



MIDLAND POWER UTILITY CORPORATION
16984 Highway#12 P.O. Box 820
Midland Ontario L4R 4P4

January 17, 2014

Kirsten Walli, Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli,

**Midland Power Utility Corporation – License #ED-2002-0541
2014 Electricity Distribution Rates
EB-2013-0151**

Please find accompanying this letter, two copies of Midland Power's response to Board Staff submission in relation to Midland Power's 2014 Electricity Distribution Rate Application.

An electronic copy of the response has been submitted via the Board's Regulatory Electronic Submission System.

Yours very truly,

MIDLAND POWER UTILITY CORPORATION

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Midland Power Utility Corporation

REPLY SUBMISSION
2014 ELECTRICITY DISTRIBUTION RATES

EB-2013-0151

Submitted January 17, 2014

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OVERVIEW/INTRODUCTION

This is the reply submission of Midland Power Utility Corporation (Midland) in regard to its 2014 4th Generation Incentive Regulation Mechanism for an order approving just and reasonable rates for the distribution of electricity effective May 1, 2014 (Application). Midland's submission is filed in reply to submissions filed by Ontario Energy Board Staff ("Board Staff") December 11, 2013.

Midland is the electricity distributor licensed by the Ontario Energy Board (OEB) to service the area known as the Town of Midland pursuant to the legal boundary limits except for the following:

The parcel of land surrounded by the northern Town boundary and the centerline of the roads, beginning at a point on Old Penetanguishene Road southerly to a point at Harbourview Drive (if extended), easterly along Harbourview to Fuller Street, then northerly along Fuller Street to Gawley Drive, then easterly along Gawley Drive to the shoreline of Georgian Bay.

The parcel of land described above laying east of Fuller Street was formerly known as Sunnyside and the parcel of land described above laying west of Fuller Street was formerly known as Portage Park.

Midland operates an electrical distribution system with a total service area of 20 square kilometers within its boundaries.

Midland filed the Application on October 10, 2013 under section 78 of the Ontario Energy Board Act, 1998. Midland submitted its responses to interrogatories from OEB Staff on November 22, 2013.

DISPOSITION OF DEFERRAL AND VARIANCE ACCOUNTS

Midland confirms the 2010 and 2011 rate year Global Adjustment (Account 1588, RSVA Power, sub-account Global Adjustment) rate riders included in Tab 5 – 2014 Continuity Schedule of Midland’s IRM Rate Generator V2_3 filed with the Board, on October 10, 2013 included recoveries for a period which would cease on April 30, 2013. Midland agrees with Board Staff’s Submission. The recovery period has not been completed as at December 31, 2012 and consequently, the claim amounts related to sub-account 1595 (2010) in the amount of \$50,401 (credit balance) and 1595 (2011) in the amount of \$98,211 (debit balance) should not be included in the Group 1 accounts for disposition in this application as the recovery period has not been completed. Midland would respectfully request Board Staff to update Midland’s IRM Rate Generator Model.

Midland PUC submits the following with respect to the magnitude of the carrying charge amount and why the principal and carrying charge balances of \$535,421 (credit balance) and \$488,300 (debit balance) respectively, are not moving in the same direction in Account 1595 (2010).

In the 2006 EDR (EB-2005-0390) the Board approved recoveries on regulatory asset balances at December 31, 2004 of \$2,087,047 and \$469,919 in principal and interest respectively. The magnitude of the carrying charge amount in Account 1595 (2010) was driven by the 2004 regulatory asset balances approved for disposition. The principal and carrying charge amounts were transferred to Account 1590 Regulatory Asset Balances. Recoveries associated with Account 1590 were allocated to the principal account which resulted amounts of \$532,971 (credit balance) and \$512,793 (debit balance) to the principal

1 and carrying charge accounts respectively at December 31, 2008 as approved in EB-2009-
2 0236. However, the net result is a credit balance of \$20,178.

3 No rate rider recoveries were allocated to the carrying charge account. The allocation of
4 the recoveries solely to the principal account provide the reasoning as to why the principal
5 and carrying charge balances are not moving in the same direction.

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7 All of which is respectfully submitted,

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9 MIDLAND POWER UTILITY CORPORATION
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