

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
EB-2012-0025
AMENDED SUPPLEMENTARY FILING
DEFERRED PAYMENT IN LIEU OF TAXES USoA 1562
REPLY SUBMISSION

Filed: April 18, 2012

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AMENDED SUPPLEMENTARY FILING

DEFERRED PAYMENT IN LIEU OF TAXES USOA 1562

REPLY SUBMISSION

Introduction

- (a) The Applicant is Milton Hydro Distribution Inc. ("Milton Hydro"). Milton Hydro is a corporation incorporated pursuant to the Ontario *Business Corporations Act* with its head office in the Town of Milton. Milton Hydro carries on the business of distributing electricity within the Town of Milton.
- (b) Milton Hydro filed an application with the Ontario Energy Board ("OEB") on September 19, 2011, pursuant to section 78 of the Ontario Energy Board Act, 1998 as amended (the "OEB Act") for approval for the disposition of its Deferred Payment in Lieu of Taxes USoA 1562.
- (c) On November 4, 2011 the OEB issued a letter to Milton Hydro stating that "the Board will not hear the request for disposition of Account 1562 as part of Milton's 2012 IRM application but will consider it on a stand-alone basis in a separate application." Milton Hydro was advised that the Board had determined that Milton's application was not consistent with the various decisions made in the course of the Combined PILS proceeding.
- (d) On January 9, 2012 Milton Hydro filed an Amended Supplementary Filing Deferred Payment In Lieu Of Taxes USoA 1562. In that filing Milton Hydro requested that "this Amended Supplementary filing should be read in conjunction with Milton Hydro's initial filing dated September 21, 2011 which contained all the original documentation required for filing purposes as set out in the OEB's Decision."
- (e) On January 19, 2012, Milton Hydro was advised by OEB Staff that its amended Supplementary PILs Application would not be reviewed under the same OEB file number issued for Milton Hydro's 2012 IRM Application and that "stand-alone" meant a separate application which was assigned a new OEB file number EB-2012-0025.
- (f) On January 20, 2012, Milton Hydro filed its Amended Supplementary Filing Deferred Payment in Lieu of Taxes USoA 1562 in accordance with the OEB direction.

- 1 (g) The OEB issued Procedural Order No. 1 on March 8, 2012 which provided for
2 intervenor status to the intervenors of record in Milton Hydro's 2012 IRM proceeding
3 being the Vulnerable Energy Consumers Coalition and Ms. J. Shewchun.
- 4 (h) Milton Hydro received interrogatories from OEB Staff and provided interrogatory
5 responses on April 3, 2012 in accordance with Procedural Order No. 1.
- 6 (i) On April 12, 2012 Milton Hydro filed amended Excel spreadsheets in support of its
7 proposed disposition of its USoA 1562 balance.
- 8 (j) On April 17, 2012 Milton Hydro received the OEB Staff Submission on its Amended
9 Supplementary Filing Deferred Payment in Lieu of Taxes USoA 1562.

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11 **Milton Hydro's Reply Submission**

12 In response to OEB Staff interrogatories and additional questions of clarification received from
13 OEB Staff, Milton Hydro filed amended documentation on April 12, 2012, which included revised
14 Excel spreadsheets for carrying charge calculations; the 2001 and 2005 PILs Models; PILs
15 billing and billing determinants to customers; the final April 30, 2012 USoA 1562 balance
16 proposed for disposition; and updated proposed PILs Rate Rider calculations.

17 Milton Hydro's evidence, as amended supports a credit balance in its USoA 1562 account of
18 \$666,850 plus carrying charges calculated up to April 30, 2012 in the amount of \$108,488 for a
19 total credit balance of \$775,338 to be refunded to customers by way of a proposed credit rate
20 rider.

21 Milton Hydro submits that it has complied with the OEB Decision EB-2008-0381 issued June 24,
22 2011 on the Deferred Payment in Lieu of Taxes – USoA 1562 proceeding and the additional
23 regulatory direction provided by the OEB. Furthermore, the OEB Staff submission states that
24 "Board staff submits this revised credit amount of \$775,338 has been calculated in accordance
25 with the regulatory guidance and the decisions issued by the Board in determining the amounts
26 in Account 1562 Deferred PILs."

27 Milton Hydro has provided the following table below, submitted with its April 12, 2012 amended
28 evidence, which sets out the calculations of Milton Hydro's proposed PILs Rate Riders for the
29 disposition of its USoA 1562 balance.

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Calculation of Milton Hydro's Proposed Rate Riders for Disposition of USoA 1562						
Allocation of Account 1562 & Rate Rider Calculation						
Customer Class	% of Distribution Revenue - 2012 IRM Rate Generator - Sheet 11	Allocation of Balance in Account 1562	Metered kWh - 2011 Cost of Service	Metered kW - 2011 Cost of Service	Rate Rider for Disposition	Units
Residential	64.66%	(501,304)	260,408,065		(0.0019)	\$/kWh
General Service Less Than 50 kW	13.08%	(101,386)	75,603,703		(0.0013)	\$/kWh
General Service 50 to 999 kW	11.41%	(88,443)		511,697	(0.1728)	\$/kW
General Service 1,000 to 4,999 kW	5.34%	(41,439)		230,486	(0.1798)	\$/kW
Large Use	4.18%	(32,429)		188,668	(0.1719)	\$/kW
Unmetered Scattered Load	0.34%	(2,660)	1,519,815		(0.0018)	\$/kWh
Sentinel Lighting	0.07%	(560)		465	(1.2035)	\$/kW
Street Lighting	0.92%	(7,117)		17,810	(0.3996)	\$/kW
Total	100.00%	(775,338)				

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5 **Relief Sought:**

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- Milton Hydro is seeking approval of its calculation of its April 30, 2012 balance in its Deferred Payment in Lieu of Taxes – USoA 1562 in the credit amount of \$666,850 plus carrying charges of \$108,488 for a total final disposition of its April 30, 2012 balance in the credit amount of \$775,338;

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- Milton Hydro is seeking approval of the variable rate riders, as calculated above, for the disposition of its Deferred Payment in Lieu of Taxes – USoA 1562 credit balance;

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- Milton Hydro is requesting that the proposed PILs Rate Riders be included in its Tariff of Rates and Charges effective for a one year period commencing May 1, 2012.

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15 All of which is respectfully submitted,

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17 *Original signed by Cameron McKenzie*

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19 Cameron McKenzie, CGA

20 Director, Regulatory Affairs