM Exp by class	\$ (11,088)	\$ (55,644)	\$ (93,630)	\$ (44,967)					\$ (205,328)
1582	RSVA - One Time Charges	\$ 42,511	kWh	\$ 14,529	\$ 4,639	\$ 11,708	\$ 7,401	\$ 3,800	\$ 11	\$ 343	\$ 79	\$ 42,511
	<b>Subtotal - Group 2</b>	<b>\$ 159,977</b>		<b>\$ 204,553</b>	<b>\$ (6,554)</b>	<b>\$ (41,673)</b>	<b>\$ (14,536)</b>	<b>\$ 15,850</b>	<b>\$ 105</b>	<b>\$ 1,108</b>	<b>\$ 1,123</b>	<b>\$ 159,977</b>
	<b>Total to be Recovered</b>	<b>\$ (546,712)</b>		<b>\$ (36,976)</b>	<b>\$ (83,677)</b>	<b>\$ (236,304)</b>	<b>\$ (137,570)</b>	<b>\$ (47,318)</b>	<b>\$ (76)</b>	<b>\$ (4,594)</b>	<b>\$ (197)</b>	<b>\$ (546,712)</b>
	<b>Balance to be collected or refunded, Variable</b>	<b>\$ (546,712)</b>		<b>\$ (36,976)</b>	<b>\$ (83,677)</b>	<b>\$ (236,304)</b>	<b>\$ (137,570)</b>	<b>\$ (47,318)</b>	<b>\$ (76)</b>	<b>\$ (4,594)</b>	<b>\$ (197)</b>	<b>\$ (546,712)</b>
	<b>Balance to be collected or refunded per year, Variable</b>	<b>\$ (546,712)</b>		<b>\$ (36,976)</b>	<b>\$ (83,677)</b>	<b>\$ (236,304)</b>	<b>\$ (137,570)</b>	<b>\$ (47,318)</b>	<b>\$ (76)</b>	<b>\$ (4,594)</b>	<b>\$ (197)</b>	<b>\$ (546,712)</b>
<b>Class</b>												
	<b>Deferral and Variance Account Rate Riders</b>			<b>\$ (0.0002)</b>	<b>\$ (0.0011)</b>	<b>\$ (0.4782)</b>	<b>\$ (0.5272)</b>	<b>\$ (0.3067)</b>	<b>\$ (0.1574)</b>	<b>\$ (0.3027)</b>	<b>\$ (0.0002)</b>	
	<b>Billing Determinants</b>			<b>kWh</b>	<b>kWh</b>	<b>kW</b>	<b>kW</b>	<b>kW</b>	<b>kW</b>	<b>kW</b>	<b>kWh</b>	
<b>Non RPP Global Adjustment (excluding MUSH) Rate Rider</b>												
1588	RSVA - Power - Sub-Account - Global Adjustment	\$ 692,629	kWh for Non RPP Customers	\$ 0.0023								

- c) Milton Hydro allocated USoA 1508 Hydro One Regulatory Costs based on distribution revenue in accordance with the EDDVAR Report of the Board EB-2008-0046, Table 1, Revised Group 2 which states – the allocation factor for 1508 Other Regulatory Assets is DX Revenues for specific Hydro One Networks Inc. (“HONI”) accounts.

**SQIs**

**Interrogatory #14**

**Reference:** Exhibit 1, page 31, Table 50

- a) The indices for “Connections of New Services – Low Voltage” and “Telephone Accessibility,” while both exceeding their respective standards in 2009, appear to be declining towards the minimum level. What steps has Milton taken to ensure that it continues to meet the minimum level going forward?

**Response:**

- a) Milton Hydro continues to monitor the “Connections of New Services – Low Voltage” and “Telephone Accessibility” measures to ensure that minimum levels are met. Milton Hydro has reviewed and reinforced the existing processes associated with both measures and the importance of meeting the target levels. To September 2010 the level achieved for Connections of New Services – Low Voltage is 95%, an increase from 93.6% in 2009 as indicated in Exhibit 1, Page 31, Table 50. The Telephone Accessibility measure to October 2010 is 78.1%, an increase from 75.4% in 2009 as indicated in Exhibit 1, Page 31, Table 50. The addition of the new Customer Service Representative in 2011 will further assist Milton Hydro in meeting the growth in the Town of Milton and increased telephone inquiries.

Milton Hydro will continue to monitor the performance indices as a means of ensuring performance levels are achieved.

**CAPITAL BUDGET**

**Interrogatory #15**

**Reference:** Exhibit 1, page 41

- a) Please provide the capital budgets as approved by the Board of Directors for each of the years 2006-2009 inclusive.
- b) Please provide the contingency amounts included in each of the capital budgets approved by the Board of Directors for each year 2006-2009 inclusive.
- c) Please provide the total actual capital expenditures, including on projects which do not exceed the materiality threshold, for 2006-2009 inclusive.

**Response:**

- a) Milton Hydro has provided the capital budgets as approved by its Board of Directors for each of the years 2006-2009 as Attachment A.
- b) Milton Hydro does not budget contingency amounts.
- c) Milton Hydro has duplicated Table 5 from Exhibit 2, Page 14 its Application which provides the total actual Capital Expenditures for the years 2005 – 2009.

**Capital Additions 2005 Actual - 2011 Test Year**

USoA	Description	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge Year	2011 Test Year
1830	Poles, Towers and Fixtures	2,376,033	1,677,114	2,247,693	1,921,395	1,051,652	2,929,158	2,410,336
1835	Overhead Conductors and Devices	998,887	424,991	732,401	1,250,938	559,278	1,438,086	1,485,384
1840	Underground Conduit	1,708,255	2,827,766	10,613	2,287,044	1,842,374	1,635,529	2,189,940
1845	Underground Conductors and Devices	1,412,011	973,284	513,137	1,085,307	660,686	1,020,051	1,147,536
1850	Line Transformers	1,255,304	2,063,040	1,913,348	2,407,991	2,011,194	2,743,025	2,399,153
1855	Services	1,474,251	876,534	1,262,664	1,497,756	1,331,206	898,261	1,033,560
1860	Meters	1,138,597	584,182	(323,370)	583,720	371,712	4,115,660	289,170
<b>Total Additions to Plant</b>		<b>10,363,339</b>	<b>9,426,911</b>	<b>6,356,487</b>	<b>11,034,152</b>	<b>7,828,102</b>	<b>14,779,770</b>	<b>10,955,079</b>
1905	Land					2,218,530	700,000	
1908	Buildings and Fixtures							150,000
1910	Leasehold Improvements					280,817	180,000	
1915	Office Furniture and Equipment			10,965	21,081	28,376	25,000	5,000
1920	Computer Equipment - Hardware	25,007	39,147	41,240	55,380	55,731	181,752	201,000
1925	Computer Software	58,596	49,128	53,561	16,356	45,335	61,470	210,000
1930	Transportation Equipment			4,980	17,763	342,202	285,000	210,000
1935	Stores Equipment					14,240	10,000	10,000
1940	Tools, Shop and Garage Equipment		10,635	9,331	3,811	4,837	23,250	2,500
1945	Measurement and Testing Equipment	3,713			4,559	5,697		
1955	Communication Equipment	19,270	16,528	3,351	1,120	29,290	12,583	200,000
1990	Other Tangible Property						70,000	
<b>Total Additions to Other Assets</b>		<b>106,587</b>	<b>115,439</b>	<b>123,428</b>	<b>120,070</b>	<b>3,025,055</b>	<b>1,549,055</b>	<b>988,500</b>
<b>Total Capital Additions Before Capital Contributions</b>		<b>10,469,926</b>	<b>9,542,350</b>	<b>6,479,914</b>	<b>11,154,222</b>	<b>10,853,158</b>	<b>16,328,825</b>	<b>11,943,579</b>
1995	Contributions and Grants	(5,414,558)	(5,710,890)	(1,445,373)	(5,810,973)	(3,674,345)	(4,070,264)	(3,794,938)
<b>Net Capital Additions</b>		<b>5,055,367</b>	<b>3,831,460</b>	<b>5,034,541</b>	<b>5,343,250</b>	<b>7,178,812</b>	<b>12,258,561</b>	<b>8,148,641</b>

## **CAPITAL ADDITIONS**

### **Interrogatory #16**

**Reference:** Exhibit 2, page 13, Table 5

- a) Please provide the number of poles included in USoA 1830 for each year 2005-2009 inclusive, indicate whether they are new or replacement poles, and provide the average cost per new and replacement pole in each of those years.
- b) Please indicate how Contributions and Grants amounts were estimated for 2010 and 2011.
- c) Please explain why the 2010 and 2011 estimated Contributions and Grants are lower than those received in 2008, notwithstanding that the 2010 and 2011 capital additions exceed the 2008 level.
- d) Please provide a 2010 year-to-date figure for capital additions.

### **Response:**

- a) Milton Hydro has provided the number of poles replaced as part of Milton Hydro's pole replacement program and the associated average replacement cost by year.

Year	Total Poles Replaced	Average Cost
2005	58	\$ 6,441
2006	52	\$ 5,038
2007	36	\$ 6,712
2008	13	\$ 12,182
2009	23	\$ 5,788
<b>Total</b>	<b>182</b>	

Milton Hydro does not have the equivalent information for new poles. Milton Hydro has just started tracking the information required to calculate this information on a go forward basis.

- b) Contributions and Grants for 2010 and 2011 are largely based on three main factors. First, the Town of Milton and Region of Halton proposed road projects are reviewed in an effort to estimate the distribution plant work required as a result of the Town's and Region's projects,

the associated costs are then shared with the Town or Region based on the standard 50% - 50% cost sharing split for labour and vehicles. The cost of material is borne by Milton Hydro.

In the second instance the distribution plant work required to accommodate development projects is forecast based on the information available from municipal sources and the development community, the developer's capital contributions are then estimated as per the Distribution System Code.

The third source of capital contributions is tied to the distribution plant contributed by developers as part of the subdivision development and assumption process. As subdivisions are assumed by Milton Hydro the value of distribution plant contributed by developers is recognized as contributed capital.

Based on the information available from the various development and municipal sources, historical experience and Milton Hydro's interpretation of the information, Contributions and Grants are estimated for future periods such as 2010 and 2011.

- c) Contributions and Grants are typically associated with capital investments driven by third parties. Milton Hydro has provided the drivers for capital investments in Exhibit 2, Page 16, Table 5 and also in Milton Hydro's response to interrogatory #15 above. Milton Hydro would note that the Third Party Capital Drivers for the 2010 Bridge Year and the 2011 Test Year are lower than the 2008 actual third party drivers and therefore Milton Hydro has forecast lower capital contributions
- d) 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 and 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%
<b>Total</b>	<b>7,088,676</b>		<b>11,620,966</b>		<b>12,454,585</b>		<b>11,943,579</b>	



## Interrogatory #17

**Reference:** Exhibit 2, page 44, Table 18

- a) Please confirm that the vehicles shown in the referenced table include all of the vehicles in Milton's rate base. If unable to so confirm, please provide complete details of any and all other vehicles in Milton's rate base.
- b) Please provide the mileage for each vehicle shown in table 18.

## Response:

- a) Milton Hydro confirms that all the vehicles shown in Exhibit 2, page 44, Table 18 are in Milton Hydro's rate base.
- b) Milton Hydro has provided the mileage for each vehicle shown in Exhibit 2, Page 44, Table 18.

Vehicle Mileage (KMS)	Mileage (kMs)
#43 Double Bucket 68" Reach	7,000
#19 Double Bucket 55'	72,000
#26 Digger Derrick	54,000
#28 Step Van	77,000
#29 4x4 Pickup Truck	229,000
#30 Single Bucket Truck	149,000
#42 Montana Van	16,000
#32 Full Size Van	54,000
#33 Utility 4x4 Blazer	87,000
#34 Step Van	51,000
#35 Pickup Truck 4x4	127,000
#36 Pickup Truck 4x4	77,000
#37 Digger Derrick	27,000
#38 Pickup Truck 4x4	73,000
#39 Single Bucket Truck	90,000
#40 Jeep 4x4	33,000
#41 Pickup Truck 4x4	74,000

Note: Vehicle # 30 is not in Rate Base as it was sold in September 2010. The replacement vehicle is new and no mileage.

**OPERATING COSTS**

**Interrogatory #18**

**Reference:** Exhibit 4, page 47

- a) Please provide specific details with respect to the statement that “*Rental expenses provide for a 1.3% inflation increase and reflect current market rental rates for Milton.*”

**Response:**

- a) In 2009 Milton Hydro was able to negotiate the lease arrangements for 8069 Lawson Road which included the increase of 1.3% effective November 2010.

**Interrogatory #19**

**Reference:** Exhibit 4, page 65, Table 21

- a) Please comment on the management incentive pay paid in 2006, indicating why it was so high and why it appears to exceed the 5% cap.
- b) Please comment on the fact that Milton has had more than one management position for every three non-management employees for each year 2006-2011.

**Response:**

- a) The management incentive pay paid in 2006 to 13 management persons was a total of \$33,800 which represents a 3% incentive payment on 2006 salaries/wages.
- b) Milton Hydro has had more than one management/non-union position for every union employees for each year 2006-2011 due to the fact that Milton Hydro contracts out the majority of design and capital construction work tree trimming, underground locates, meter reading and data management, and collection work. As such Milton Hydro management/non-union employees continue to oversee these functions but the work is completed by contractors. Factors considered by Milton Hydro in determining whether a function should be contracted include financial, cyclical nature of the work, the volume of the work, the expertise and equipment required to complete the work, etc. Accordingly Milton Hydro does not retain full time positions for these functions.

## **SMART METER COST RECOVERY**

### **Interrogatory #20**

#### **References:**

- i) OEB Guideline G-2008-0002:
- ii) OEB Filing Requirements for Smart Meter Investment Plans, October 26, 2006
- iii) Exhibit 9 Page 16
- a) Please confirm that Guideline G-2008-0002 has not superseded the Filing Requirements for Smart Meter Investment Plans, October 26, 2006.
- b) Please confirm that paragraph 7 of the Filing Requirements specifies that

*7. Specifically, and in as much detail as possible, please provide the following information for your planned implementation of the SMIP:*

- *the number of meters installed by class and by year, both in absolute terms and as a percentage of the class;*
  - *the capital expenditures and amortization by class and by year;*
  - *the operating expenses by class and by year;*
  - *the effect of the SMIP on the level of the allowance for PILs.*
- c) Did Milton File its SMIP for the EB- 2007-0063. proceeding in accordance with the Filing Guidelines? Please elaborate.
  - d) Has Milton kept records by class as required by the Filing Guidelines and are accounts 1556 and 1555 segregated by rate class? Please elaborate.

**Response:**

- a) Milton Hydro understands the two documents, being the Guideline G-2008-0002 Smart Meter Funding and Cost Recovery and the Filing Requirements for Smart Meter Investment Plans ("SMIP"), October 26, 2006, were prepared for two different purposes, one being for the initial guidance on the filing of a distributor's SMIP and the Guideline G-2008-0002 for the cost recovery.
- b) Milton Hydro confirms that paragraph 7 of the Filing Requirements for SMIP filings specifies the information as outlined in the interrogatory question.
- c) Milton Hydro filed its SMIP with the OEB on December 15, 2006 pursuant to the Regulations issued on September 16, 2006 and the OEB letter of October 13, 2006.
- d) Milton Hydro has kept records for accounts 1555 and 1556 on the number of meters changed out by customer class however, the capital and OM&A expenditures are recorded in total and not by customer class.

## Interrogatory #21

**Reference:** Exhibit 11 Tab 1 Schedule 1.0 Page 13

**Preamble:** This request is to provide a breakdown the costs of Residential and Commercial meter installations in 2006, 2007, 2008, 2009 and forecast 2010 (and if applicable 2011).

- a) Please provide by year Support/details of the 2006-2009 and forecast 2010 (and if applicable 2011) *Residential Class SM* Unit costs (procurement and installation separately).
- b) Please provide by year support/details of the 2006- 2009 actual and forecast 2010 (and if applicable 2011) *Residential Class SM* AMI, communications and back office costs (procurement and installation).
- c) Please provide by year support/details of the 2006-2009 and forecast 2010 (and if applicable 2011) *Commercial Class SM* Unit costs (procurement and installation separately).
- d) Please provide by year support/details of the 2006- 2009 actual and forecast 2010 (and if applicable 2011) *Commercial Class SM* AMI, communications and back office costs (procurement and installation).
- e) Please provide a schedule that gives a breakdown of the 2006 - 2010 Capital Costs between the Residential and GS<50kw classes. Reconcile to Table 14.
- f) Please provide a breakdown of the O&M costs for meters installed in 2006 - 2010 between the Residential and GS<50kw classes. Reconcile to Tables 14 and 15.
- g) Were/are any SM installed or to be installed in other classes? If so, please provide details of costs, if any, to be recovered.
- h) Please provide the details of the balances and the amounts to be disposed of in Accounts 1555 and 1556 **by class**. Include the carrying cost calculation(s).

**Response:**

- a) To f) Milton Hydro filed, in confidence, a detailed Smart Meter Rate Calculation Model that provides all the costs associated with the Smart Meters, AMI and OM&A. Milton Hydro recorded the capital and OM&A expenditures in total and did not record these expenditures by customer class.
- g) Milton Hydro did not install Smart Meters on any other customer class other than the Residential and General Service <50 kW customers.
- h) Milton Hydro does not have separate details by customer class as all capital and OM&A costs are recorded in total and not by customer class.

## Interrogatory #22

**Reference:** i) Exhibit 9 page 23

ii) Appendix A

- a) Please provide a Copy of OEB Worksheets that calculate the net fixed assets, revenue requirement for 2007 to 2010 costs by rate class (Residential, GS<50kw). Reconcile with Table 17 and Table 18. Do not segregate stranded meter costs by class.
- b) Please provide a Copy of OEB Worksheets that calculate the revenue requirement and Disposition rate rider by rate class (Residential, GS<50kw). Do not segregate stranded meter costs by class.
- c) Please reconcile with Table 19 and Table 20.

## Response:

- a) Milton Hydro filed, in confidence, a detailed Smart Meter Rate Calculation Model that provides the calculations for the net fixed assets and revenue requirement in total. As stated in interrogatory #20 d) and #21 h) Milton Hydro did not segregate capital and OM&A by customer class. Tables 17 and 18 are derived directly from the Smart Meter Rate Calculation Model.
- b) Milton Hydro filed, in confidence, a detailed Smart Meter Rate Calculation Model that provides the calculations for the revenue requirement and disposition rate rider. As stated in interrogatory #20 d) and # 21 h) Milton Hydro did not segregate capital and OM&A by customer class.
- c) Tables 19 and 20 are derived directly from the Smart Meter Rate Calculation Model. Milton Hydro would note that Table 20 is labeled incorrectly with the same title as Table 19. The title for Table 20 should read Smart Meter Revenue Over-Recovered.



### Interrogatory #23

**Reference:** i) Exhibit 9 Tables 20 and 21

ii) Appendix

Preamble: Milton Hydro has calculated the rate rider for disposition of the total credit balance in the smart meter variance accounts in the amount of (\$598,978) over four years based on the number of metered customers forecasted to the end of the 2010 Bridge Year. Milton Hydro is proposing a credit rate rider per metered customer per month of (\$0.43). This calculation is set out in Table 19 below.

- a) Please explain why Milton has over-collected from customers and why the rate adder was not adjusted based on cash flow.
- b) Please explain why Collected revenue from the GS.50kw and large user classes and whether there were meters installed and costs incurred for these classes.
- c) Please confirm that Milton's proposed cost allocation is as follows:
  - Return allocated based on the capital costs of the meters installed for each class;
  - OM&A allocated based on the number of meters installed for each class;
  - PILs allocated based on the revenue requirement allocated to each class before PILs.

If unable to so confirm, please provide the basis of cost allocation and reconcile this to the Cost allocation Model.

- d) Please provide a calculation of the allocated revenue requirement per customer for each of the residential and GS<50 kw classes. Include interest and show the assumed interest rates

Reconcile this calculation with the answer to VECC Question 3 part b) and Tables 20 and 21.

- e) Please provide a calculation that shows the disposition over two years instead of 4 years.

**Response:**

- a) Milton Hydro was aware of the potential to over recover and in informal discussions with OEB Staff on the best approach to deal with the over recovery, Milton Hydro was informally advised to wait until its next cost of service filing.
- b) Milton Hydro applied its smart meter funding adder to all metered customers in accordance with OEB Decisions EB-2005-0391 and EB-2007-0555. There were no smart meters installed in the General Service >50 kW Customer classes or the Large User customer class.
- c) Milton Hydro's has not allocated Return, OM&A or PILs based on the number of meters installed for each class. Milton Hydro prepared its Revenue Requirement calculations based on total capital and OM&A expenditures incurred in implementing its SMIP. All costs included in the variance accounts 1555 and 1556 were journalized to the appropriate meter capital, OM&A and amortization accounts at the end of the December Bridge Year. The Cost Allocation Model is based on Milton Hydro's 2011 trail balance as set out at Tab I3 TB Data, which includes Milton Hydro's meter capital, USoA 1860 and the meter maintenance forecast for the 2011 Test Year. Milton Hydro also completed the all the required input tabs for the Cost Allocation Model. The cost allocation methodology in a cost of service rate application is based on reasonable cost drivers and not class specific tracked costs.
- d) Milton Hydro's Smart Meter revenue requirement is \$2,121,156 including carrying charges of \$19,822. This equates to \$73.42 per customer for both the Residential and General Service customer classes based on the 2010 Bridge Year end of year forecasted metered customer counts. The interest rates used to calculate the \$19,822 are the OEB prescribed interest rates and are set in Exhibit 9, page 3, Table1 to the Application.

There is no correlation between the revenue requirement for Smart Meters and the forecasted weather normalized actual use for each customer class for 2008 and 2009 provided in response to VECC IR#3 b).

Table 20 provides the revenue requirement used to calculate the \$73.42 per customer above and Table 21 is the difference between Milton Hydro's revenue requirement and the Smart

Meter revenue recovered from all metered customers as set out in Exhibit 9, Page 25, Table 19. These tables do not change.

- e) Please refer Milton Hydro's response to OEB Staff IR#40.

## **Interrogatory #24**

**Reference:** i) Exhibit 9, page 26-27 and Table 21,

ii) Exhibit 8 page 23

- a) Based on the responses to VECC questions regarding calculation of costs, revenue requirements and disposition rate riders by rate class, please provide a version of Tables 20 and 21 that shows the changes that would result from these responses; and

Compare these amounts to the original Tables as filed; and

- b) Update as necessary the Bill Impacts in Exhibit 8 Appendix A.

## **Response:**

- a) Based on the responses to the VECC IRs above the only change made to Milton Hydro's Smart Meter disposition is the calculation of the Smart Meter credit rider over two years. There is no change to Table 20 as Milton Hydro's revenue recovered from its customers and the actual revenue requirement calculations do not change. Table 21 will change from a four year rate rider credit of (\$0.43) to (\$0.86).
- b) Please refer to Milton Hydro's response to OEB Staff IR#40 for the rate impact table of a two year Smart Meter rate rider of (\$0.86).

# **ATTACHMENT A**

## **Capital Budgets**

**2006 – 2009**

# Milton Hydro Distribution Inc.

Summary of Capital Expenditures

As at December 31

## Milton Hydro Distribution Inc.

Capital Budgets Approved By Milton Hydro Board of Directors

Total Residential Units - per year		1,800	1,040	2,300	1,619	1,500	2,516	2,500	2,100
		2006 Budget	2006 Actual	2007 Budget	2007 Actual	2008 Budget	2008 Actual	2009 Budget	2009 Actual
<b>Growth-Related Capex</b>									
Development Driven Capital Projects									
Subdivision Capital Costs		447,125	179,409	1,459,333	1,856,955	994,330	1,188,214	364,193	145,352
General Service Connections - OH & UG		4,536,000	5,106,113	5,796,000	1,908,102	3,780,000	6,291,343	6,300,000	4,476,091
<b>Total Growth Related Capital Expenditures</b>		1,141,560	830,522	1,104,600	1,359,862	1,360,650	716,712	1,359,701	899,278
		6,124,685	6,116,044	8,359,933	5,124,919	6,134,980	8,196,269	8,023,894	5,520,721
Land for New Headquarters									
Smart Meter Roll-out			-	1,500,000	-	1,500,000		3,000,000	2,218,530
Building for New Headquarters			-	2,394,170	-	1,217,355		446,370	
Milton Hydro builds their own TS			-	-	-	-		-	
Other Capex - Replacement & Refurbishment		3,817,101	3,310,866	2,918,063	1,231,567	3,333,141	2,837,883	3,819,463	2,307,380
<b>Non-Growth Related Capex</b>		3,817,101	3,310,866	6,812,233	1,231,567	6,050,496	2,837,883	7,265,833	4,525,910
Total Transmission and Distribution Capital Expenditures		9,941,786	9,426,910	15,172,166	6,356,486	12,185,476	11,034,152	15,289,727	10,046,631
Total Other Capital Expenditures (office eqmt, tools)		235,700	115,439	423,000	123,427	218,100	120,070	506,650	806,525
<b>GRAND TOTAL OF CAPITAL EXPENDITURES</b>		<b>10,177,486</b>	<b>9,542,349</b>	<b>15,595,166</b>	<b>6,479,913</b>	<b>12,403,576</b>	<b>11,154,222</b>	<b>15,796,377</b>	<b>10,853,156</b>
<b>Less: Contributed Capital Portion of CAPEX</b>									
Refunds to Developers		1,004,058	610,080	1,107,192	2,955,454	2,000,000	963,772	2,520,000	1,405,853
Capital Contributions Received - Growth-Related		(5,764,685)	(5,721,427)	(8,017,233)	(4,097,041)	(5,911,180)	(6,774,745)	(7,673,894)	(4,776,932)
Capital Contributions Received - Non-Growth Related		(476,036)	(599,543)	(355,809)	(303,786)	(165,720)	(356,913)	(356,913)	(303,267)
Total Capital Contributions - net		(5,236,663)	(5,710,890)	(7,265,850)	(1,445,373)	(4,076,900)	(5,810,973)	(5,510,807)	(3,674,346)
<b>Net Capital Expenditures - Net Impact on Cash Flow</b>		<b>4,940,823</b>	<b>3,831,459</b>	<b>8,329,316</b>	<b>5,034,540</b>	<b>8,326,676</b>	<b>5,343,249</b>	<b>10,285,570</b>	<b>7,178,810</b>