



## **MILTON HYDRO DISTRIBUTION INC.**

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By RESS and e-mail

March 10, 2011

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  
Draft Rate Order – Additional Table to Exhibit 5 – Cost of Capital**

Milton Hydro Distribution Inc. ("Milton Hydro") is providing one additional table to be included in its Draft Rate Order. The following Table 6 (a) – Weighted Cost of Debt should be included in the Exhibit 5 – Cost of Capital section, page 11 of 16, of the Draft Rate Order. This table provides the calculation supporting Milton Hydro's weighted cost of debt of 4.85% after updating the long term debt rate for the shareholder loan, to reflect the Cost of Capital Parameter for Long Term Debt of 5.32% issued March 3, 2011.

Milton Hydro is filing this update through the Ontario Energy Board RESS portal in addition to sending this to the Board Secretary and Intervenors of Record by e-mail.

Should you require further information or clarification please contact me at 905-876-4611 ext. 246 or [cameronmckenzie@miltonhydro.com](mailto:cameronmckenzie@miltonhydro.com).

Respectfully submitted,

*Original signed by Cameron McKenzie*

Cameron McKenzie, CGA  
Director, Regulatory Affairs

**EXHIBIT 5 – COST OF CAPITAL (additional table to page 11 of 16)**

**Table 6 (a)**  
**Weighted Cost of Debt**

Description	Debt Holder	Affiliated with LDC?	Date of Issuance	Principal	Term (Years)	Rate%	Year Applied to	Interest Cost
Shareholder Loan	Town of Milton	Y	October 1,2000	14,934,210		7.25%	2006	1,082,730
		N					2006	0
Shareholder Loan	Town of Milton	Y	October 1,2000	14,934,210		7.25%	2007	1,082,730
		N					2007	0
Shareholder Loan	Town of Milton	Y	October 1,2000	14,934,210		7.25%	2008	1,082,730
		N					2008	0
Shareholder Loan	Town of Milton	Y	October 1,2000	14,934,210		7.25%	2009	1,082,730
		N					2009	0
Shareholder Loan	Town of Milton	Y	October 1,2000	14,934,210		7.25%	2010	1,082,730
Infrastructure Ontario	Infrastructure Ontario	N	April 1, 2010	285,000	5	3.02%	2010	6,455
Infrastructure Ontario	Infrastructure Ontario	N	April 1, 2010	2,880,057	15	4.49%	2010	96,986
Infrastructure Ontario	Infrastructure Ontario	N	July 15, 2010	4,000,000	25	4.84%	2010	96,800
Infrastructure Ontario	Infrastructure Ontario	N	December 1, 2010	3,000,000	25	5.00%	2010	50,000
Shareholder Loan	Town of Milton	Y	October 1,2000	14,934,210		5.32%	2011	794,500
Infrastructure Ontario	Infrastructure Ontario	N	April 1, 2010	235,000	4 yrs left	3.02%	2011	7,097
Infrastructure Ontario	Infrastructure Ontario	N	April 1, 2010	2,741,906	14 yrs left	4.49%	2011	123,112
Infrastructure Ontario	Infrastructure Ontario	N	July 15, 2010	3,915,012	24 yrs left	4.84%	2011	189,487
Infrastructure Ontario	Infrastructure Ontario	N	December 1, 2010	2,925,000	24 yrs left	5.00%	2011	146,250
Infrastructure Ontario	Infrastructure Ontario	N	June 1, 2011	3,037,200	25	5.00%	2011	88,585
2009 Total Long Term Debt				14,934,210	Total Interest Cost for 2009			1,082,730
					Weighted Debt Cost Rate for 2009			7.25%
2010 Total Long Term Debt				25,099,267	Total Interest Cost for 2010			1,332,971
					Weighted Debt Cost Rate for 2010			5.31%
2011 Total Long Term Debt				27,788,328	Total Interest Cost for 2011			1,349,030
					Weighted Debt Cost Rate for 2011			4.85%