

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, 2012.

**MILTON HYDRO DISTRIBUTION INC. (“Milton Hydro”)
APPLICATION FOR APPROVAL OF 2012 ELECTRICITY
DISTRIBUTION RATES**

Response to OEB Staff Interrogatories

Filed: November 15, 2011

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MANAGER'S SUMMARY

Interrogatory #1

Ref: EB-2009-0204 Decision

Ref: EB-2010-0137 Application and Draft Rate Order

Ref: EB-2011-0183 Application

As part of Milton Hydro's 2010 Rate Application (EB-2009-0204), the Board approved Milton Hydro's proposal to include the global adjustment sub-account rate rider as an adjustment to the monthly Provincial Benefit line on its bills to non-RPP customers. Again, as part of Milton Hydro's Settlement Agreement from their 2011 Cost of Service Rate Application (EB-2010-0137), it was decided that the disposition of Account 1588 – Global Adjustment sub-account would be billed to only non-RPP customers, excluding the MUSH sector (see Appendix A), as a separate line item with the global adjustment, or Provincial Benefit, as it is identified on the customer's bill¹.

Accordingly, for their its 2012 IRM3 Application (EB-2011-0183), Milton Hydro is seeking an "approval for the disposition of its December 31, 2010 RSVA Sub-Account Global Adjustment – USoA 1588 in the amount of (\$1,459,049) by way of a kWh credit to be applied to Non-RPP customers as a separate line item on the bill with the Global Adjustment charge or credit²".

Board staff notes that the decisions on most 2011 IRM Applications directed the GA sub-account rate rider be included in the delivery line of the bill.

- (A) Please confirm whether or not Milton Hydro is requesting to continue to include the GA sub-account rate rider, if approved by the Board, as part of the Provincial Benefit of a customer's bill.
- (B) If Milton Hydro intends to continue to include the GA sub-account rate rider as part of the Provincial Benefit line, please provide an explanation as to why.
- (C) Please confirm whether or not Milton Hydro's billing systems facilitate the inclusion of the GA sub-account rate rider in the delivery line of the bill.

¹ EB-2010-0137, Application, Exhibit 9, Page 15

² EB-2011-0183, Manager's Summary, Pages 30-31.

(D) If the answer to (C) is no, please provide the status of Milton Hydro's CIS system and if applicable, a tentative timeline of when it will be upgraded.

Response:

- a) Milton Hydro confirms that it is requesting to continue to include the Global Adjustment Sub-Account Rate Rider as part of the Global Adjustment (previously called the Provincial Benefit) of a customer's bill as a separate line item.
- b) The Global Adjustment Variance Account captures the difference between the global adjustment billed to Non-RPP consumers and the global adjustment charged by the Independent Electricity System Operator. Milton Hydro's Non-RPP customers have been able to identify the impact, whether positive or negative, of the global adjustment on their bills for the past two years as a separate line item below the Global Adjustment line. This information provides the RPP eligible customer with a clear understanding of their decision to leave the RPP pricing plan, whether it be by signing with a retailer or opting out of RPP pricing. Customers are able to clearly identify the cost of electricity by totaling the Electricity Line, the Global Adjustment Line and the Global Adjustment Rate Rider Line. The presentation of the Global Adjustment Rate Rider for the RPP eligible customer who has opted out of the RPP pricing is shown in the Picture 1 below.

Picture 1

Global Adjustment Rate Rider – Customer Opted Out of RPP Pricing

	<u>RATE</u>	<u>USAGE</u>	<u>CHARGES</u>
Electric Charges Electricity	0.029944	417954.57	\$12,515.53
Delivery			\$2,956.23
Regulatory Charges			\$2,872.92
Debt Retirement Charge			\$2,826.54
Global Adjustment/Provincial			\$15,510.56
Global Adjustment Rate Rider			\$250.77
TOTAL ELECTRIC CHARGES			\$36,932.65

Similarly, Milton Hydro's larger Non-RPP customers have detailed bills and the presentation of a separate Global Adjustment Rate Rider provides additional information on the impact of the Global Adjustment and the Global Adjustment Rate Rider on the electricity prices as shown in Picture 2 below.

Picture 2
Global Adjustment Rate Rider – Non-RPP Customer

	<u>RATE</u>	<u>USAGE</u>	<u>CHARGES</u>
Electric Charges			
Electricity	0.029799	392882.41	\$11,707.51
SES Administrative Charge			\$0.25
Customer Charge			\$977.70
Transformer Allowance	0.600000	2209.42	-\$1,325.65
Distribution Charge-KW	2.624500	2209.42	\$5,798.67
Debt Retirement Charge	0.007000	379157.14	\$2,654.10
Transmission Connection	1.882700	2209.42	\$4,159.65
Transmission Network	2.222000	836.28	\$1,858.71
Wholesale Market Services	0.006500	392882.41	\$2,553.74
Global Adjustment/Provincial			\$17,502.91
Global Adjustment Rate Rider			\$903.63
TOTAL ELECTRIC CHARGES			\$46,785.70

In addition, the Global Adjustment billed to customers is a per kWh charge and is the same for all customers billed in the month. Milton Hydro submits that it is appropriate to calculate the Global Adjustment Rate Rider on the same basis as the charge that resulted in the Global Adjustment variance, that being based on kWhs, and further that the Rate Rider be the same for all Non-RPP customers.

- c) Milton Hydro's Customer Information System was programmed two years ago to bill the Global Adjustment Rate Rider separately from the Global Adjustment and will not accommodate the Global Adjustment Rate Rider to be added to the "Delivery Charge" line of the bill without reprogramming.
- d) There is no upgrade to Milton Hydro's Customer Information System that is scheduled to accommodate a the treatment of the Global Adjustment Rate Rider in a manner that is different than that which has been previously approved by the Ontario Energy Board in Milton Hydro's 2010 and 2011 Electricity Distribution Rate Applications.

Interrogatory #2

Ref: Manager's Summary, EB-2011-0183, Page 17

"Milton Hydro removed the Global Adjustment Sub-Account 1588 balance from the Group 1 Deferral and Variance Accounts and has prepared a separate continuity schedule specifically related to the Global Adjustment Sub-Account."

Board staff notes that the threshold testing methodology proposed by Milton is not consistent with the EDDVAR Report. In the EDDVAR Report, the Board established a preset disposition threshold of \$0.001 per kWh during the IRM plan term for all Group 1 account balances combined. Board staff also notes that if Milton Hydro were to include this balance in with the other Group 1 Accounts, the Threshold Test, as provided by the EDDVAR Report, would have been exceeded thus causing a higher credit back to customers.

- (A) Please explain Milton Hydro's reasoning for choosing to prepare a separate continuity schedule for Account 1588 – Global Adjustment Sub-Account.
- (B) Please explain Milton Hydro's reasoning for applying a separate threshold test for the 1588 Global Adjustment Sub-Account.

Response:

- a) Milton Hydro disposes of Account 1588 – Global Adjustment Sub-Account separately to all Non-RPP customers as a single kWh Rate Rider and this Rate Rider does not appear on Milton Hydro's Tariff of Rates and Charges. As the OEB, has in the past, approved the disposition of the Global Adjustment Sub – Account separately from the other deferral and variance accounts that do appear on the Tariff of Rates and Charges, Milton Hydro believed it appropriate to separate this particular variance account for the purposes of disposition.
- b) Despite having separated the Account 1588 – Global Adjustment from the remaining deferral and variance accounts, Milton Hydro determined that it was still appropriate to apply the EDDVAR threshold test to determine if the disposition of the Global Adjustment Sub – Account would meet the requirements of the EDDVAR Report and therefore be approved for disposition.

Interrogatory #3

Ref: Manager's Summary, EB-2011-0183, Page 20

Table 11
2011 Global Adjustment Continuity Schedule, Projected Interest & 2.1.7 RRR

Account Descriptions	Account Number	2011				Projected Interest on Dec-31-10 Balances			2.1.7 RRR	
		Principal Disposition during 2011 - instructed by Board	Interest Disposition during 2011 - instructed by Board	Closing Principal Balances as of Dec 31-10 Adjusted for Dispositions during 2011	Closing Interest Balances as of Dec 31-10 Adjusted during 2011 Disposition	Projected Interest from Jan 1, 2011 to December 31, 2011 on Dec 31 -10 balance adjusted for disposition during 2011 ⁵	Projected Interest from January 1, 2012 to April 30, 2012 on Dec 31 -10 balance adjusted for disposition during 2011 ^{6 7}	Total Claim	As of Dec 31-10 ⁴	Variance RRR vs. 2010 Balance (Principal + Interest)
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ 688,738	\$ 3,891	\$ 1,418,330	\$ 3,958	\$ 20,849	\$ 6,912	\$ 1,450,049	\$ 729,660	\$ 0
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ 688,738	\$ 3,891	\$ 1,418,330	\$ 3,958	\$ 20,849	\$ 6,912	\$ 1,450,049	\$ 729,660	\$ 0

Board staff has been unable to verify the figure entered for Milton's RRR 2.1.7 filing as at December 31, 2010 for Account 1588 – Global Adjustment Sub-Account.

(A) For Account 1588 – Global Adjustment Sub-Account, please provide a reconciliation of the regulatory trial balance that is reported to the Board as part of the RRR data and the audited financial statements.

Response:

a) Milton Hydro's audited financial statements reported Regulatory liabilities (note 3) in the amount of \$2,804,968 which is a total of all Regulatory Asset and Liability accounts and includes Account 1588 – Global Adjustment Sub-Account. The RRR information reported on February 28, 2011 for the Global Adjustment Sub-Account was for information purposes and is included in Account 1588 – RSVA Power which does agree to the 2.1.7 RRR filing. The allocation to Account 1588 – Global Adjustment Sub-Account as reported in Milton Hydro's 2012 IRM3 Application is correct and agrees with Milton Hydro's December 31, 2010 Trial Balance. The following table provides the balances reported and the allocation between Account 1588 – Power and the Global Adjustment Sub-Account.

Account Descriptions	Account Number	2.1.7 RRR As of Dec 31, 2010
RSVA - Power Reported - February 28, 2011		(1,419,172)
RSVA - Power (excluding Global Adjustment)	1588	(689,512)
RSVA - Power - Sub-Account - Global Adjustment	1588	(729,660)
Total		(1,419,172)
<p>note: the Global Adjustment reported in the February 28, 2011 RRRs was for information purposes and was subsequently corrected to the above balance as filed in the 2012 IRM3 Rate Generator-Tab 9</p>		

REVENUE TO COST RATIO WORKFORM

Interrogatory #4

Ref: Revenue to Cost Ratio Adjustment Workform, Tab 6

Rate Class	Direction	Current Year 2011	Transition Year 1 2012	Transition Year 2 2013	Transition Year 3 2014	Transition Year 4 2015	Transition Year 5 2016
Residential	No Change	104.40%	104.40%	104.40%	104.40%	104.40%	104.40%
General Service Less Than 50 kW	Rebalance	99.20%	tbd	tbd	tbd	tbd	tbd
General Service 50 to 999 kW	Rebalance	83.20%	tbd	tbd	tbd	tbd	tbd
General Service 1,000 to 4,999 kW	Rebalance	115.00%	tbd	tbd	tbd	tbd	tbd
Large Use	Rebalance	115.00%	tbd	tbd	tbd	tbd	tbd
Unmetered Scattered Load	Rebalance	110.00%	tbd	tbd	tbd	tbd	tbd
Sentinel Lighting	Change	44.50%	70.00%	0.00%	0.00%	0.00%	0.00%
Street Lighting	Change	41.70%	70.00%	0.00%	0.00%	0.00%	0.00%

Board staff notes that for rate classes General Service Less than 50 kW, Sentinel Lighting and Street Lighting the R/C ratios listed differ slightly from what was reported in Milton Hydro's previous Cost of Service decision (EB-2010-0137).

- (A) If Milton Hydro believes the above figures are correct, please provide an explanation.
- (B) If Milton Hydro is of the view that these figures should be altered, please confirm and Board staff will update tab 6 with those numbers reported in Milton Hydro's previous Cost of Service decision.

Response:

- a) Milton Hydro confirms that the above Current Year 2011 Revenue to Cost Ratios are not correct as an older version of the revenue to cost ratios was used by mistake.
- b) The correct Revenue to Cost Ratios should agree with the Decision and Order on Milton Hydro's 2011 Cost of Service Application EB-2010-0137, dated February 11, 2011 and Appendix K reproduced below. Milton Hydro would request OEB Staff to make the changes to the 2012_IRM_Revenue_Cost_Ratio_Adjustment_Workform, Tab 6. Milton Hydro would note that this change will only impact the variable distribution charge for the Street Lighting and Sentinel Lighting customer classes.

Appendix K

2011 Test Year Updated Revenue to Cost Ratios

MILTON HYDRO DISTRIBUTION INC.

Class	Dist Rev At Existing Rates % (per Application)	Dist Rev At Existing Rates % (per Settlement)	Fixed Distribution Revenue (per Application)	Fixed Distribution Revenue (per Settlement)	Variable Distribution Revenue (per Application)	Variable Distribution Revenue (per Settlement)	Transformer Allowance (per Application)	Transformer Allowance (per Settlement)	Gross Dist. Rev. (per Application)	Gross Dist. Rev. (per Settlement)	Cost Ratios per Cost Allocation Model	Cost Ratios per Cost Allocation Model (per Settlement)
Residential	63.93%	64.61%	4,991,751	4,872,916	3,707,307	3,645,473			8,699,058	8,518,390	104.0%	104.4%
GS < 50 kW	13.21%	13.08%	460,534	439,352	1,336,709	1,284,727			1,797,243	1,724,079	99.4%	99.4%
GS >50 to 999 kW	12.91%	11.43%	310,582	264,785	1,446,260	1,242,150	41,349	41,656	1,798,191	1,548,591	85.1%	83.2%
GS >1000 to 4999 kW	4.64%	5.35%	136,070	142,799	495,209	563,227	111,058	127,189	742,337	833,215	121.4%	115.0%
Large Use	3.97%	4.19%	101,268	96,916	438,335	456,114			539,603	553,029	127.1%	115.0%
Sentinel Lights	0.07%	0.07%	4,801	4,587	5,165	4,934			9,966	9,521	18.9%	44.4%
Street Lighting	0.94%	0.92%	39,091	37,218	88,543	84,302			127,633	121,520	13.2%	41.6%
Unmetered and Scattered	0.34%	0.34%	19,990	19,390	26,569	25,771			46,559	45,161	110.2%	110.0%
	100%	100%	6,064,087	5,877,962	7,544,097	7,306,698	152,407	168,844	13,760,590	13,353,505		

TAX-SHARING WORKFORM

Interrogatory #5

Ref: A portion of the 2012 Tax Savings WorkForm, Tab 3

Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed		
				Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C
RES	Residential	Customer	kWh	27,082	260,408,065	
GSLT50	General Service Less Than 50 kW	Customer	kWh	2,286	75,603,703	
GSGT50	General Service 50 to 999 kW	Customer	kW	293	188,689,653	511,697
GSGT50	General Service 1,000 to 4,999 kW	Customer	kW	13	112,523,353	230,486
LU	Large Use	Customer	kW	2	85,702,235	188,668
USL	Unmetered Scattered Load	Connection	kWh	201	1,519,815	
Sen	Sentinel Lighting	Connection	kW	272	167,188	465
SL	Street Lighting	Connection	kW	2,865	6,320,787	17,810

Ref: EB-2010-0137, Settlement Agreement, Appendix D

2011 Test Year Updated Load Forecast

Milton Hydro Customer Class Load Forecast			
Description	Original As per Application	As per Settlement	Change
2011 Test Year Billed kWh	702,037,607	730,934,799	28,897,192
By Class			
Residential			
Customers	27,832	27,832	-
kWh	258,520,606	260,408,065	1,887,459
General Service < 50 kW			
Customers	2,315	2,315	(0)
kWh	75,044,767	75,603,703	558,936
General Service > 50 to 999 kW			
Customers	299	299	(0)
kWh	187,300,109	188,689,653	1,389,544
kW	507,929	511,697	3,768
General Service > 1000 to 4999 kW			
Customers	11	13	2
kWh	94,342,584	112,523,353	18,180,769
kW	193,246	230,486	37,240
Large User > 4999 kW			
Customers	2	2	-
kWh	78,821,751	85,702,235	6,880,484
kW	173,521	188,668	15,147
Streetlights			
Connections	2,895	2,895	0
kWh	6,320,787	6,320,787	(0)
kW	17,810	17,810	(0)
Sentinel Lights			
Connections	270	270	0
kWh	167,188	167,188	0
kW	465	465	0
Unmetered Loads			
Connections	208	208	(0)
kWh	1,519,815	1,519,815	0
Total of Above			
Customer/Connections	33,832	33,834	2
kWh	702,037,607	730,934,799	28,897,192
kW from applicable classes	892,971	949,126	56,155

Board staff notes that some of the number of customers/connections differ in column A than to what was agreed upon in Milton Hydro's 2011 Cost of Service Settlement Agreement.

(A) Please confirm if the numbers reported in the Settlement Agreement are correct and whether Milton Hydro agrees that these should be reflected in the Tax-Savings Workform. If so, Board staff will make the necessary changes to Milton Hydro's Tax-Savings Workform.

(B) If the answer to (A) is no, please provide support for the figures reported in the Workform.

Response:

a) Milton Hydro confirms that the numbers reported in the Settlement Agreement and included in the table above are correct. However, in setting rates for its 2011 Cost of Service Application, Milton Hydro used the average number of customers, being an average of opening and closing customer counts for 2011. This is reflected in Milton Hydro's Rate Design Model Tab – Forecast Data For 2011, as filed in Milton Hydro's Application dated August 26, 2010. Milton Hydro was not required to re-file its live models as part of the Settlement Agreement. The updated tab has been reproduced in part b) below.

b) The following Tab B – Forecast Data For 2011 reflects the average number of customers used in calculating Milton Hydro's 2011 distribution rates after adjusting for the Settlement Agreement customer counts, kWh and kW. Milton Hydro submits that the appropriate data to be used in this application is the same data that Milton Hydro used in setting its 2011 Rates and therefore no change is required to the Tax Sharing Workform.

**Rate Design Model Tab – Forecast Data For 2011
 Adjusted for Settlement Conference**

MILTON HYDRO DISTRIBUTION INC.		
Forecast Data For 2011 Test Year Projection		
Sum of Quantity		
Class	Unit of Measure	2011 Test Year Normalized
Residential	# of Customers kWh	27,082 260,408,065
GS < 50 kW	# of Customers kWh	2,286 75,603,703
GS >50 to 999 kW	# of Customers kW kWh	293 511,697 188,689,653
GS >1000 to 4999 kW	# of Customers kW kWh	13 230,486 112,523,353
Large Use	# of Customers kW kWh	2 188,668 85,702,235
Sentinel Lights	# of Connections kW kWh	272 465 167,188
Street Lighting	# of Connections kW kWh	2,865 17,810 6,320,787
Unmetered and Scattered	# of Connections kWh	201 1,519,815
Total Check	# of Cust/Con kW kWh	33,014 949,126 730,934,799

Interrogatory #6

Ref: 2012 Tax Savings Workform, Tab 6

Rate Class	Total Revenue \$ by Rate Class A	Total Revenue % by Rate Class B = A / \$H	Total Z-Factor Tax Change\$ by Rate Class C = \$I * B	Billed kWh D	Billed kW E	Distribution Volumetric Rate kWh Rate Rider F = C / D	Distribution Volumetric Rate kW Rate Rider G = C / E
Residential	\$8,403,394.4970	63.77%	-\$17,692	260,408,065	0	-\$0.0001	
General Service Less Than 50 kW	\$1,703,293	12.93%	-\$3,586	75,603,703	0	\$0.0000	
General Service 50 to 999 kW	\$1,525,287	11.58%	-\$3,211	188,689,653	511,697		-\$0.0063
General Service 1,000 to 4,999 kW	\$827,895	6.28%	-\$1,743	112,523,353	230,486		-\$0.0076
Large Use	\$543,958	4.13%	-\$1,145	85,702,235	188,668		-\$0.0061
Unmetered Scattered Load	\$44,660	0.34%	-\$94	1,519,815	0	-\$0.0001	
Sentinel Lighting	\$9,367	0.07%	-\$20	167,188	465		-\$0.0424
Street Lighting	\$119,254	0.91%	-\$251	6,320,787	17,810		-\$0.0141
	\$13,177,109	100.00%	-\$27,742				

Ref: Chapter 3 of the Filing Requirements for Transmission and Distribution Applications, dated June 22, 2011, Page 17

The IRM Filing Requirements stated the following: “A shared tax saving workform will include a schedule for a distributor to complete, which will calculate a volumetric rate rider. Occasionally, the calculated rate adders or rate riders for one or more rate classes may be negligible. In the event that the calculation of one or more rate classes’ rate rider results in energy-based kWh rate riders of \$(0.0000) when rounded to the fourth decimal place and demand-based kW rate riders of \$(0.00) when rounded to the second decimal place, or is negligible, the distributor may apply to record the amount to be recovered or refunded in USoA 1595 disposition in a future rate setting.”

Board staff notes that for the rate class General Service < 50kW, the rate rider rounds to \$(0.0000).

- (A) Please confirm whether or not Milton Hydro wishes to refund/recover to customers the above amounts, or alternatively, to record the amounts in USoA 1595 to be addressed in a future rate proceeding.

Response:

- a) Milton Hydro will continue to propose the disposition of the Tax Sharing amount of (\$27,742) as the remaining customer classes receive the benefit at this time.

Interrogatory #8

Ref: 2012 IRM Rate Generator, Tab 7 and 8

Ref: Current and Proposed Tariff of Rates and Charges

Board staff notes that on Tab 7 and 8 of the Rate Generator, the rate class “Large Use” is not listed as “Interval Metered” as it is on Milton Hydro’s current Tariff of Rates and Charges. Additionally, Milton Hydro’s proposed Tariff of Rates and Charges, effective May 1, 2012, also does not indicate “Interval Metered” for this rate class.

(A) Please confirm whether or not “Interval Metered” should be listed for the Large Use rate class in both the Rate Generator and Milton Hydro’s proposed tariff sheet and Board staff will make the necessary adjustments, if any.

Response:

a) Milton Hydro’s Tariff of Rates and Charges effective May 1, 2011 does not identify the Large User customer class specifically as “Interval Meter” and therefore the classification selected on Tabs 7 and 8 of the 2012 IRM Rate Generator model is correct. The following is an excerpt from Milton Hydro’s current Tariff of Rates and Charges.

Milton Hydro Distribution Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011

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

EB-2010-0137

LARGE USE SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

ACCOUNT 1521 – SPECIAL PURPOSE CHARGE

Interrogatory #9

Ref: 2012 IRM Rate Generator, Tab 9

(A) Please confirm what amount Milton Hydro paid in regards to the SPC Assessment and provide a copy of the original invoice.

(B) Please complete the following table related to the SPC.

SPC Assessment (Principal balance)	Amount recovered from customers in 2010	Carrying Charges for 2010	December 31, 2010 Year End Principal Balance	December 31, 2010 Year End Carrying Charges Balance	Amount recovered from customers in 2011	Carrying Charges for 2011	Forecasted December 31, 2011 Year End Principal Balance	Forecasted December 31, 2011 Carrying Charges Balance	Total for Disposition (Principal & Interest)

Response:

- a) Milton Hydro paid \$265,315 to the Minister of Finance by cheque dated July 19, 2010. A copy of the invoice sent to Milton Hydro by the OEB is attached as Appendix B
- b) Milton Hydro has completed the above table for the SPC. Milton Hydro would note that it has included carrying charges to April 30, 2012, which is consistent with the treatment of the other deferral and variance accounts proposed for disposition. The information in this table is also reflected in the 2012 IRM Rate Generator – Tab 9 2012 Cont. Sched. Def_Var.

										Added by Milton Hydro	
SPC Assessment (Principal balance)	Amount recovered from customers in 2010	Carrying Charges for 2010	December 31, 2010 Year End Principal Balance	December 31, 2010 Year End Carrying Charges Balance	Amount recovered from customers in 2011	Carrying Charges for 2011	Forecasted December 31, 2011 Year End Principal Balance	Forecasted December 31, 2011 Carrying Charges Balance	Total for Disposition (Principal & Interest)	Forecasted Carrying Charges to April 30, 2012	Total for Disposition (Principal & Interest)
265,315	(188,595)	931	76,720	931	(94,805)	(51)	(18,085)	880	(17,205)	(88)	(17,293)

TARIFF OF RATES AND CHARGES

Interrogatory #10

Ref: A portion of Milton Hydro's Current Tariff of Rates and Charges effective May 1, 2011

Optional Interval/TOU Meter charge \$/month	\$	5.50
Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35
Clearance Pole Attachment charge \$/pole/year	\$	5.59

Ref: A portion of Milton Hydro's Proposed Tariff of Rates and Charges effective May 1, 2012

Optional Interval/TOU Meter charge \$/month	\$	5.50
Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35

Board staff notes that Milton Hydro's proposed Tariff of Rates and Charges does not include the line item "Clearance Pole Attachment charge \$/pole/year" as seen on Milton Hydro's current Tariff of Rates and Charges.

- (A) If Milton Hydro has inadvertently omitted this line item, please confirm, and Board staff will make the necessary changes to the proposed Tariff sheet.
- (B) If the answer to (A) is no, please provide an explanation as to why this has been omitted from Milton Hydro's proposed Tariff of Rates and Charges.

Response:

- a) Milton Hydro inadvertently omitted the "Clearance Pole Attachment Charge \$/pole/year" in the amount of \$5.59 and would request the OEB Staff to make the necessary change to include this charge.
- b) Not Applicable

LOST REVENUE ADJUSTMENT MECHANISM (“LRAM”)

Interrogatory #11

Ref: Manager’s Summary, Page 26 of 33

Ref: Appendix O, Page 2 of 31

On page 26 of 33 of the Manager’s Summary, Milton Hydro requests recovery of an LRAM amount of \$257,136 in relation to its CDM activities for 2005 to 2010. On page 2 of 31 of Appendix O, Milton Hydro requests an LRAM amount of \$315,727 for all CDM activities for 2005 to 2010.

- (A) Please discuss why Milton Hydro has included a request for recovery of two different LRAM amounts for the 2005 to 2010 period.
- (B) Please confirm that Milton Hydro is requesting recovery of \$257,136 as indicated in the Manager’s Summary.
- (C) Please confirm that Milton Hydro has relied on all final OPA program results in calculating applicable LRAM amounts for OPA funded CDM Programs delivered between 2007 to 2010.

Response:

- a) The \$257,136 included on page 26 of 33 of the Manager’s Summary is incorrect. Milton Hydro did not update page 26 of 33 of the Manager’s Summary after completing the LRAM Application set out in Appendix O to its 2012 IRM3 Application.
- b) The LRAM Application as set out in Appendix O to Milton Hydro’s 2012 IRM3 Application is correct. The total LRAM amount sought for recovery, from Third Tranche programs is \$8,549 and \$298,667 from OPA CDM programs. Carrying Charges amount to \$8,511 and is allocated to each customer class based on the LRAM claim for each customer class. The total requested LRAM recovery related to all CDM activities for 2005 to 2010 is \$315,727.

- c) Milton Hydro confirms that it has relied on all final OPA program results in calculating the applicable LRAM amounts for OPA funded CDM Programs delivered between 2007 to 2009 and the 2010 Final CDM Results: Summary.

This Appendix is not used in Milton Hydro's Responses

APPENDIX A

**Milton Hydro Distribution Inc.'s 2011 Cost of Service Application [EB-2010-0137], Page
 1139**

**Table 13 -
 Proposed Rate Riders by Customer Class**

Rate Class	Billing Parameter	Proposed Rate Rider, May 1, 2011 - April 30, 2012
Residential	kWh	(0.0007)
General Service <50kW	kWh	(0.0008)
General Service >50 kW < 999 kW	kW	(0.3405)
General Service >1000kW < 4999 kW	kW	(0.4110)
Large User Class	kW	(0.3564)
Sentinel Lights	kW	(0.2828)
Street Lighting	kW	(0.3348)
Unmetered & Scattered	kWh	(0.0007)
Proposed Separate Rate Rider		
Non-RPP Customers - only	kWh	0.0023

Global Adjustment Variance Account – 1588 Power

The Global Adjustment Variance Account captures the difference between the global adjustment billed to Non-RPP consumers and the global adjustment charged by the Independent Electricity System Operator. Consistent with the OEB Decision on Milton Hydro's 2010 IRM Rate Application, March 25, 2010, EB-2009-0204, Milton Hydro is proposing that a separate rate rider be established to dispose of this variance amongst Non-RPP customers, excluding the MUSH sector. Milton Hydro proposes to exclude the MUSH sector at this time as the Global Adjustment Variance Account relates to the 2009 year and the MUSH customers only became Non-RPP customers effective November 1, 2009.

Milton Hydro global adjustment rate rider is set out in Table 13 above. Milton Hydro will identify this rate rider as a separate line item with the global adjustment, or Provincial Benefit, as it is identified on the customer's bill.

Appendix B
Special Purpose Charge Assessment Invoice

Revised Invoice
 Ministry of Energy and Infrastructure
 Conservation and Renewable Energy Program Costs

To: Milton Hydro Distribution Inc.
 55 Thompson Road South
 Milton, ON L9T 6P7
 Attn: M. Corkum, VP Finance

Item Description:

Assessment for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs.
 Quote-part pour les coûts des programmes de conservation et d'énergie renouvelable du ministère de l'Énergie et de l'Infrastructure.

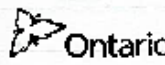
Customer No./No du client 3504
Customer Site No./ N° d'emplacement du client 1061053
Invoice Date/Date de la facture April 16, 2010
Invoice No./ N° de la facture 50047
Due Date/ Date d'échéance July 30, 2010
Payment Amount/ Montant remis CAD \$ 265,315

Questions related to the remittance should be directed to the Non-Tax Revenue Management Branch Contact Centre at 1-877-535-0554 or Fax (416) 326-5177. Les questions concernant la remise doivent être posées à l'InfoCentre de la Direction de la gestion des revenus non fiscaux au 1 877 535-0554 ou par télécopieur au 416 326-5177.

This assessment was calculated by the Ontario Energy Board, 2300 Yonge St. 27th Floor, P.O. Box 2319, Toronto, ON M4P 1E4. Questions related to the invoice should be directed to the Market Operations Hotline 416-440-7604. La présente quote-part a été fixée par la Commission de l'énergie de l'Ontario, 2300, rue Yonge, 27^e étage, case postale 2319, Toronto (Ontario) M4P 1E4. Les questions relatives à la facture doivent être posées au service de téléassistance du service Activités du marché : 416 440-7604.

Payments are to be made to the Minister of Finance not the Ontario Energy Board.
Les paiements doivent être faits au ministre des Finances et non à la Commission de l'énergie de l'Ontario.

Detach here/ Détacher ici

 Ministry of Finance/Ministère des Finances Payment Processing Centre/ Centre de traitement des paiements 33 King St. West/33 rue King Ouest PO Box 6170/ P 617 Ottawa, ON L1H 8K3	Customer No. / N° du client 3504
	Customer Site No./ N° d'emplacement du client 1061053
Invoice No./ N° de la facture 50047	Payment Amount / Montant remis CAD \$ 265 315 .00

Please detach and return this portion with your payment in the enclosed envelope. Make your cheque or money order payable to the Minister of Finance. Veuillez détacher et retourner cette partie avec votre remise dans l'enveloppe ci-jointe. Libérez votre oblique au votre mandat à l'ordre du ministre des Finances.

Milton Hydro Distribution Inc.
 55 Thompson Road South
 Milton, ON L9T 6P7
 Attn: M. Corkum, VP Finance

45 AR 50047