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BY E-MAIL

March 20, 2012

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

Dear Ms. Walli:

**Re: Milton Hydro Distribution Inc.
Application for the Disposition of Account 1562 – Deferred Payments in Lieu of Taxes
Board Staff Interrogatories - Board File No. EB-2012-0025**

In accordance with the Notice of Application and Hearing and Procedural Order No.1, please find attached Board Staff Interrogatories in the above proceeding. Please forward the following to Milton Hydro Distribution Inc. and to all other registered parties to this proceeding.

In addition please advise Milton Hydro Distribution Inc. that responses to interrogatories are due by April 3, 2012.

Yours truly,

Original Signed By

Georgette Vlahos
Analyst – Applications & Regulatory Audit

Encl.

**Milton Hydro - Disposition of Account 1562 – Deferred PILs
EB-2012-0025
Board Staff Interrogatories**

Interrogatory #1

Ref: 2001 Updated SIMPIL Model

In the revised 2001 fourth quarter SIMPIL model, Milton used the following income tax rates in the table below to calculate true-up variances.

		2001 Fourth Quarter
2001 SIMPIL MODEL TAXCALC SHEET	Cell E138: Revised corporate income tax rate	34.12%
	Cell E175: Actual income tax rate used for gross-up (excluding surtax)	18.00%

In the PILs combined proceeding, the Board indicated that the income tax impact will be calculated using the tax rate that includes the surtax rate expressed as 1.12%. The tax rate to calculate the true-up variance should exclude the surtax rate.¹ Milton did not use the tax rate that excludes the surtax of 1.12% in calculating the tax impact.

- a) Does Milton agree that the rate to calculate the tax impact should exclude the surtax rate of 1.12% in cell E175? If not, please explain.
- b) If Milton agrees, please make the adjustment and re-file the revised 2001 SIMPIL model and PILs continuity schedule using the updated 2001 fourth quarter deferral account variance and true-up variance adjustment in cell E185 in Excel format.

Interrogatory #2

Ref: PILs Recoveries

Ref: PILs Billings to Customers worksheets

Unmetered scattered load (USL) is not listed as one of the components of the billing and recovery in PILs Billings to Customers worksheet, although the 2002, 2004, and 2005 Board decisions include USL as one of the rate categories. USL was billed using the GS<50kW rate which included PILs fixed and variable charge slivers.

- a) Please explain why the USL connections and energy (kWhs) and the associated rate slivers classified under GS<50kW rate class were not used in the calculation of PILs recoveries from ratepayers.

¹ EB-2008-0381 Decision and Order, pages 17-19.

The PILs Billing spreadsheet does not show the variable PILs rate slivers used in the PILs recoveries calculation from April 1, 2004 to April 30, 2006.

The 2004 RAM sheet 7 calculated the rate slivers associated with the 2004 PILs proxy amount approved by the Board for recovery from customers. The Board changed the rate recovery allocation to 100% based on the variable charge. The 2005 RAM sheet 4 calculated the rate slivers associated with the 2005 PILs proxy amount approved by the Board for recovery from customers.

- b) Please provide an updated PILs Billings to Customers worksheet in Excel format that shows the rate classes from the 2004 rate order, and number of customers, kWh/kW billed and the associated variable rate slivers from the 2004 RAM for April 1, 2004 to March 31, 2005. Please provide the same for the rate classes from the 2005 rate order, and number of customers, kWh/kW billed and the associated variable rate slivers from the 2005 RAM for April 1, 2005 to April 30, 2006.

In order to correctly determine the amounts recovered from customers, the Applicant must multiply the rate slivers by the appropriate billing determinants.

- c) Are the billing determinant data used for PILs recovery consistent with the load forecast data contained in Milton's last cost of service application?
- d) Please provide the energy and demand statistics by year contained in the load forecast from the most recent cost of service application that includes 2001 through 2006.
- e) Please provide a table that compares the billing determinants in the 2006 EDR application with the billing determinants in the recovery calculations including the requested kW/kWh for 2004, 2005 and 2006.