



Milton Hydro Distribution Inc.

Electricity Distribution Licence ED-2003-0014

Presentation to the Ontario Energy Board

November 17, 2015



MILTON HYDRO

Agenda

1. **Overview of Milton Hydro** (Frank Lasowski)
2. **Distribution System Plan and Capital Expenditures** (Bruno Pereira)
3. **Rate Application** (Cameron McKenzie)
4. **Questions**

Frank Lasowski – President and CEO

Mary-Jo Corkum – Vice President Finance

Bruno Pereira – Director, Engineering

Aldo Mastrofrancesco – Director, Operations

Cameron McKenzie – Director, Regulatory Affairs

Barbara Tyers – Financial Analyst

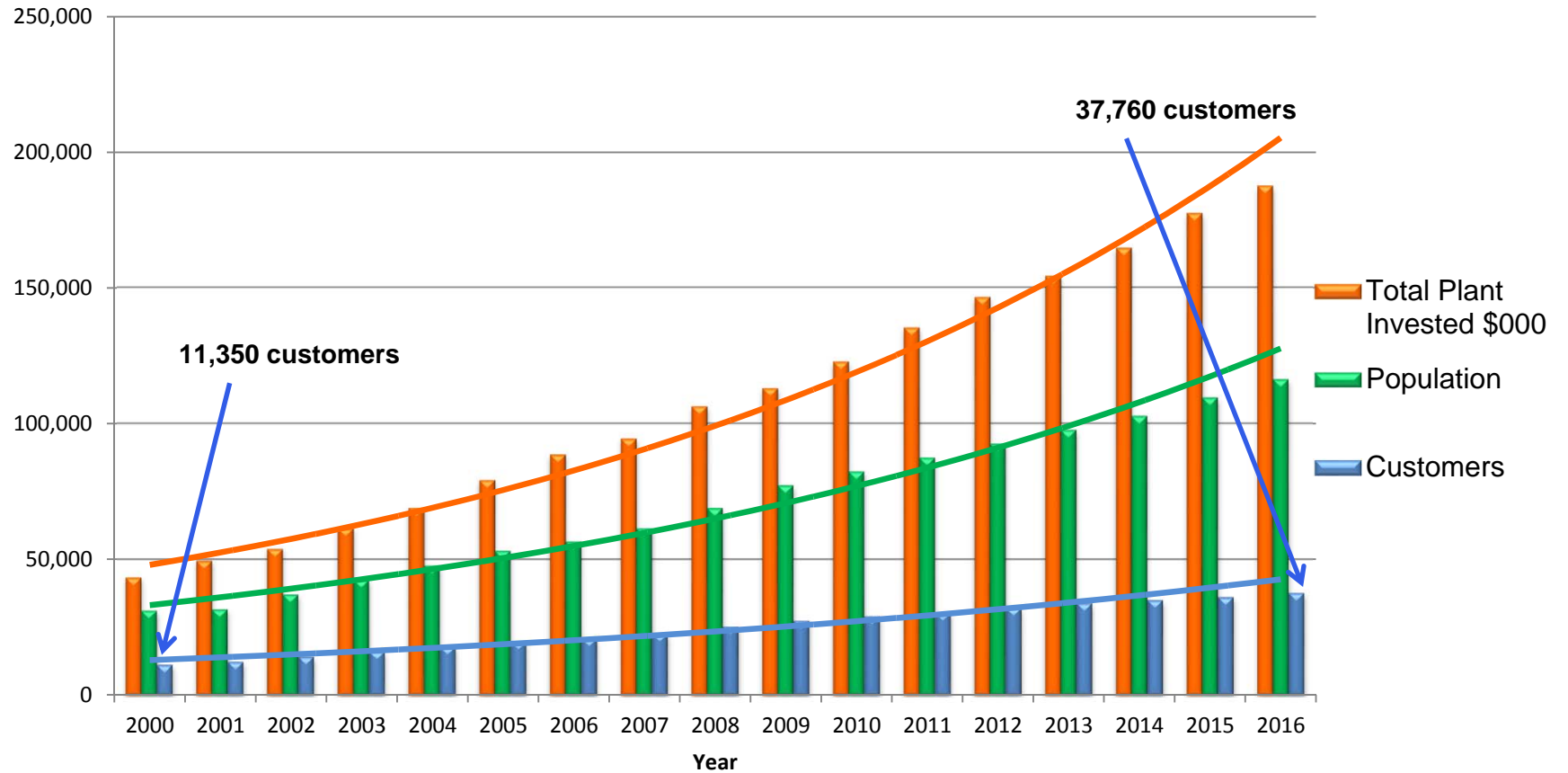
Mill Pond -Milton





MILTON HYDRO

Total Plant Invested, Population & Customer Growth





MILTON HYDRO VISION AND MISSION



**Renewed Regulatory Framework
for Electricity (“RRFE”)**

Reliably Powering Our Community

- Focuses on the reliable supply of electricity, and
- Empowering our community to:
 - ✓ engage in their understanding of the electricity industry;
 - ✓ understand how they use electricity;
 - ✓ to participate in conservation and renewable generation.

Customer Focus
Operational Effectiveness
Public Policy Responsiveness
Financial Performance



MILTON HYDRO 2014 SCORECARD

Performance Outcomes	Performance Categories	Measures	2010	2011	2012	2013	2014	Trend	Target	
									Industry	Distributor
Customer Focus Services are provided in a manner that responds to identified customer preferences.	Service Quality	New Residential/Small Business Services Connected on Time	99.10%	99.00%	98.60%	98.00%	99.50%	U	90.00%	
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	99.70%	99.80%	U	90.00%	
		Telephone Calls Answered On Time	79.00%	76.80%	82.60%	74.50%	77.80%	U	65.00%	
	Customer Satisfaction	First Contact Resolution					84%			
		Billing Accuracy					99.96%	U	98.00%	
		Customer Satisfaction Survey Results					91%			
Operational Effectiveness Continuous Improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public awareness [measure to be determined]								
		Level of Compliance with Ontario Regulation 22/04	NI	C	NI	C	C	U		C
		Serious Electrical Incident Index	0	0	0	1	0	U		0
		Rate per 10, 100, 1000 km of line	0.000	0.000	0.000	0.102	0.000	U		0.014
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted	0.55	1.05	0.81	7.94	1.22	U		at least within 0.55 - 7.94
		Average Number of Times that Power to a Customer is Interrupted	0.40	1.12	1.05	0.99	1.06	U		at least within 0.40 - 1.12
	Asset Management	Distribution System Plan Implementation Progress					on track			
	Cost Control	Efficiency Assessment			3	2	2			
		Total Cost per Customer ¹	\$659	\$676	\$644	\$654	\$679			
		Total Cost per Km of Line ¹	\$20,478	\$21,698	\$21,166	\$22,402	\$23,629			
Public Policy Responsiveness Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).	Conservation & Demand Management	Net Annual Peak Demand Savings (Percent of target achieved) ²		13.47%	17.56%	23.56%	47.87%	●		8.05MW
		Net Cumulative Energy Savings (Percent of target achieved)		48.99%	60.40%	72.86%	92.23%	●		33.50GWh
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time		100.00%	100.00%		100.00%			
		New Micro-embedded Generation Facilities Connected On Time				100.00%	100.00%		90.00%	
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	1.64	1.56	1.59	1.68	1.59			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.72	0.79	0.90	0.92	1.17			
		Profitability: Regulatory		9.58%	9.58%	9.58%	9.58%			
		Deemed (included in rates)		9.90%	8.15%	10.60%	10.29%			
		Achieved								

Notes:

1. These figures were generated by the Board based on the total cost benchmarking analysis conducted by Pacific Economics Group Research, LLC and based on the distributor's annual reported information.

2. The Conservation & Demand Management net annual peak demand savings include any persisting peak demand savings from the previous years.

Legend: U up U down ↺ flat
● target met ● target not met



2014 Customer Survey Report Card Results

Milton Hydro's UtilityPULSE Report Card®			
Category		Milton Hydro	Ontario
1	Customer Care	B+	B
	Price and Value	B	C+
	Customer Service	A	B
2	Company Image	A	B+
	Company Leadership	A	B+
	Corporate Stewardship	A	B+
3	Management Operations	A	A
	Operational Effectiveness	A	B+
	Power Quality and Reliability	A	A
OVERALL		A	B+

“B+...Customer Care”

“A ...Company Image”

“A ...Management Operations”



**MILTON HYDRO****Stretch Factor Assignments by Group**

Group I	Group II	Group III		Group IV	Group V
Stretch Factor = 0%	Stretch Factor = 0.15%	Stretch Factor = 0.30%		Stretch Factor = 0.45%	Stretch Factor = 0.60%
E.L.K. Energy Inc.	Cooperative Hydro Embrun Inc.	Bluewater Power Distribution Corporation	Niagara Peninsula Energy Inc.	Atikokan Hydro Inc.	Algoma Power Inc.
Halton Hills Hydro Inc.	Enersource Hydro Mississauga Inc.	Brantford Power Inc.	Niagara-On-The-Lake Hydro Inc.	Canadian Niagara Power Inc.	Hydro One Networks Inc.
Hearst Power Distribution Company Limited	Entegris Powerlines	Brant County Power Inc.	Norfolk Power Distribution Inc.	Chapleau Public Utilities Corporation	Toronto Hydro-Electric System Limited
Hydro Hawkesbury Inc.	Espanola Regional Hydro Distribution Corporation	Burlington Hydro Inc.	North Bay Hydro Distribution Limited	Enwin Utilities Ltd.	West Coast Huron Energy Inc.
Northern Ontario Wires Inc.	Essex Powerlines Corporation	Cambridge And North Dumfries Hydro Inc.	Orangeville Hydro Limited	Festival Hydro Inc.	Woodstock Hydro Services Inc.
Wasaga Distribution Inc.	Grimsby Power Incorporated	Centre Wellington Hydro Ltd.	Orillia Power Distribution Corporation	Greater Sudbury Hydro Inc.	
	Haldimand County Hydro Inc.	Collus Power Corporation	Ottawa River Power Corporation	Midland Power Utility Corporation	
	Kitchener	Erie Thames Powerlines Corporation	Powerstream Inc.	Oakville Hydro Electricity Distribution Inc.	
	Lakefront Utilities Inc.	Fort Frances Power Corporation	Rideau St. Lawrence Distribution Inc.	Peterborough Distribution Incorporated	
	London Hydro Inc.	Guelph Hydro Electric Systems Inc.	Sioux Lookout Hydro Inc.	PUC Distribution Inc.	
	Milton Hydro Distribution Inc.	Horizon Utilities Corporation	St. Thomas Energy Inc.	Renfrew Hydro Inc.	
	Newmarket	Hydro 2000 Inc.	Thunder Bay Hydro Electricity Distribution Inc.	Tillsonburg Hydro Inc.	
	Oshawa PUC Networks Inc.	Hydro One Brampton Networks Inc.	Veridian Connections Inc.	Wellington North Power Inc.	
	Welland Hydro-Electric System Corp.	Hydro Ottawa Limited	Waterloo North Hydro Inc.		
		Innisfil Hydro Distribution Systems Limited	Westario Power Inc.		
		Kenora Hydro Electric Corporation Ltd.	Whitby Hydro Electric Corporation		
		Kingston Hydro Corporation			
		Lakeland Power Distribution Ltd.			



MILTON HYDRO

Bruno Pereira will now review Milton Hydro's Distribution Plan and Capital Expenditures.

Milton Hydro Distribution Inc.

OEB Presentation

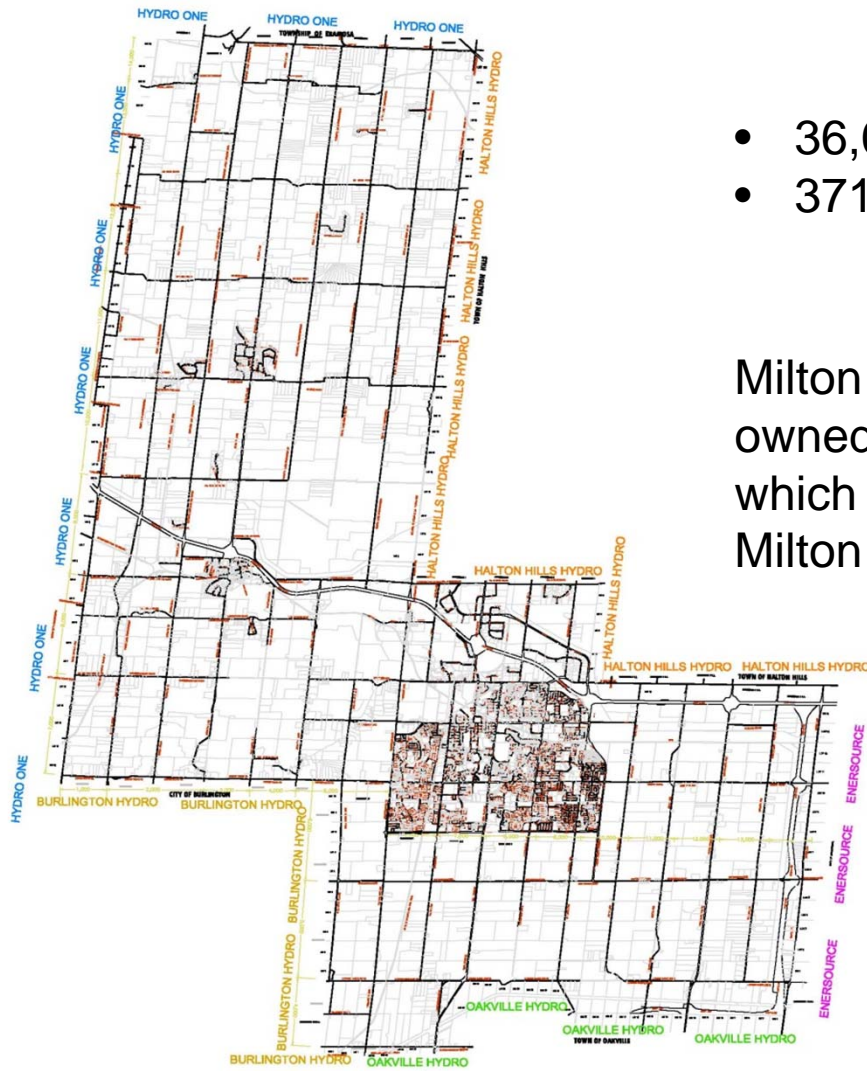
November 17, 2015



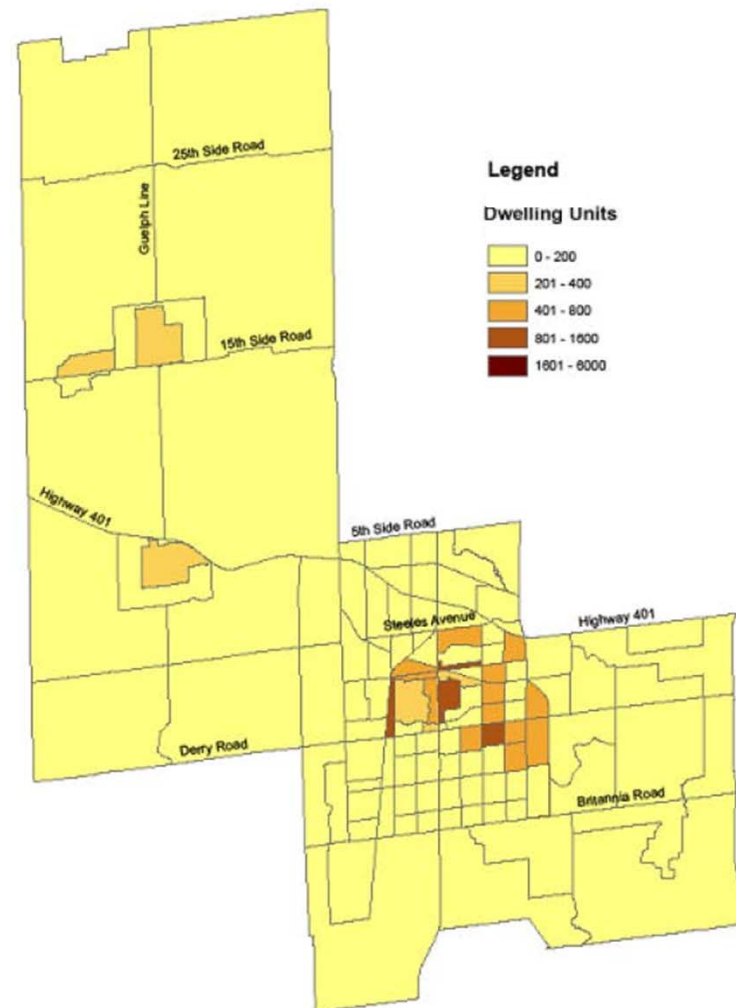
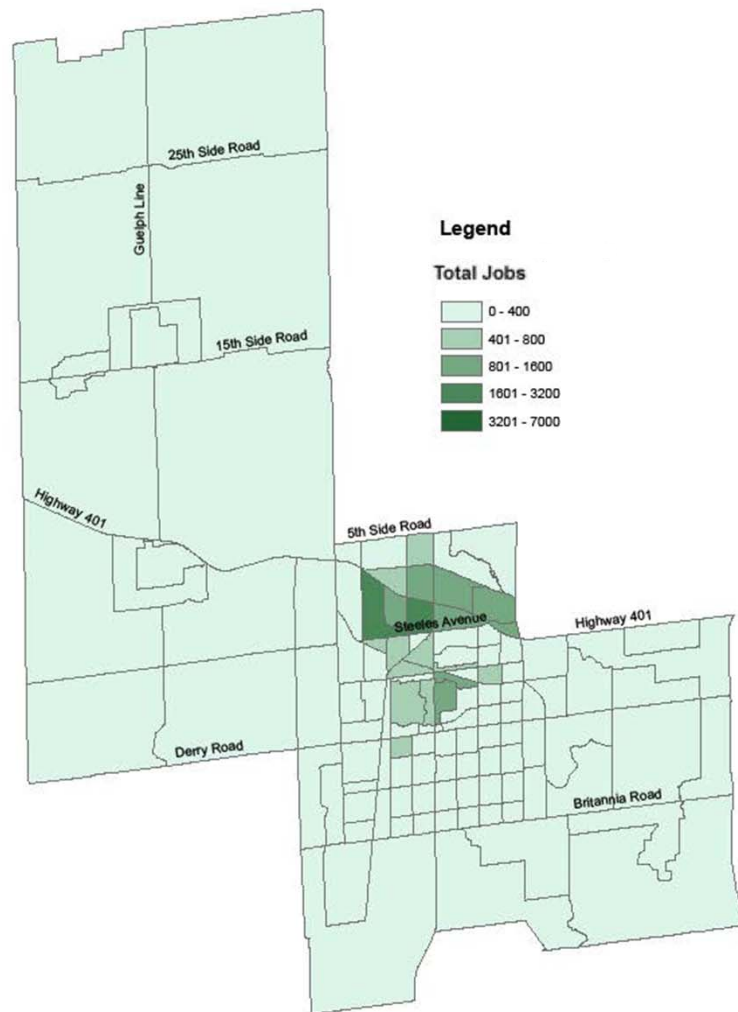
Milton

- 36,000 customers
- 371 square kilometers

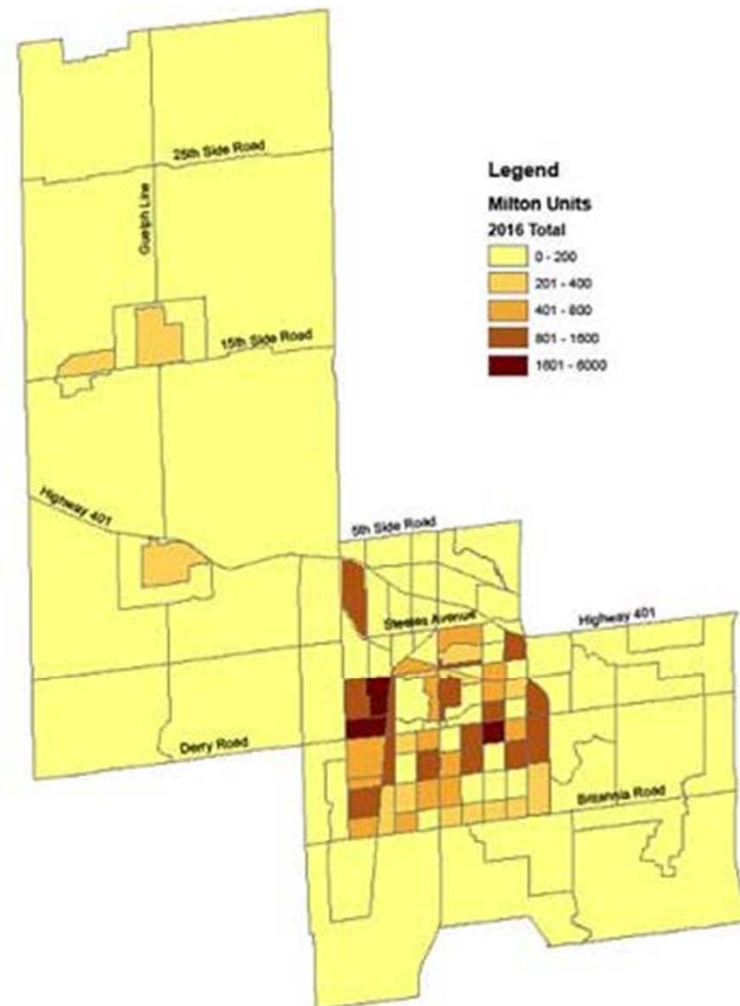
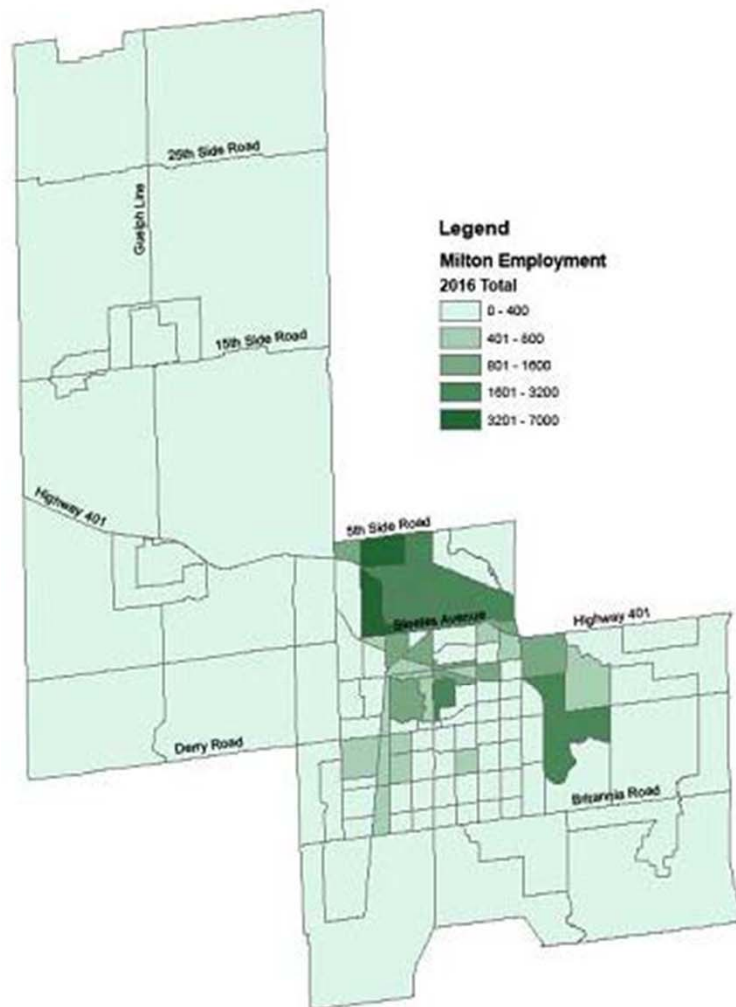
Milton Hydro Distribution Inc. is owned by Milton Hydro Holdings Inc. which in turn is owned by the Town of Milton



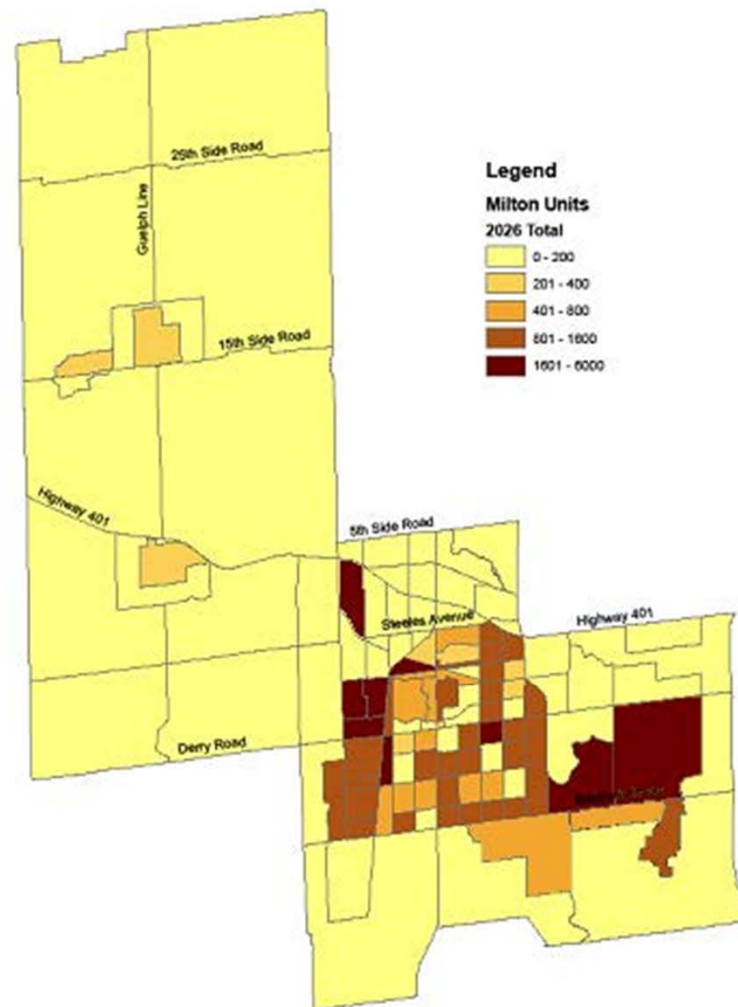
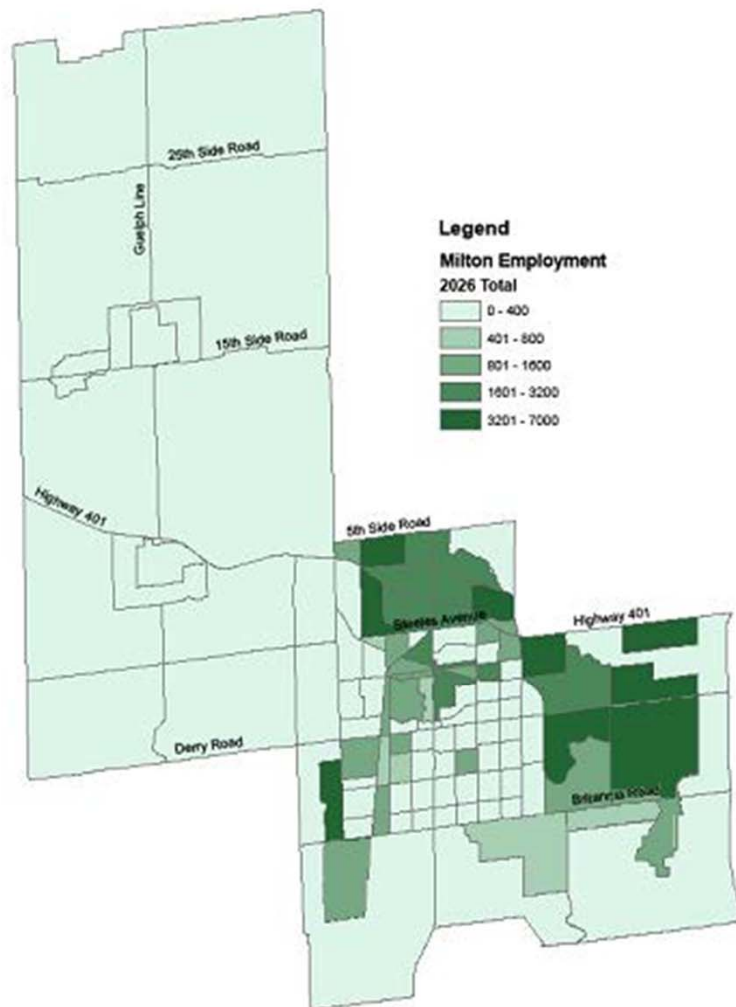
Milton - 2006



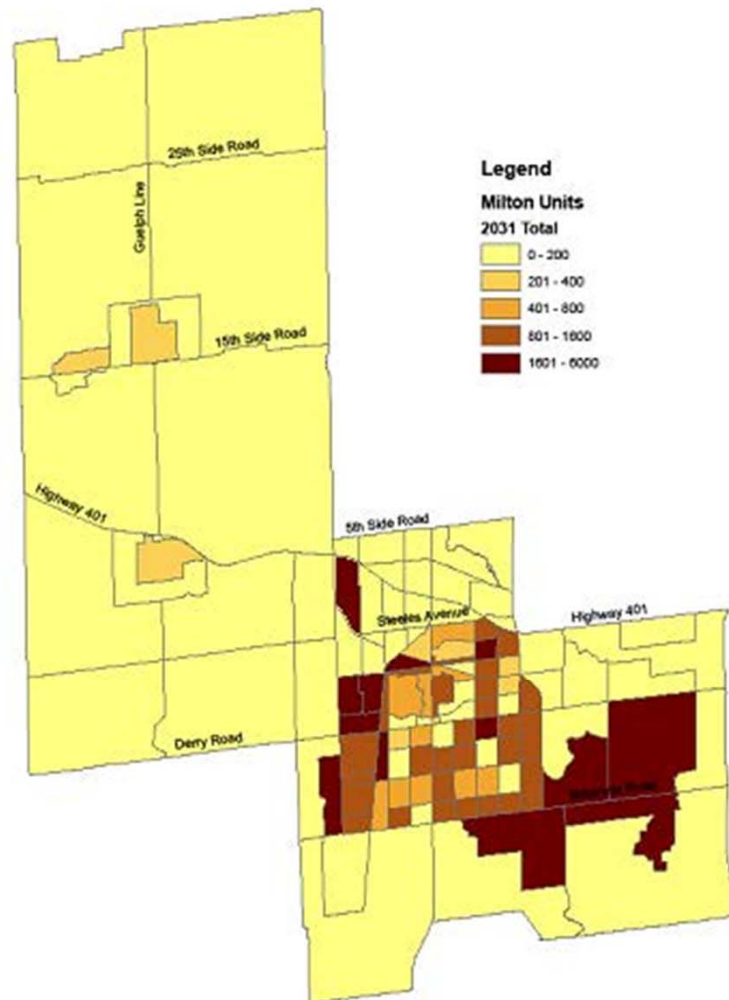
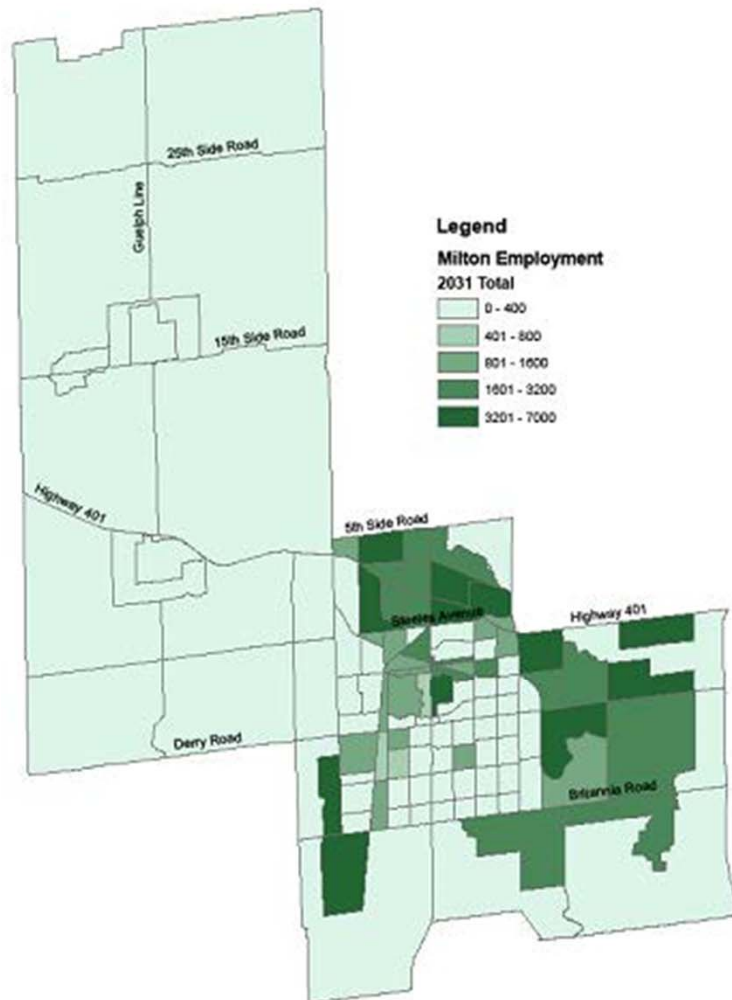
Milton - 2016



Milton - 2026

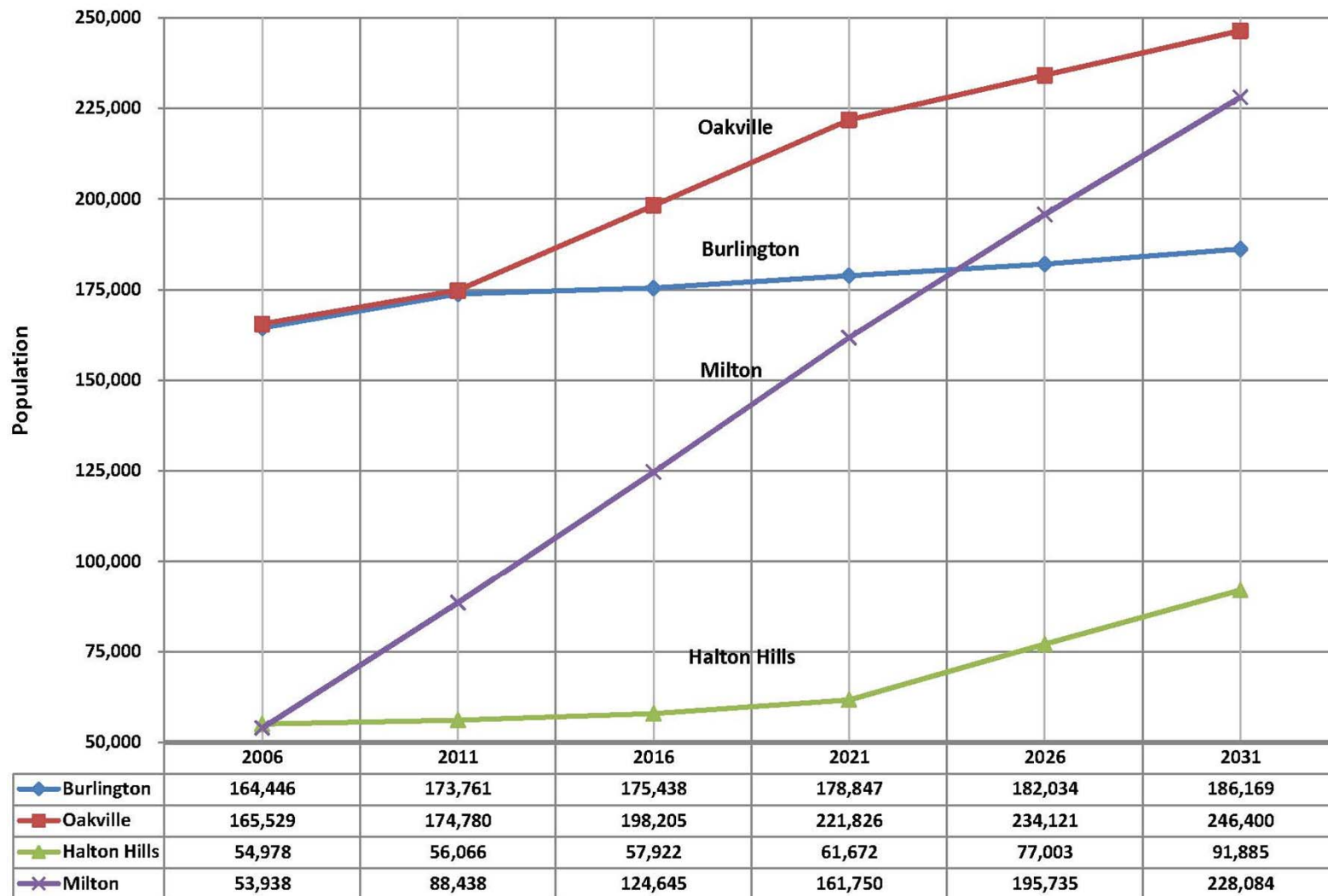


Milton - 2031

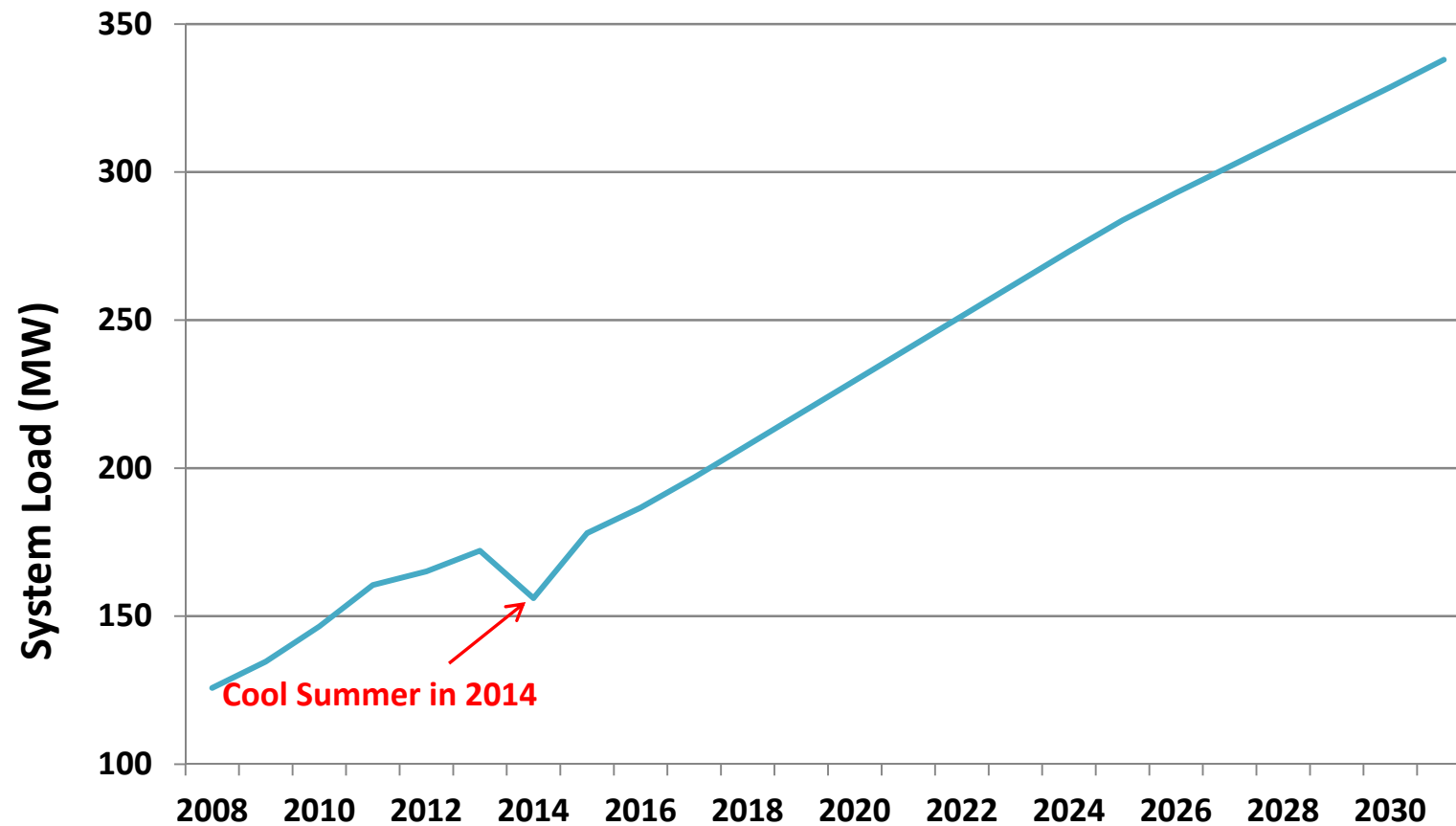


Milton Population

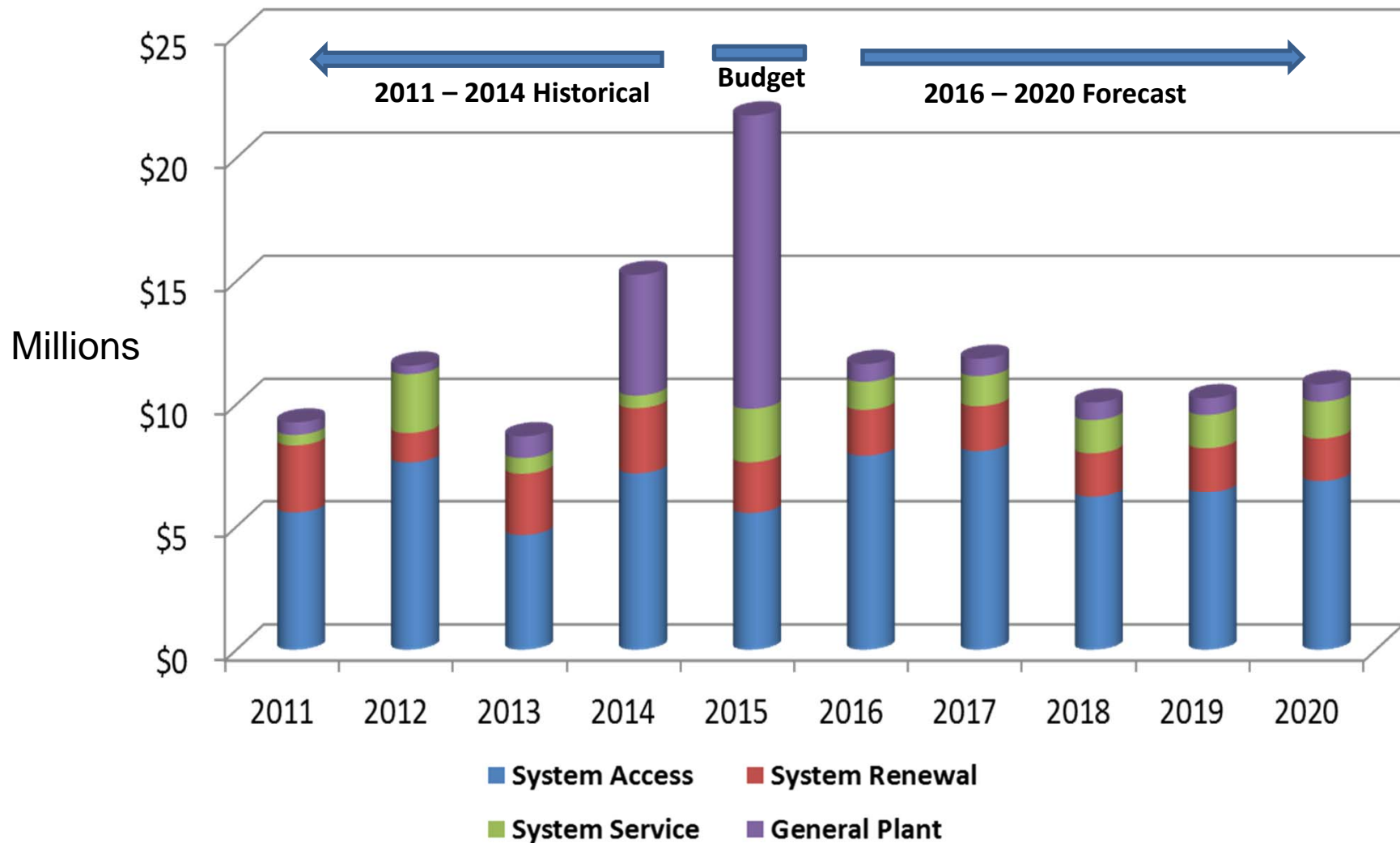
Population
from Halton BPE June 2011



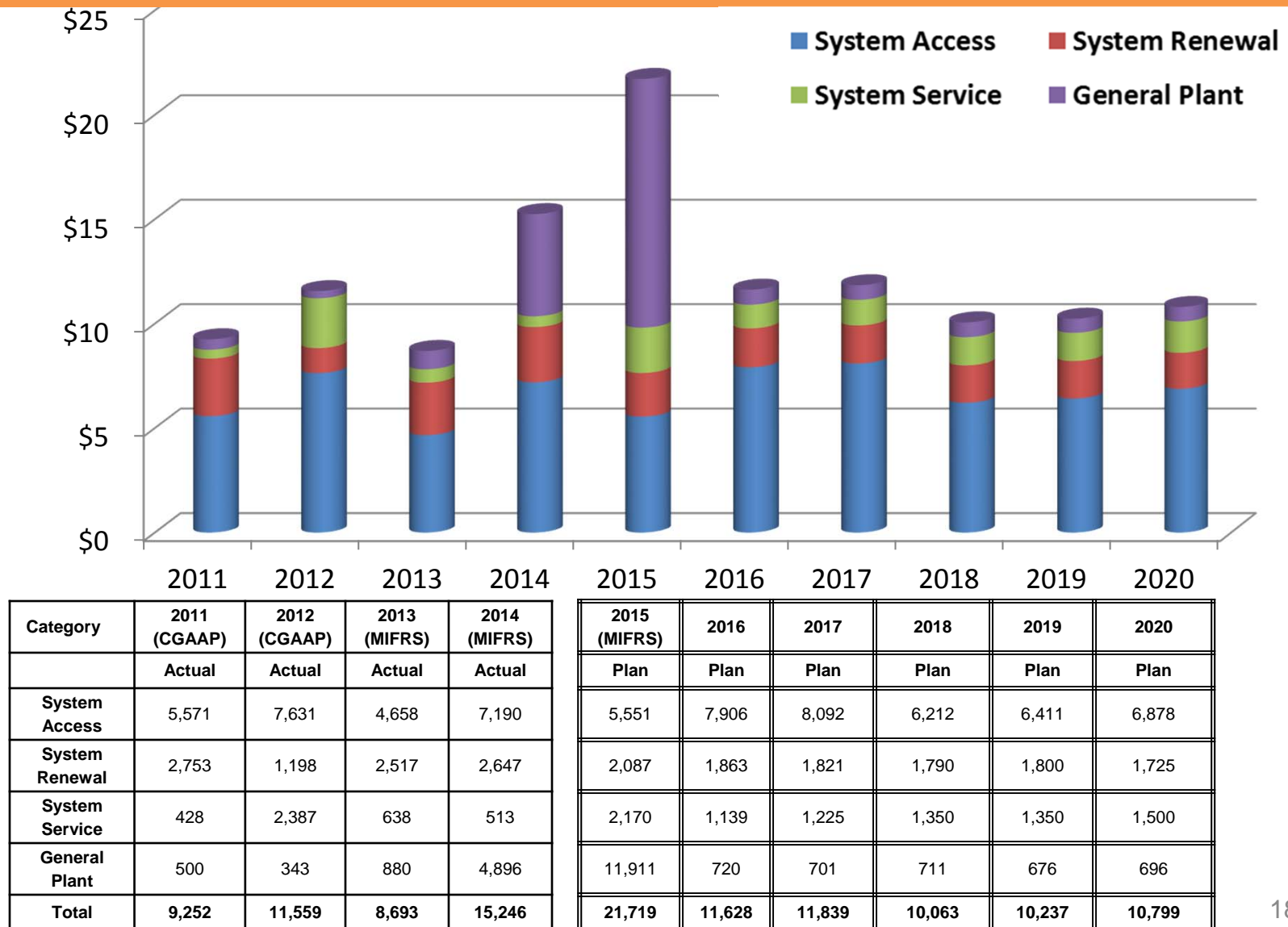
Load Growth in Milton



Milton Hydro Capital Investments



Milton Hydro Capital Investments



Milton Hydro Capital Investments

Table 43 Capital Expenditures Actual (\$' 000)				
Category	2011 (CGAAP)	2012 (CGAAP)	2013 (MIFRS)	2014 (MIFRS)
	Actual	Actual	Actual	Actual
System Access	5,571	7,631	4,658	7,190
System Renewal	2,753	1,198	2,517	2,647
System Service	428	2,387	638	513
General Plant	500	343	880	4,896
Total	9,252	11,559	8,693	15,246

In 2012 approximately \$2 million on feeder egress from Tremaine TS and Glenorchy MTS

- Capacity
- Reliability

In 2014, purchase of land/building for new office site.
Land of \$4 million capitalized in 2014.

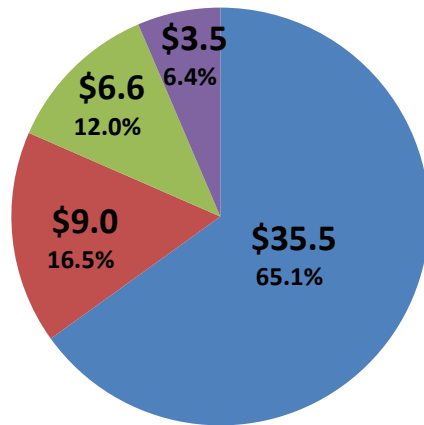
Capital Investments 2016-2020

Table 44 Capital Expenditures Forecast (\$'000)					
	2016	2017	2018	2019	2020
System Access	7,906	8,092	6,212	6,411	6,878
System Renewal	1,863	1,821	1,790	1,800	1,725
System Service	1,139	1,225	1,350	1,350	1,500
General Plant	720	701	711	676	696
Total	11,628	11,839	10,063	10,237	10,799

Capital Cost Drivers 2016 - 2020

- **65.1% (\$35.5 million), System Access** – for growth related activities such as new subdivisions and road projects
- **16.5% (\$9 million), System Renewal** – to replace aging infrastructure such as poles and wires
- **12.0% (\$6.6 million), System Service** – for system improvements such as automation and new supply lines
- **6.4% (\$3.5 million), General Plant** – for general plant such as trucks, software and hardware

2016-2020 Proposed Capital Spend



- System Access
- System Renewal
- System Service
- General Plant

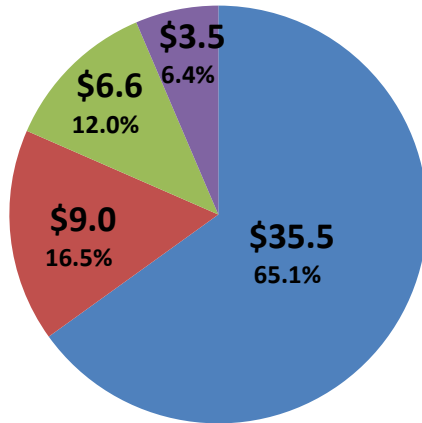
SYSTEM ACCESS

Customer requests for new connections or new infrastructure development. Usually a high priority, “must do” request

- Customer service requests -continued high growth in the Town of Milton requiring new customer connections
- 3rd party infrastructure -planned road widening work by the Town of Milton/Halton Region requiring pole relocation
- Mandated service obligations
- Due to the continued high growth in the Town of Milton, System Access needs in the 2016 –2020 period will continue to focus on new subdivision connections and asset relocation due to urbanization and intensification of the road network.

Category	2016 (\$,000)	2017 (\$,000)	2018 (\$,000)	2019 (\$,000)	2020 (\$,000)
System Access	7,906	8,092	6,212	6,411	6,878
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2016 System Access



- System Access
- System Renewal
- System Service
- General Plant

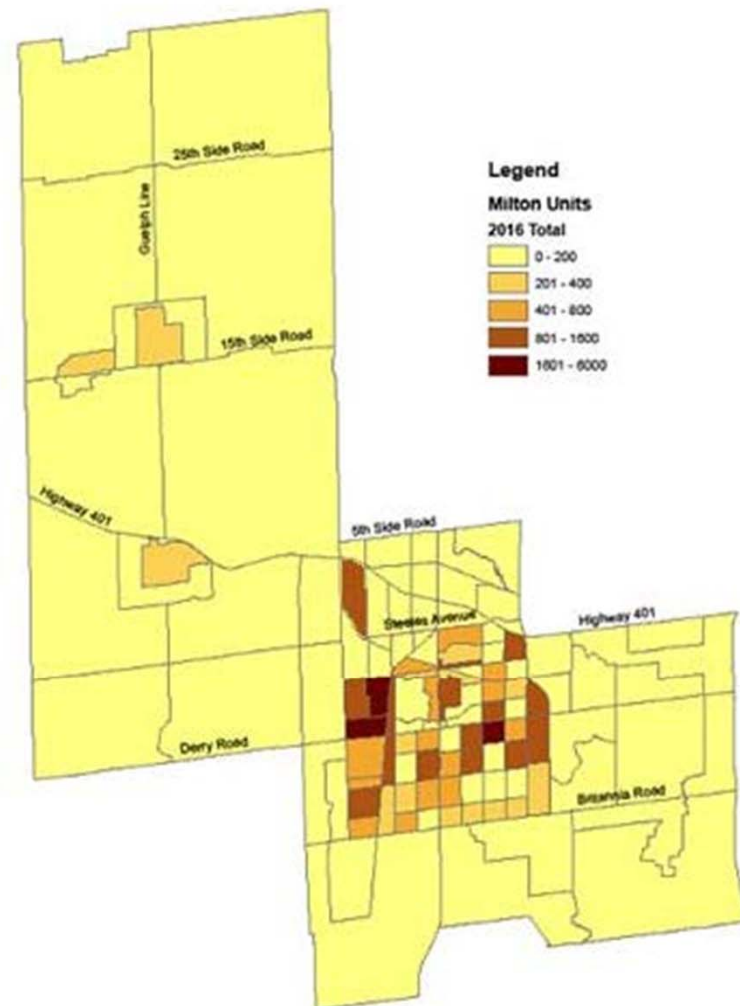
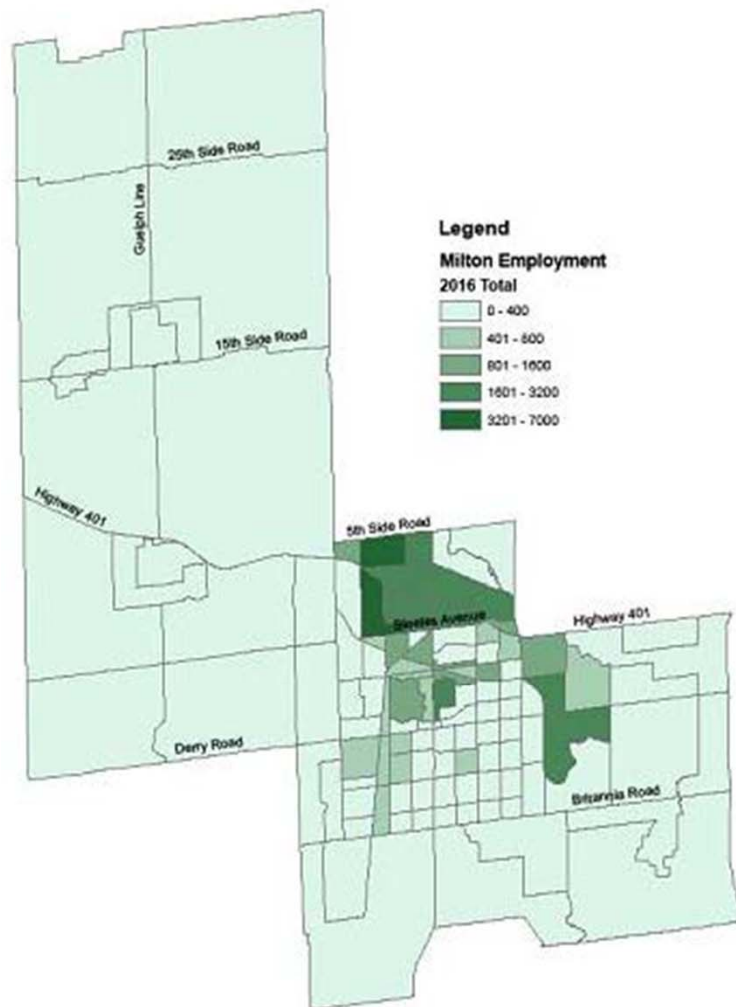
SYSTEM ACCESS

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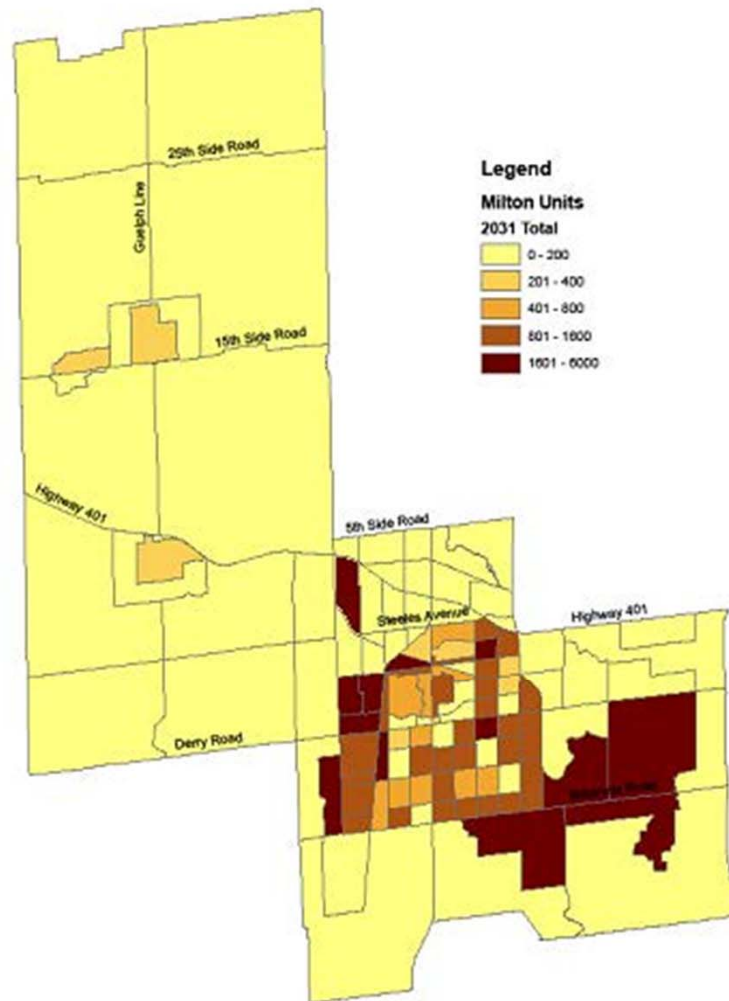
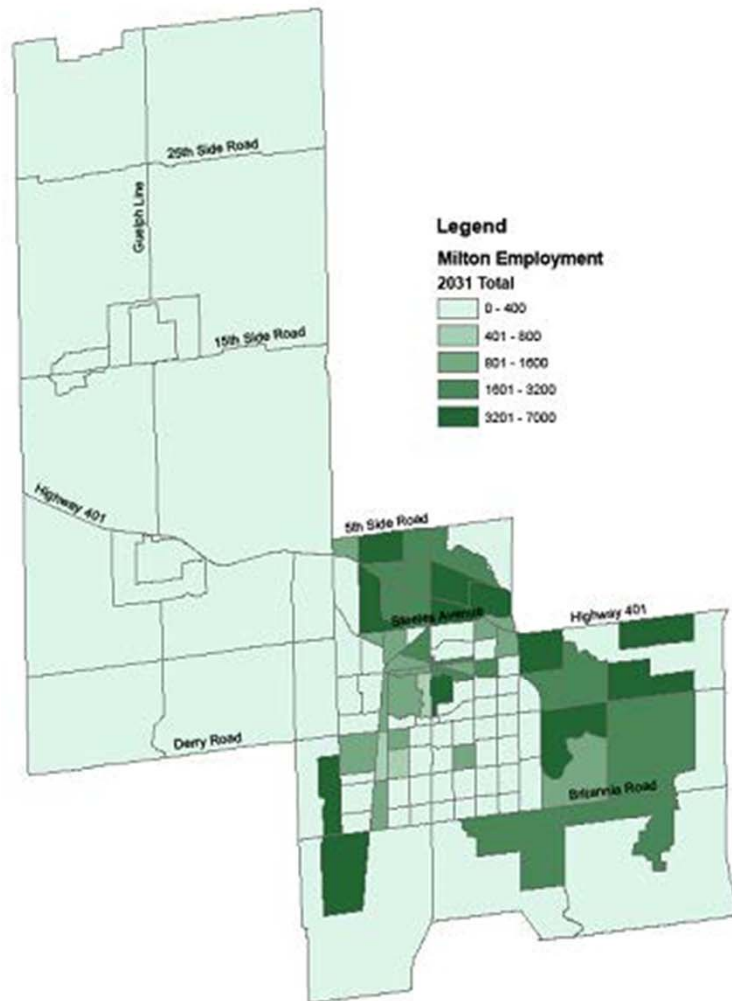
- Road Projects
- Customer Connections
- Subdivisions

	Project Types	2016 \$'000
System Access	ROAD PROJECTS	\$3,151
	CUSTOMER CONNECTIONS	\$975
	SUBDIVISIONS	\$3,780
	Total	\$7,906

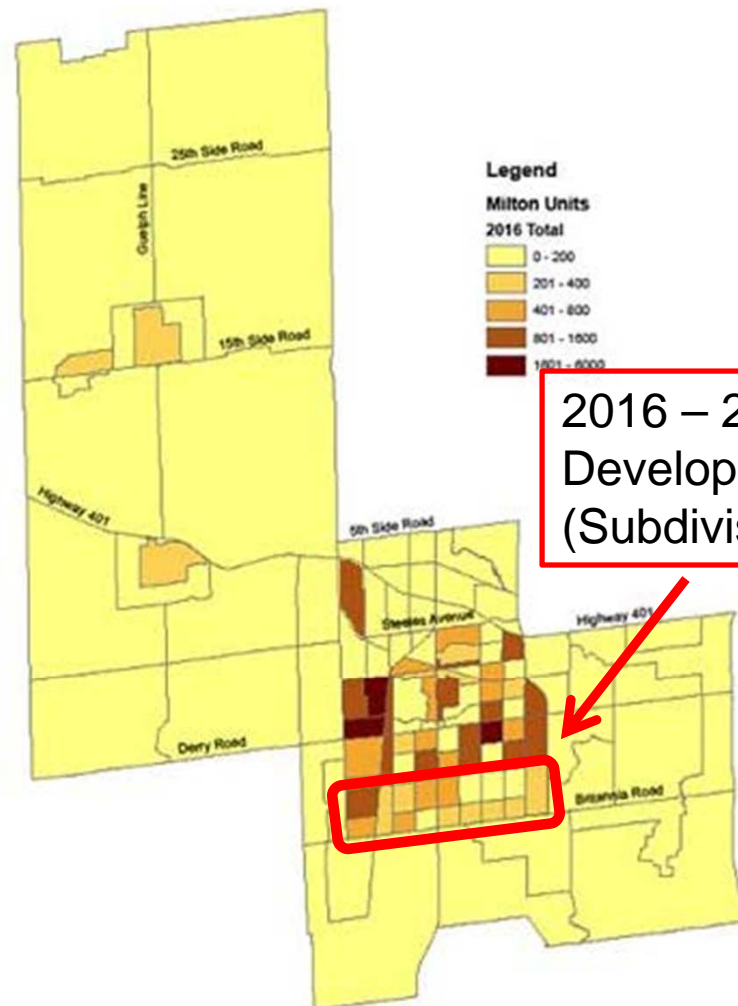
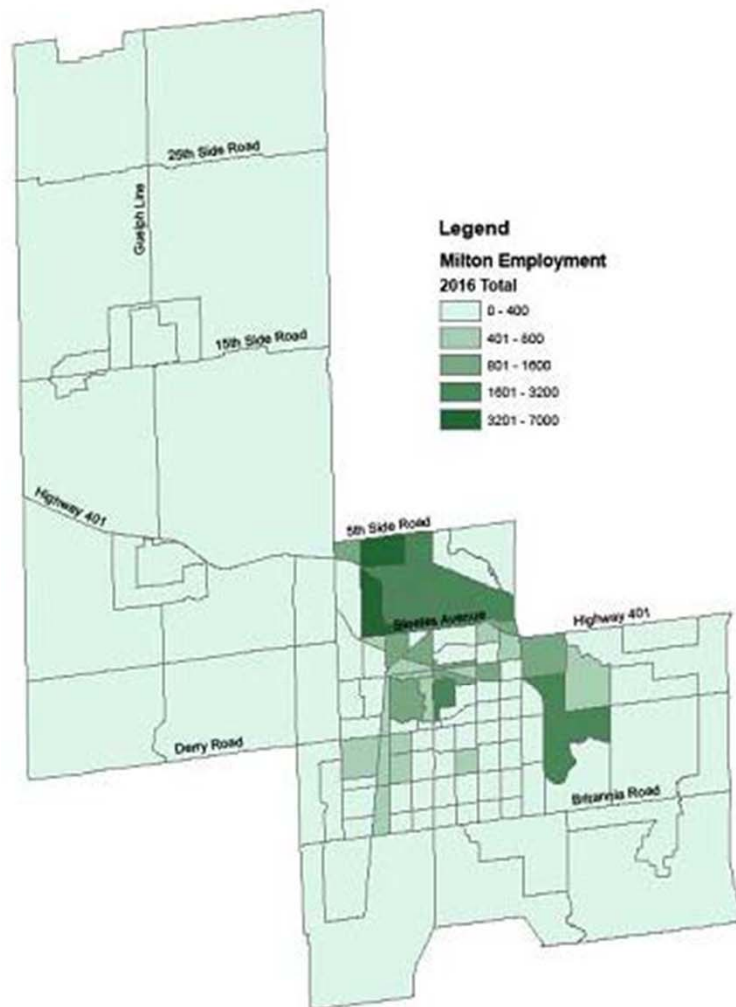
Milton - 2016



Milton - 2031

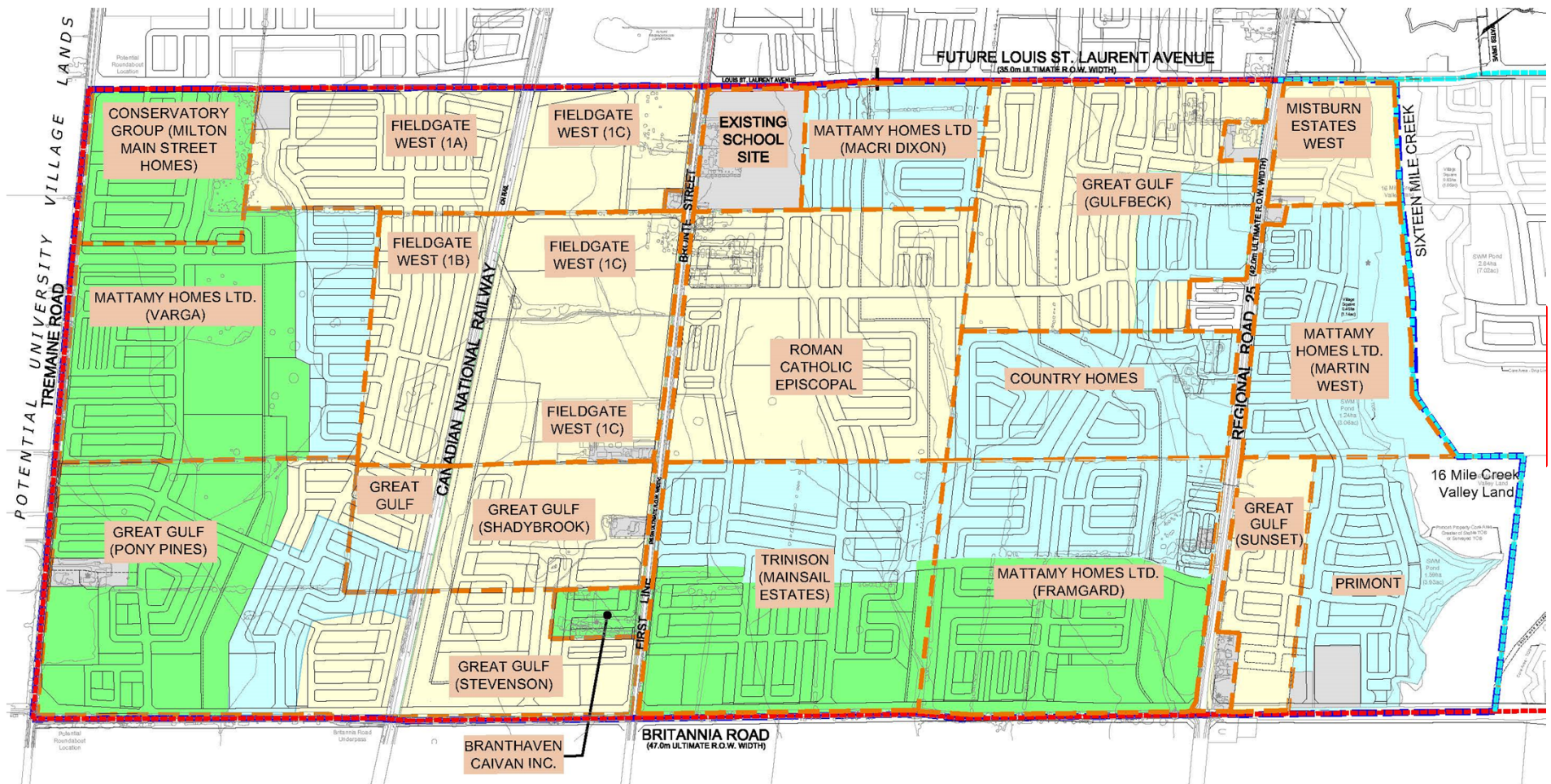


Milton - 2016

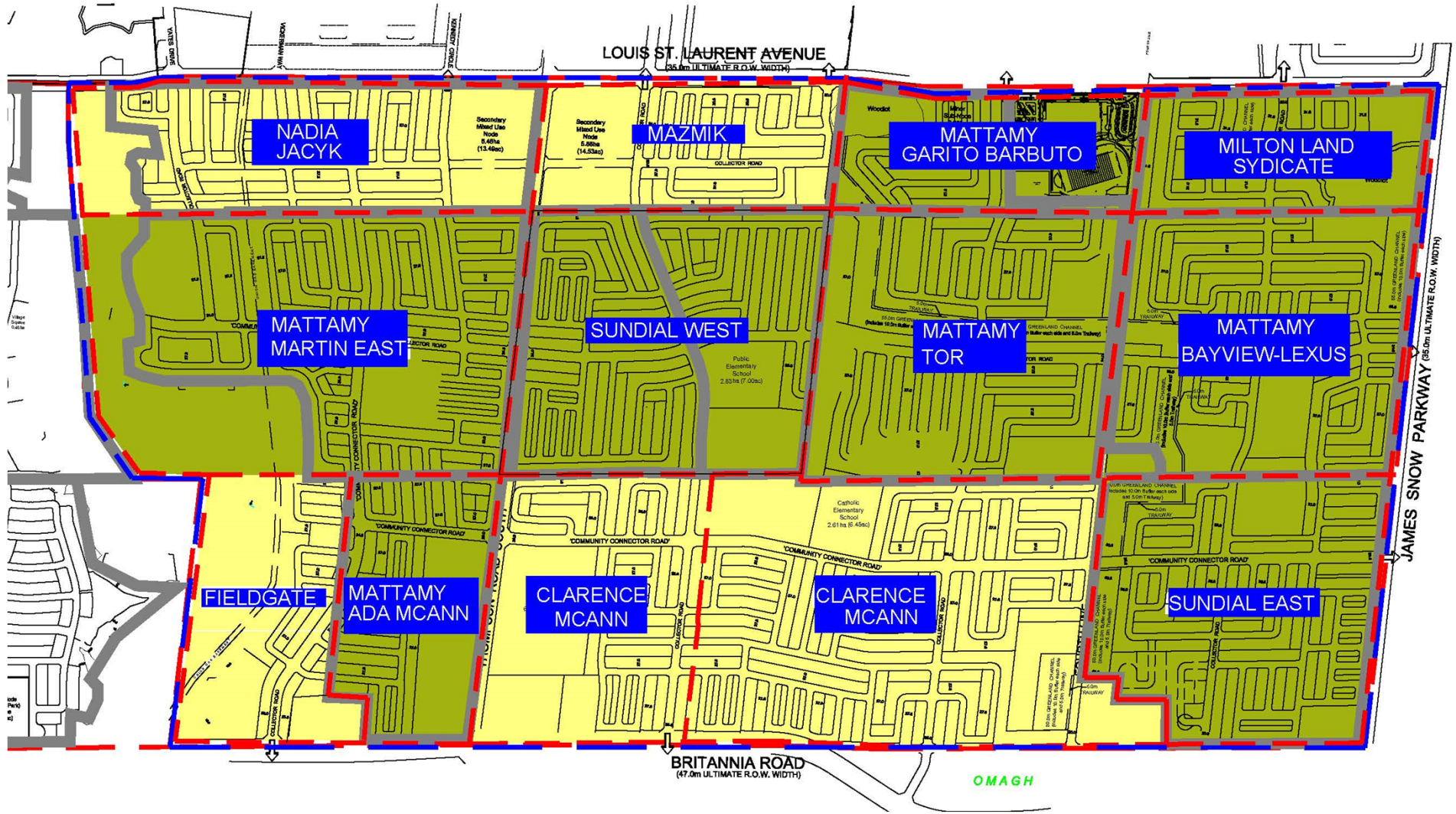


2016 – 2021
Development
(Subdivisions)

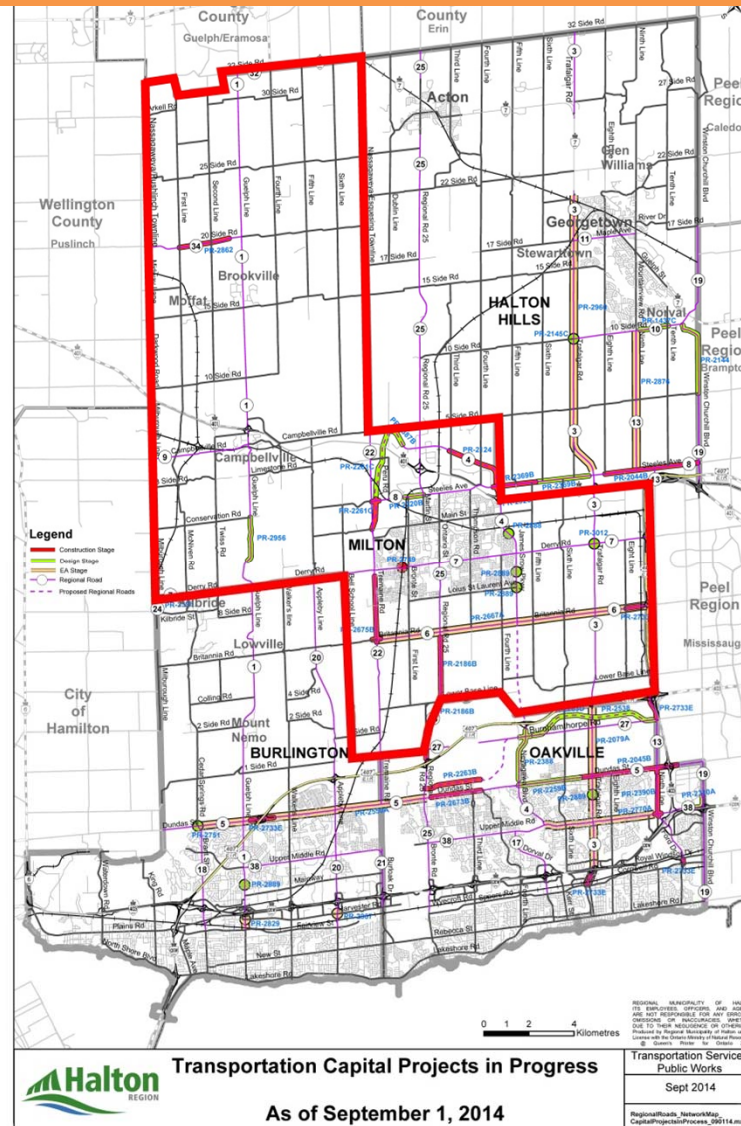
Milton – Subdivision Development



Milton – Subdivision Development



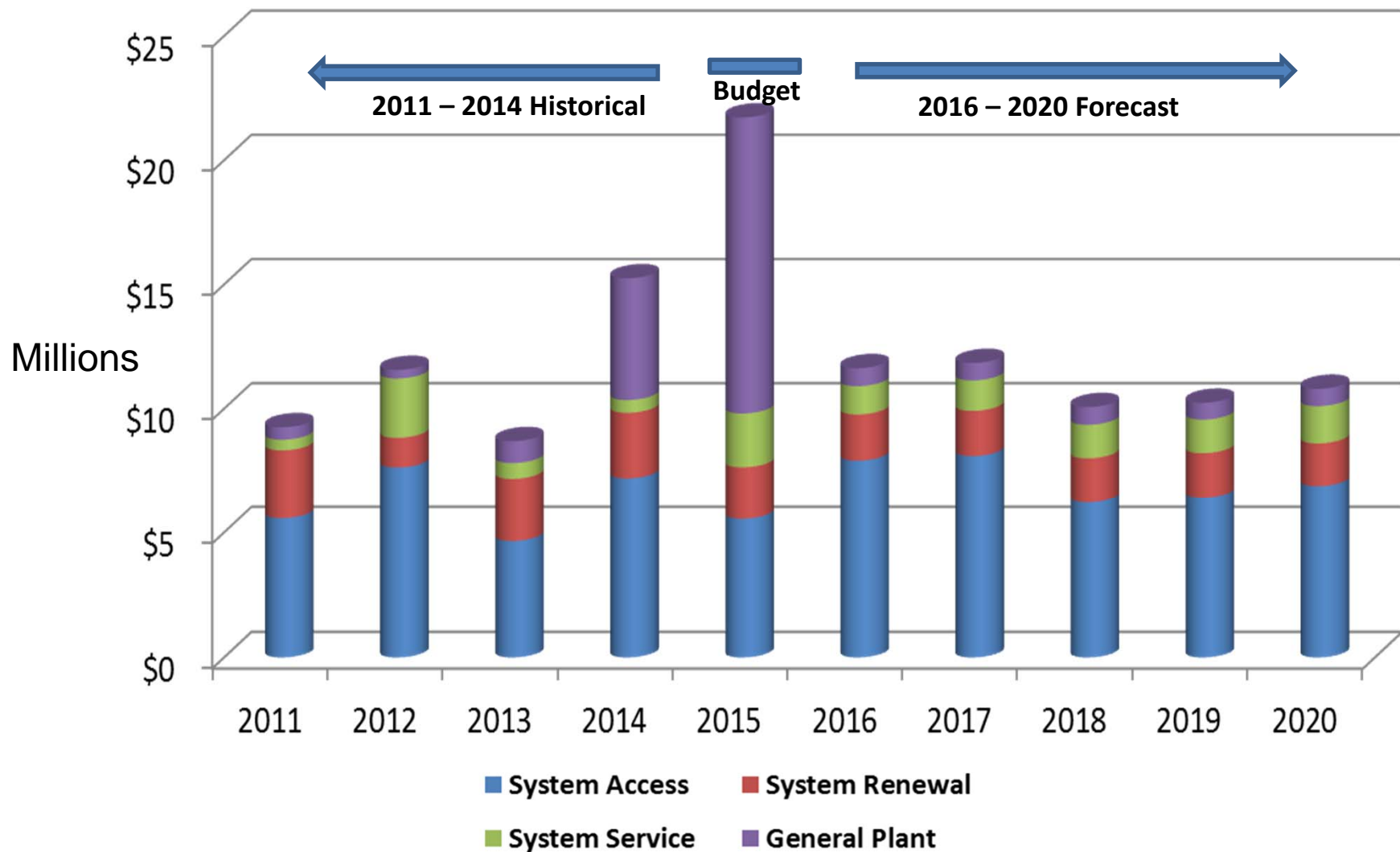
2016-2020 System Access



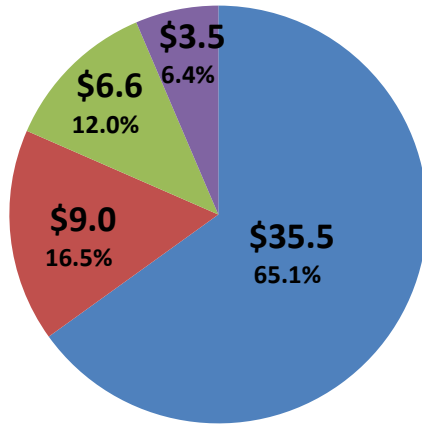
2016-2020 System Access

PR #	Description	Project Manager	Planned EA Completion	Planned Construction Start	Planned Construction Completion
1437C	10 Sideroad - 2-lane Reconstruction from Ninth Line to Tenth Line	Jennifer Trimble		Spring 2015	Fall 2015
2044B	Steeles Avenue - 4-lane Widening from Eighth Line North to Winston Churchill Boulevard	Bob Wicklund		May-14	Sep-15
2045B	Dundas Street - 6-lane Widening from Oak Park Boulevard to Hwy 403	Jennifer Trimble		Nov-11	Oct-14
2079	Trafalgar Road EA from Cornwall Road to ETR 407	Nick Zervos	Fall 2014		
2124	James Snow Parkway - New 4-lane Road Construction from Steeles Avenue to Boston Church Road	Leonard Verwey		Nov-12	Nov-14
2144	Winston Churchill Blvd - 2-lane Reconstruction from 5 Side Road to 10 Side Road (Lead by Peel)	Tony Finelli		Summer 2017	Winter 2018
2145C	Trafalgar Road - Intersection Improvements at 10 Sideroad	Cengiz Cakmak		Summer 2015	Spring 2016
2186B	Regional Road 25 - 4-lane Widening from Hwy 407 to Lower Base Line	David Collum		Apr-13	Sep-14
2186B	Regional Road 25 - 4-lane Widening from Lower Base Line to Britannia Road	David Collum		Aug-14	Fall 2016
2259B	Dundas Street - 6 - lane Widening from Neyagawa Boulevard to Oak Park Blvd	Milan Njegovan		Summer 2016	Fall 2017
2261C	Tremaine Road - 4-lane Construction on new alignment from Main Street to Steeles Avenue	David Collum		Apr-14	Sep-15
2261C	Tremaine Road - 4-lane Construction on new alignment from Steeles Avenue to Campbellville Road including Grade Separation at CPR 16 Mile Creek Bridge and new Interchange at Hwy 401	David Collum		Spring 2015	Summer 2018
2263B	New North Oakville Transportation Corridor (NNOTC) - New 4-lane Road Construction from Regional Road 25 to East of Third Line	David Collum		Jun-14	Jul-15
2263D	New North Oakville Transportation Corridor (NNOTC) - New 4-lane Road Construction from Neyagawa Blvd to Trafalgar Rd	Andrew Gorman		Summer 2015	Summer 2016
2310B	Upper Middle Road - 4-lane Widening from Winston Park to Winston Churchill Blvd	Ray Lau		Spring 2016	Summer 2017
2320B	Steeles Ave - 4-lane Widening from Industrial Dr to Martin St	Cengiz Cakmak		Fall 2016	Fall 2018
2369B	Steeles Ave - 4-lane Widening from James Snow Parkway to Fifth Line South	Leonard Verwey		Mar-12	Sep-14
2369B	Steeles Ave - 4-lane Widening from Fifth Line South to Trafalgar Road	Ray Lau		Spring 2015	Summer 2016
2367B	James Snow Parkway - New 4-lane Road Construction from Street C to Tremaine Road	Dave Collum		Spring 2015	Summer 2016
2388	Neyagawa Boulevard - 4-lane Widening from Dundas Street to Burnhamthorpe Road	Tony Finelli		Spring 2015	Summer 2016
2380B	Ninth Line - 4-lane Widening from Upper Middle Road to Dundas Street	Cengiz Cakmak		Nov-13	Dec-14
2538	New North Oakville Transportation Corridor (NNOTC) - New 4-lane Construction from Trafalgar Road to Ninth Line	Bob Wicklund		Summer 2015	Fall 2016
2550	Dundas Street EA from Brant Street to Bronte Rd	Jeffrey Reid	Fall 2014		
2596	Guelph Line - 2-lane Reconstruction from 1 km North of Derry Road to Conservation Road	Ray Lau		Spring 2015	Fall 2015
2598	Derry Road - 2-lane Reconstruction from Milborough Townline to McNiven Road	Milan Njegovan		Spring 2015	Fall 2015
2667	Britannia Road EA from Tremaine Rd to ETR 407	Alicia Jakatis	Fall 2014		
2673B	Dundas Street - 6-lane Widening from Bronte Road to Proudfoot Trail	David Collum		Aug-14	Oct-15
2675B	Tremaine Road - 6-lane Widening from Britannia Road to Derry Road	Cengiz Cakmak		May-14	Dec-15
2733E	2014 Resurfacing Program	Milan Njegovan		Sep-14	Dec-14
2749	Derry Road - New Grade Separation at CNR West of Bronte Street	Jennifer Trimble		Apr-13	Jul-15
2751	Dundas Street at Brant Street - Intersection Improvements	Ray Lau		Spring 2015	Winter 2016
2770	Upper Middle Road EA from Neyagawa Blvd to Ninth Line	Jeffrey Reid	Winter 2015		
2829	Guelph Line at Harvester Rd EA - Intersection Improvements, Guelph Line Resurfacing from Fairview Street to Harvester Road	Tony Finelli	Fall 2014	Summer 2015	Fall 2016
2862	No 20 Side Road - Resurfacing from West of First Line to Guelph Line	Ray Lau		Jul-14	Nov-14
2867	Appleby Line at Harvester Road EA - Intersection Improvements	Tony Finelli	Fall 2014	Summer 2016	Winter 2017
2926	James Snow Parkway - Hwy 401 Off Ramp Improvement	Leonard Verwey		Jun-14	Nov-14
2876	Ninth Line EA from Steeles Avenue to 10 Sideroad (4-lane Widening)	Alicia Jakatis	Fall 2015		
2888	Signal Installation at James Snow Parkway and Trudeau Drive	Tony Finelli		Oct-14	Dec-14
2889	Signal Installation at Trafalgar Rd/Rosegate Way, Guelph Line/Mount Forest Dr, James Snow Parkway/Louis St Laurent Ave, James Snow Parkway/Clark Blvd	Tony Finelli		Nov-14	Jul-15
2960	Trafalgar Rd EA from Steeles Avenue to Highway 7 (4-lane Widening)	Jeffrey Reid	Fall 2015		
3012	Trafalgar Road at Derry Road - Intersection Improvements	Ray Lau		Fall 2015	Fall 2016

Milton Hydro Capital Investments



2016-2020 System Renewal



- System Access
- System Renewal
- System Service
- General Plant

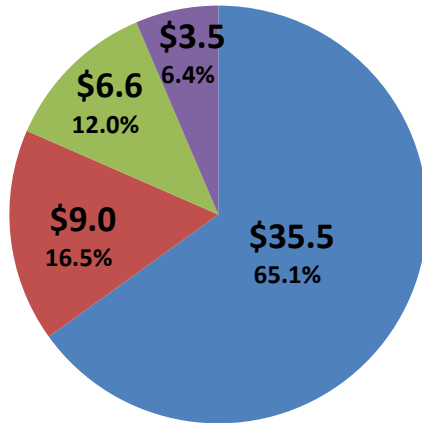
SYSTEM RENEWAL

Replacing aging equipment in poor condition

- Failure risk -multiyear planned pole replacement program
- Functional obsolescence - conversion of municipal substations from 13.8kV to 27.6 kV supply
- High Performance risks - overhead line rebuilds
- System Renewal spending will continue to focus on converting the remaining 13.8kV supplied areas to 27.6kV supply and the planned proactive pole replacement program.

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2016-2020 System Renewal



- System Access
- System Renewal
- System Service
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SYSTEM RENEWAL

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	Project Name	2016 \$'000
System Renewal	Pole Replacement Program	\$500
	Porcelain to Poly program	\$150
	Derry Rd – Trafalgar to 8 th	\$155
	6 th line – Nass South of 25 SR	\$322
	6 th Line – Nass north of 20 SR	\$321
	Main and Commercial UG Rebuild	\$65
	Misc. system renewal	\$350
	Total	\$1,863

2016-2020 System Renewal

Asset	Sub-Category	Quantity	TUL ¹	Asset Life Remaining (TUL base)					Average Age
			(years)	<10%	11% - 35%	36% - 65%	66% - 89%	>90%	
Substation Transformers		5	40	2	3				37 years
Regulators		5	40		5				31 years
Circuit Breakers		4	40	2	2				36 years
Pole Mounted Transformers		2,628	40	474	493	929	508	224	22 years
Pad Mounted Transformers		2,555	40	17	125	459	1,454	500	10 years
Pad Mounted Switchgear		75	30	4	5	26	30	10	11 years
Overhead Switches (Manual)		299	45	52	56	54	83	54	21 years
Overhead Switches (Automated)		60	30	0	1	2	16	41	4 years
Vault Transformers		107	40	10	46	38	4	9	25 years
Submersible Transformers		470	40	2	0	113	309	46	11 years
Underground Cable (metres)		579,209	40	9,318	29,914	102,250	381,138	68,558	11 years
Poles - Wood		8,745	45	2,364	1,002	2,177	2,336	866	27 years
Poles - Concrete		710	45	39	10	11	506	144	11 years

2016-2020 System Renewal

Asset	Sub-Category	Quantity	TUL ¹	Asset Life Remaining (TUL base)					Average Age
			(years)	<10%	11% - 35%	36% - 65%	66% - 89%	>90%	
Substation Transformers		5	40	2	3				37 years

2016-2020 System Renewal

SUBSTATIONS		Priority	2016	2017	2018	2019	2020
MS #4 T1 & T2		Reliability					
	Breakers, Cubicles, Relays & Transformer Tests		X				
MS #6		Reliability					
	Structure, On Load Tap Changer & Transformer				X		
MS # 7		Reliability					
	Structure, Transformer & Reclosers			X			X
Regulator MRS #7		Reliability					
	Regulator & Tap Changer Maintenance, Oil Analysis			X			X
Regulator MRS #10		Reliability					
	Regulator & Tap Changer Maintenance, Oil Analysis			X			X
MS #9		Reliability					
	Structure, Transformer & Reclosers			X			X
3-1 ph Regulators at Derry & Guelph		Reliability					
	Regulator & Tap Changer Testing, Oil Analysis		X			X	
Transformer Oil Tests (All Substations & Regulators)		Reliability					
	Standard 5 Part ASTM Oil Analysis		X	X	X	X	X
	Dissolved Gases in Oil Analysis		X	X	X	X	X
Battery Maintenance & Inspection - All Stations		Reliability	X	X	X	X	X

2016-2020 System Renewal

OIL SAMPLE ANALYSIS RESULTS IN SERVICE - OIL

Cust PO :	Lab No . . . :	T 2015-1002
	File No . . . :	11249
	Cust No . . . :	MIL08
MILTON HYDRO DISTRIBUTION INC.		
8069 LAWSON ROAD	Date Received :	JUL 17 2015
MILTON	Analysis Date :	JUL 20 2015
L9T 5C4	Analyzed By :	AA
	Reviewed By :	SJD

SAMPLE IDENTIFICATION

Description : MS6 TRANSFORMER

2016-2020 Proposed Capital Spend



Milton Hydro Substation Maintenance Checklist

Substation #	
	1 (MRS) (MS#7) 5 Side Road (Regulator)
	7 (5 Sideroad West of Appleby Line)
	3 (Wilson Dr. North of Main St. - East Side)
	4 (Derry Rd. - West of Bronte St.)
	5 (MRS) Bronte St (Regulator)
	6 (Sixth Line South of 25 Sideroad)
	9 (Second Line North of 15 Sideroad)

Inspection Checklist:

Yes	No	N/A	
			Fencing secure
			Inspect all locks and lubricate if required
			Align gates to open/close properly
			High Voltage Signs approximately every 6 m on all sides of fenced compound
			Grounding to fence/gates is in place & gates bonded
			Remove branches/shrubs growing through or near fence
			Weedeat inside compound and around perimeter of fence
			Remove garbage from compound
			Visual/audible check for broken insulators
			Check equipment for oil leaks
			Bunker doors clear of obstical (snow) & functional for emergency exit
			Debrise & or snow removed from operating switch platforms
			Check switch handles - clear of wasp nests
			New Hazard Identified
			Fire Extinguisher Charged

Comments:

Inspected by: _____ Date: _____

Follow-up by: _____ Date: _____



Milton Hydro Monthly Substation Maintenance Checklist

Station MS6 - Sixth Line

Transformer Information

Gauges	Current	Peak	Tap Changer				Control			
Oil Temp			Min	Current	Max	Count	Local	Remote	Hand	Auto
Tank Oil Level										
TC Oil Level			* reset pointers							
Tank Press			vac / press							

Feeder

Information

* reset ammeters

Amp	Red		Yellow		Blue	
	Current	Peak	Current	Peak	Current	Peak
Demand						

Reclosure Count

	Red	White	Blue
F1			
F2			
F3			

Yes	No	N/A
-----	----	-----

Inspection Checklist

			Fencing Secure
			Inspect all locks and lubricate if required
			Align gates to open and close properly
			"High Voltage" signs approximately every 6 meters on all sides of fenced compound
			Grounding to fence / gates is in place & gates bonded
			Remove branches / shrubs growing through or near fence
			Remove weeds inside compound and around perimeter of fence
			Remove garbage / debris from inside or around perimiter of the compound
			Visual / audible check for broken insulators
			Check Equipment for oil leaks
			Debris & or snow removed from operating switch platforms
			Check switch handles - clear of wasp nests
			New hazzard identified - if yes comment below
			Flip Fire Extinguisher and check to insure it is charged

Comments:

Inspected By: _____

Date: _____

Engineering Review By: _____

Date: _____

Follow Up By: _____

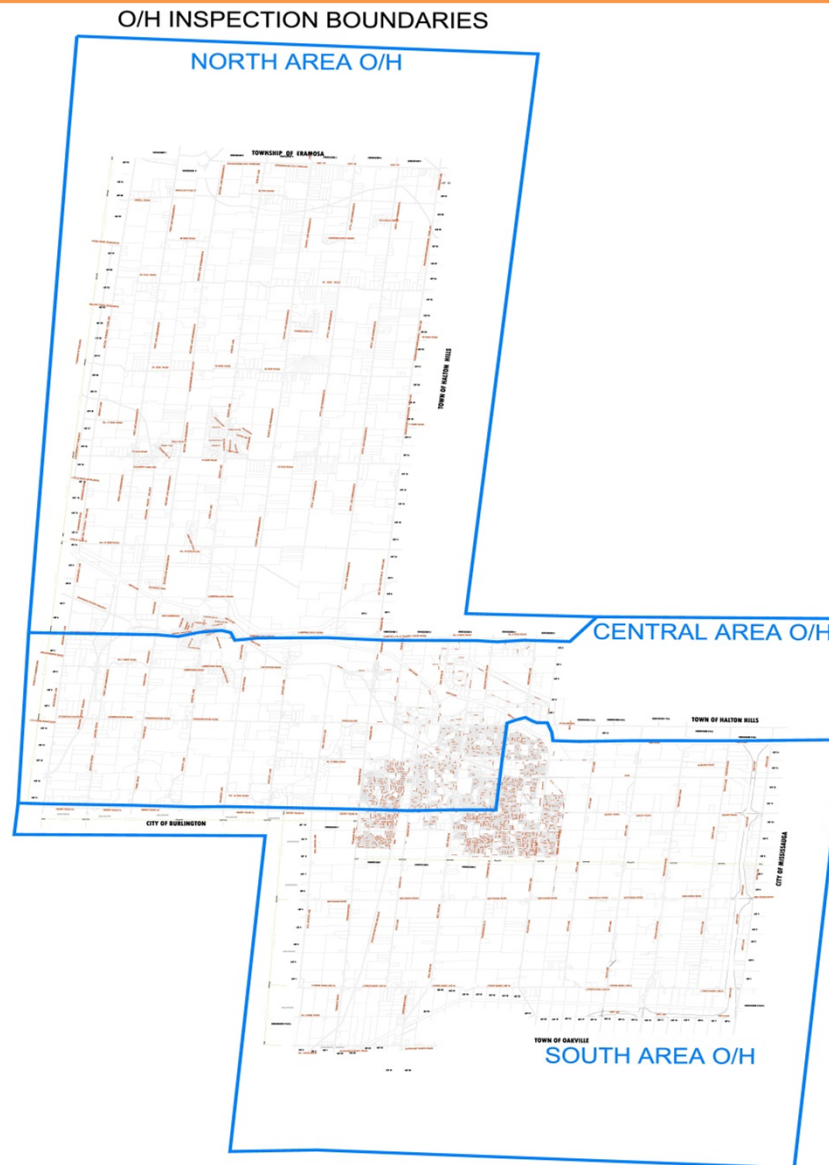
Date: _____

Filed By: _____

2016-2020 System Renewal


Other Assets...

2016-2020 System Renewal



2016-2020 System Renewal

Poles


Milton Hydro

Overhead System Inspection Form

ENTER POLE ID:

Note: if pole is not Milton Hydro's, use 99 + transformer # or 77 + switch #

Inspector: name

Inspection date: **05-May-15**

Year: Height: Class:

Pole / Hdwr **Attachments** Conductors Transformer Switch / Fuse

POLE

- ☐ Missing/incorrect nomenclature
- ☐ Broken or cracked
- ☐ Excessive surface wear/scaling
- ☐ Woodpecker or insect damage
- ☐ Bird nest, vines or brush
- ☐ Grading change or washout
- ☐ Faded phasing discs
- ☐ Feathered pole top

Enter Pole Condition:

HARDWARE

- ☐ Loose, cracked or broken crossarms or brackets
- ☐ Loose or missing hardware
- ☐ Insulators/conductors floating or flashed over

Comments:

Repair priority:

GUYING

- ☐ Loose or broken guy wires/guy strain insulators
- ☐ Guy guard missing or broken
- ☐ Guy guard repaired

GROUNDING

- ☐ Ground wire missing or broken
- ☐ Ground mould missing or broken
- ☐ Moulding repaired
- ☐ Ground rod exposed

DIP / RISER POLE ☐

- ☐ Damaged or missing cable guard
- ☐ Broken conduit at base of pole (cables exposed)

DRILLED POLE ☐

	B	AW	AY	BK	EW	EX
1	POLE NUMBER	Pole Comments	Pole repair priority	Transformer ID	Pole Repairs	Follow up
293	5237		No followup required			no follow-up required
294	5238		No followup required			no follow-up required
295	5239		No followup required			no follow-up required
296	5240		No followup required			no follow-up required
297	5241		No followup required			no follow-up required
298	5242		No followup required			no follow-up required
299	5243		No followup required			no follow-up required
300	5244		No followup required			no follow-up required
301	5245		No followup required			no follow-up required
302	5251		Schedule for repair			no follow-up required
303	5252		No followup required			no follow-up required
304	5253		No followup required			no follow-up required
305	5254		No followup required			no follow-up required
306	5255	hollow pole - replace	Schedule for repair	hollow pole - replace		replace pole - 2014
307	5256		No followup required			no follow-up required
308	5265		No followup required			no follow-up required
309	5306		No followup required			no follow-up required
310	5307		No followup required		Ground mould missing or broken; Porcelain Equipment Switch	porcelain work only, ground mould repaired by Inspector
311	5308		No followup required			no follow-up required
312	5309		No followup required			no follow-up required
313	5310		No followup required		Porcelain Equipment Switch	porcelain work only
314	5311		No followup required			no follow-up required
315	5312		No followup required			no follow-up required
316	5313		No followup required			no follow-up required
317	5314		No followup required		Ground mould missing or broken;	no follow-up required, ground mould repaired by Inspector
318	5315		No followup required	501		no follow-up required
319	5316		Schedule for repair		Damaged or missing cable guardGround mould missing or broken; Porcelain Equipment Switch	repairs to porcelain - gave list to Operations, April 30 2015
320	5317		No followup required			no follow-up required
321	5318		No followup required		Ground mould missing or broken;	no follow-up required, ground mould repaired by Inspector
322	5319		No followup required			no follow-up required
323	5320		No followup required			no follow-up required
324	5321		No followup required	2693		no follow-up required
325	5322		No followup required		Porcelain Equipment Switch	porcelain work only
326	5323		No followup required			no follow-up required
327	5324	HOLLOW IN MIDDLE	Urgent - repair within 2 weeks		previously sent for follow-up	previously sent for follow-up
328	5325		No followup required		Porcelain Equipment Switch	porcelain work only
329	5326		No followup required			no follow-up required
330	6772		No followup required			no follow-up required
331	6773		No followup required			no follow-up required
332	6774		No followup required			no follow-up required
333	6775		No followup required			no follow-up required
334	6776		No followup required			no follow-up required
335	6777		No followup required			no follow-up required
336	6778		No followup required			no follow-up required
337	6779		No followup required			no follow-up required

	B	AW	AX	BK	EW	EX
1	POLE_NUMBE	Pole Comments	Pole repair priority	Transformer ID	Pole Repairs	Follow up
293	5237		No followup required			no follow-up required
294	5238		No followup required			no follow-up required
295	5239		No followup required			no follow-up required
296	5240		No followup required			no follow-up required
297	5241		No followup required			no follow-up required
298	5242		No followup required			no follow-up required
299	5243		No followup required			no follow-up required
300	5244		No followup required			no follow-up required
301	5245		No followup required			no follow-up required
302	5251		Schedule for repair			no follow-up required
303	5252		No followup required			no follow-up required
304	5253		No followup required			no follow-up required
305	5254		No followup required			no follow-up required
306	5255	hollow pole - replace	Schedule for repair		hollow pole - replace	replace pole - 2014
307	5256		No followup required			no follow-up required
308	5265		No followup required			no follow-up required
309	5306		No followup required			no follow-up required
310	5307		No followup required		Ground mould missing or broken; ; Porcelain Equipment: Switch	porcelain work only, ground mould repaired by Inspector
311	5308		No followup required			no follow-up required
312	5309		No followup required			no follow-up required
313	5310		No followup required		; Porcelain Equipment: Switch	porcelain work only
314	5311		No followup required			no follow-up required
315	5312		No followup required			no follow-up required
316	5313		No followup required			no follow-up required
317	5314		No followup required		Ground mould missing or broken;	no follow-up required, ground mould repaired by Inspector
318	5315		No followup required	501		no follow-up required
319	5316		Schedule for repair		Damaged or missing cable guardGround mould missing or broken; ; Porcelain Equipment: Switch	repairs & porcelain - gave list to Operations, April 30 2015
320	5317		No followup required			no follow-up required
321	5318		No followup required		Ground mould missing or broken;	no follow-up required, ground mould repaired by Inspector
322	5319		No followup required			no follow-up required
323	5320		No followup required			no follow-up required
324	5321		No followup required	2893		no follow-up required
325	5322		No followup required		; Porcelain Equipment: Switch	porcelain work only
326	5323		No followup required			no follow-up required
327	5324	HOLLOW IN MIDDLE	Urgent - repair within 2 weeks		previously sent for follow-up	previously sent for follow-up
328	5325		No followup required		; Porcelain Equipment: Switch	porcelain work only
329	5326		No followup required			no follow-up required
330	6772		No followup required			no follow-up required
331	6773		No followup required			no follow-up required
332	6774		No followup required			no follow-up required
333	6775		No followup required			no follow-up required
334	6776		No followup required			no follow-up required
335	6777		No followup required			no follow-up required
336	6778		No followup required			no follow-up required
337	6779		No followup required			no follow-up required

2016-2020 System Renewal

Transformers

Pole / Hdwr	Attachments	Conductors	Transformer	Switch / Fuse
-------------	-------------	------------	-------------	---------------

Enter Transformer ID:

<input type="checkbox"/> Located on private property	<input type="checkbox"/> Oil leak
<input type="checkbox"/> Missing/incorrect nomenclature (at supply pole if transformer on private property)	<input type="checkbox"/> Bird nest, vines
<input type="checkbox"/> Contamination/discolouration of bushings	<input type="checkbox"/> Damaged disconnect switch or lightning arrester
<input type="checkbox"/> Tank corrosion	<input type="checkbox"/> Unattached ground wires (incl arrester)
	<input type="checkbox"/> Installed below secondary bus

Comments:

Repair priority: ▼

2016-2020 System Renewal

Switch / Fuse

Pole / Hdwr	Attachments	Conductors	Transformer	Switch / Fuse
-------------	-------------	------------	-------------	---------------

Enter Switch ID:

Switch Type: ▼

☐ Missing or incorrect nomenclature

☐ Missing or faded phasing discs

☐ Damaged or cracked insulators

☐ Damaged or misaligned operating handle

☐ Missing operating handle grounding

☐ Padlock missing

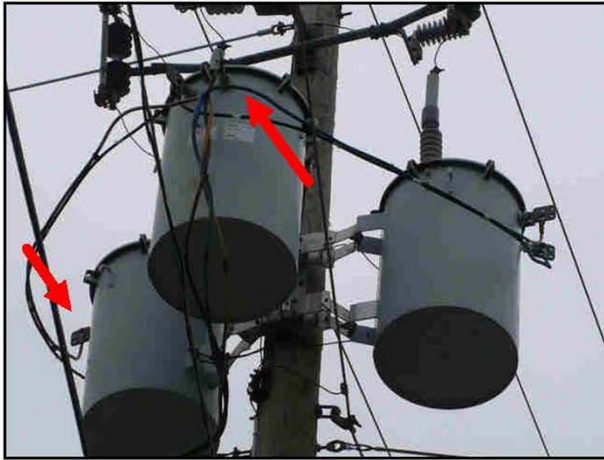
☐ Cabinet in poor condition

Comments:

Repair priority: ▼

2016-2020 System Renewal

Item #7



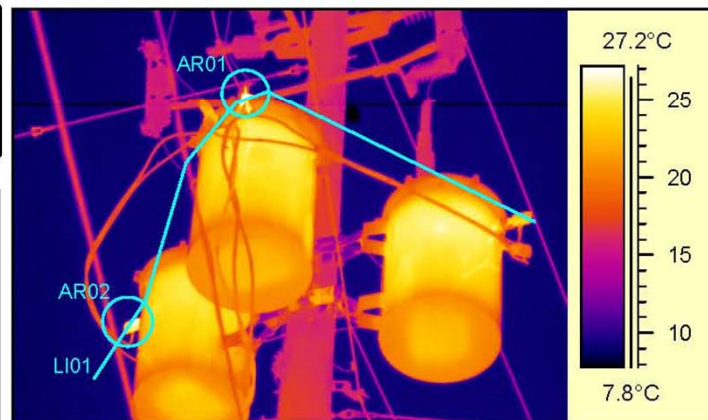
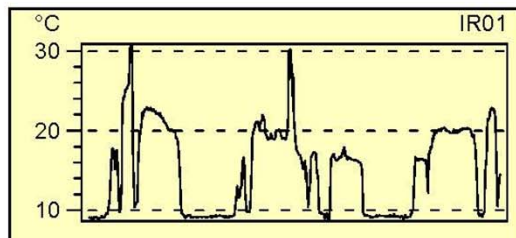
Location

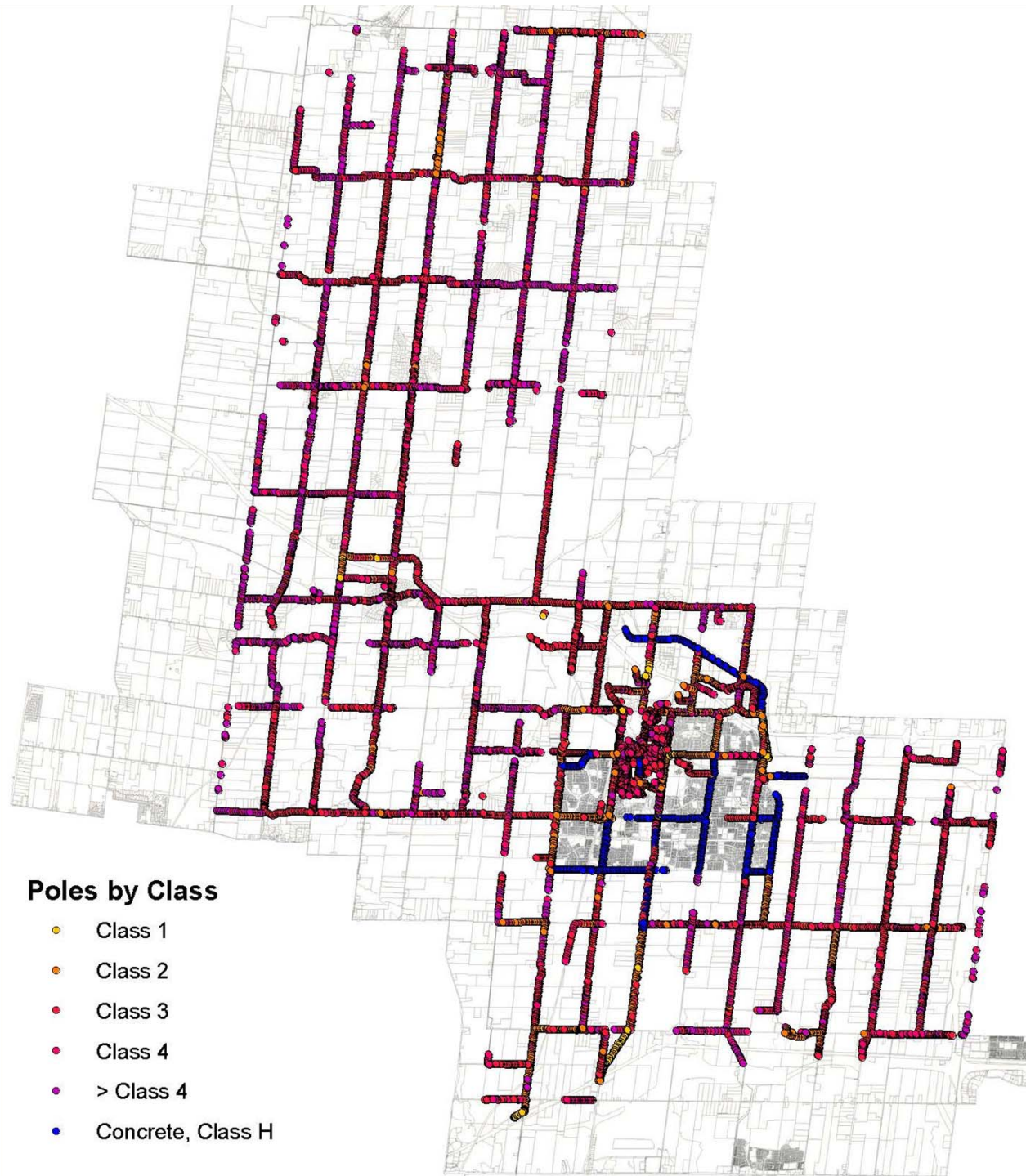
Pole Location # **P6340**
Transformer # **TN617**
Near #199 Fulton Street.
MILTON.

Description

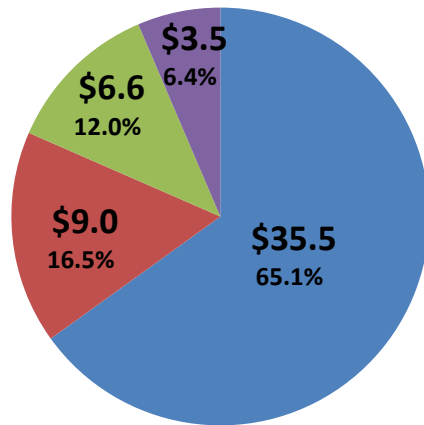
Secondary **bushing/spade** connections to leads on all phases/transformers.

Object parameter	Value
Emissivity	0.95
Object distance	14.0 m
Ambient temperature	16.0°C





2016-2020 System Service



- System Access
- System Renewal
- System Service
- General Plant

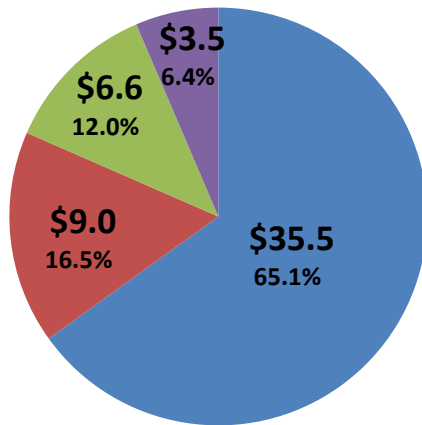
SYSTEM SERVICE

Projects that improve system reliability and operation

- System constraints – line extensions and feeder interconnections to accommodate system demand growth
- System operational objectives – projects to maintain system reliability and efficiency and implementation of Milton Hydro's Smart Grid program
- System Service spending will continue to focus on the development of Milton Hydro's Smart Grid through installation of automated switches and sensors to improve system operations and efficiencies, and the deployment of new feeders to access new transformer station capacity by 2020.

Category	2016 (\$,000)	2017 (\$,000)	2018 (\$,000)	2019 (\$,000)	2020 (\$,000)
System Access	7,906	8,092	6,212	6,411	6,878
System Renewal	1,863	1,821	1,790	1,800	1,725
System Service	1,139	1,225	1,350	1,350	1,500
General Plant	720	701	711	676	696
Total	11,628	11,839	10,063	10,237	10,799

2016-2020 System Service



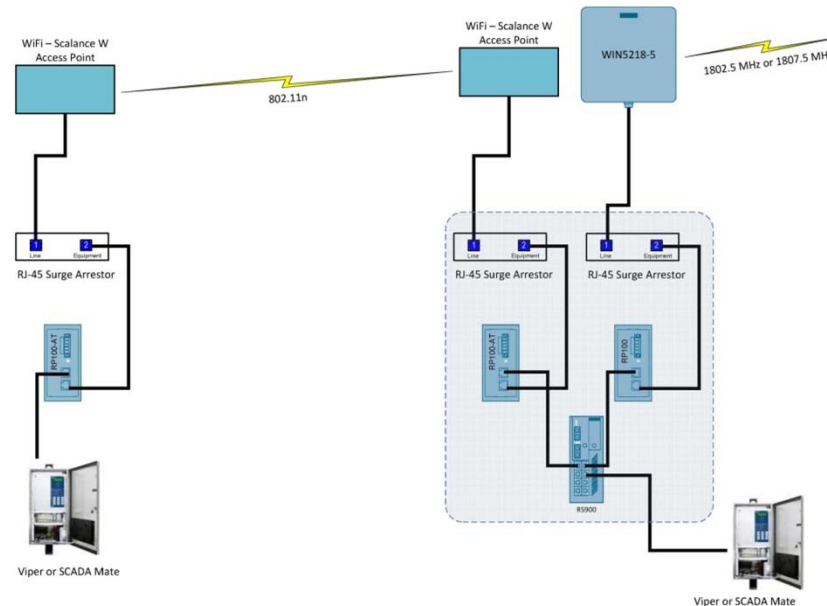
- System Access
- System Renewal
- System Service
- General Plant

SYSTEM SERVICE

Projects that improve system reliability and operation

Category	Project Name	2016 \$'000
System Service	WiMAX – automate existing switches	\$120
	WiMAX – 100 Meter points	\$650
	Automated Fault Indicators – WiMAX	\$175
	New Automated switches - WiMAX	\$194
	Total	\$1,139

2016-2020 System Service



1.8 GHz licenced band dedicated to utility operations.
Used for:

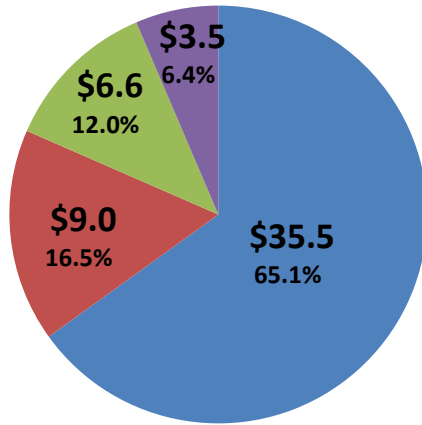
- Distribution equipment (SCADA)
- Meter points (residential collectors, C&I installations)

2016-2020 System Service

Customer Preferences

- Maintain or improve reliability
- System control
- System efficiency
- Operational response
- Automation

2016-2020 General Plant



- System Access
- System Renewal
- System Service
- General Plant

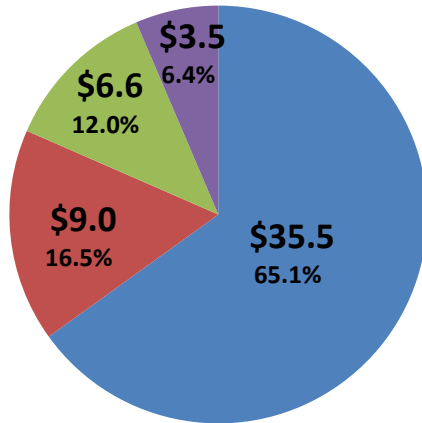
GENERAL PLANT

Assets that support the system

- System Maintenance support – replacement of trucks and tools
- Business Operations efficiency – GIS development
- Non-system Physical assets – new Milton Hydro head office

Category	2016 (\$,000)	2017 (\$,000)	2018 (\$,000)	2019 (\$,000)	2020 (\$,000)
System Access	7,906	8,092	6,212	6,411	6,878
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2016-2020 General Plant



- System Access
- System Renewal
- System Service
- General Plant

GENERAL PLANT

Assets that support the system

- System Maintenance support – replacement of trucks and tools
- Business Operations efficiency – GIS development
- Non-system Physical assets – new Milton Hydro head office

Category	Project Name	2016 \$'000
General Plant	Rolling Stock	\$510
	Computer Software	\$50
	Computer Hardware	\$83
	Stores Equipment	\$68
	Major Tools	\$9
	Total	\$720



MILTON HYDRO

Cameron will now go through the Rate Application



MILTON HYDRO 2014 SCORECARD

Performance Outcomes	Performance Categories	Measures	2010	2011	2012	2013	2014	Trend	Target	
									Industry	Distributor
Customer Focus Services are provided in a manner that responds to identified customer preferences.	Service Quality	New Residential/Small Business Services Connected on Time	99.10%	99.00%	98.60%	98.00%	99.50%	U	90.00%	
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	99.70%	99.80%	U	90.00%	
		Telephone Calls Answered On Time	79.00%	76.80%	82.60%	74.50%	77.80%	U	65.00%	
	Customer Satisfaction	First Contact Resolution					84%			
		Billing Accuracy					99.96%	U	98.00%	
		Customer Satisfaction Survey Results					91%			
Operational Effectiveness Continuous Improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public awareness [measure to be determined]								
		Level of Compliance with Ontario Regulation 22/04	NI	C	NI	C	C	U		C
		Serious Electrical Incident Index	0	0	0	1	0	U		0
		Rate per 10, 100, 1000 km of line	0.000	0.000	0.000	0.102	0.000	U		0.014
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted	0.55	1.05	0.81	7.94	1.22	U		at least within 0.55 - 7.94
		Average Number of Times that Power to a Customer is Interrupted	0.40	1.12	1.05	0.99	1.06	U		at least within 0.40 - 1.12
	Asset Management	Distribution System Plan Implementation Progress					on track			
	Cost Control	Efficiency Assessment			3	2	2			
		Total Cost per Customer ¹	\$659	\$676	\$644	\$654	\$679			
		Total Cost per Km of Line ¹	\$20,478	\$21,698	\$21,166	\$22,402	\$23,629			
Public Policy Responsiveness Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).	Conservation & Demand Management	Net Annual Peak Demand Savings (Percent of target achieved) ²		13.47%	17.56%	23.56%	47.87%	R		8.05MW
		Net Cumulative Energy Savings (Percent of target achieved)		48.99%	60.40%	72.86%	92.23%	R		33.50GWh
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time		100.00%	100.00%		100.00%			
		New Micro-embedded Generation Facilities Connected On Time				100.00%	100.00%		90.00%	
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	1.64	1.56	1.59	1.68	1.59			
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	0.72	0.79	0.90	0.92	1.17			
		Profitability: Regulatory		9.58%	9.58%	9.58%	9.58%			
		Return on Equity		8.90%	8.15%	10.60%	10.29%			

Notes:

1. These figures were generated by the Board based on the total cost benchmarking analysis conducted by Pacific Economics Group Research, LLC and based on the distributor's annual reported information.

2. The Conservation & Demand Management net annual peak demand savings include any persisting peak demand savings from the previous years.

Legend: U up U down R flat
 U target met R target not met



MILTON HYDRO

About Milton Hydro – as of December 31, 2014

Residential	32,268
General Service < 50 kW	2,544
General Service >= 50 kW	296
Large User	3
Total Customers	35,111
Rural Service Area (sq km)	315
Urban Service Area (sq km)	56
Total Service Area (sq km)	371
Overhead km of Line	587
Underground km of Line	422
Total km of Line	1,009



MILTON HYDRO

2014 Customer Survey Report Card Results

Milton Hydro's UtilityPULSE Report Card®			
Category		Milton Hydro	Ontario
1	Customer Care	B+	B
	Price and Value	B	C+
	Customer Service	A	B
2	Company Image	A	B+
	Company Leadership	A	B+
	Corporate Stewardship	A	B+
3	Management Operations	A	A
	Operational Effectiveness	A	B+
	Power Quality and Reliability	A	A
OVERALL		A	B+

“B+...Customer Care”

“A ...Company Image”

“A ...Management Operations”





MILTON HYDRO

Results – Customer Engagement – focus groups, on-line survey, phone survey

six primary areas of preference for customers:

1. Affordable electricity costs
2. Reliability of Service – maintain or reduce current level of outages
3. Assistance to reduce consumption and thereby costs (“CDM”)
4. Proactive customer communication on unplanned outages
5. Continued delivery of high quality service
6. Replace aging infrastructure before failure



MILTON HYDRO

Approvals Requested

- Rate Base of \$91,945,000
- Working Capital \$116,370,000
- Working Capital Allowance of \$8,728,000 (7.5%)
- Capital Structure of 60/40 Debt to Equity;
 - Deemed Interest of \$2,237,000;
 - Deemed Equity of \$3,420,000
- Total Capital Expenditures of \$11,629,000 less Capital Contributions of \$3,280,000 for net Capital Expenditures of \$8,349,000
- Operations, Maintenance and Administration expense for 2016 of \$9,903,387
- To recover 2016 distribution revenue requirement of \$17,207,367 which includes a revenue deficiency in the amount of \$990,647
- Disposition of Deferral and Variance Accounts



MILTON HYDRO

Rate Base

Description	2011 OEB Approved	2011 Actual	2012 Actual	2013 Actual RCGAAP/MIFRS	2014 Actual MIFRS	2015 Bridge Year	2016 Test
Average Net Book Value	49,696,889	49,693,199	53,362,782	56,738,195	62,112,397	73,397,953	83,217,410
Working Capital	67,272,676	72,414,212	81,028,759	91,589,214	99,219,151	115,743,514	116,369,556
Working Capital Allowance %	15%	15%	15%	15%	15%	15%	7.50%
Working Capital Allowance	10,090,901	10,862,132	12,154,314	13,738,382	14,882,873	17,361,527	8,727,717
Rate Base	59,787,790	60,555,331	65,517,095	70,476,577	76,995,270	90,759,480	91,945,126



MILTON HYDRO

Working Capital

Description	2011 OEB Approved	2011 Actual CGAAP	2012 Actual CGAAP	2013 Actual RCGAAP/ MIFRS	2014 Actual MIFRS	2015 Bridge Year	2016 Test Year
Cost of Power	60,972,676	66,017,450	74,266,765	83,153,242	90,675,253	105,690,373	106,466,168
Operations & Maintenance	1,896,760	2,055,249	2,210,120	3,550,967	3,001,627	3,601,098	3,734,812
Billing & Collecting	1,829,367	1,665,311	1,808,865	1,924,255	2,090,870	2,308,609	2,214,769
Administration & General Exp.	2,573,873	2,676,203	2,743,009	2,960,750	3,451,402	4,143,434	3,953,806
Working Capital	67,272,676	72,414,212	81,028,759	91,589,214	99,219,151	115,743,514	116,369,556
Working Capital Allowance	10,090,901	10,862,132	12,154,314	13,738,382	14,882,873	17,361,527	8,727,717
Working Capital Allowance (%)	15%	15%	15%	15%	15%	15%	7.5%

Note: 2013 includes a \$500,000 provision for Ice Storm recovery which is reversed in 2014 as Z-Factor Application was approved. Without the provision 2013 Actual O&M is \$3,150,967 and 2014 Actual O&M is \$3,501,627.



MILTON HYDRO

Proposed 2016 Test Year Capital Structure

Year: 2016 Test Year

Particulars	Capitalization Ratio		Cost Rate	Return
	(%)	(\$)	(%)	(\$)
Debt				
Long-term Debt	56.00%	\$51,489,271	4.19%	\$2,157,636
Short-term Debt	4.00% (1)	\$3,677,805	2.16%	\$79,441
Total Debt	60.0%	\$55,167,076	4.06%	\$2,237,077
Equity				
Common Equity	40.00%	\$36,778,051	9.30%	\$3,420,359
Preferred Shares		\$ -		\$ -
Total Equity	40.0%	\$36,778,051	9.30%	\$3,420,359
Total	100.0%	\$91,945,126	6.15%	\$5,657,436

Cost of Capital Parameters to be updated for 2016



MILTON HYDRO

Capital Expenditures

Category	2011 - OEB Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge	2016 Test
			\$ '000				\$ '000
System Access	8,409	5,570	7,631	4,658	7,190	5,552	7,907
System Renewal	1,999	2,753	1,198	2,517	2,647	2,087	1,863
System Service	426	428	2,386	638	513	2,171	1,139
General Plant	838	500	343	880	856	911	721
Distribution Capital	11,672	9,252	11,559	8,693	11,206	10,721	11,629
New Building & Furniture (200 Chisholm Dr.)					4,040	11,000	
Total Capital	11,672	9,252	11,559	8,693	15,246	21,721	11,629
Capital Contributions	(3,795)	(1,928)	(3,857)	(3,155)	(4,856)	(2,774)	(3,280)
Total Net Capital	7,877	7,324	7,702	5,538	10,391	18,947	8,349

Note: 2013 Total Capital is down as a result of slower activity in System Access by \$3,000,000.



MILTON HYDRO

Operations, Maintenance & Administration – Cost Drivers

2011 Board Approved OM&A	6,300,000
Mandatory Overhead Capitalization Policy Change on OM&A ("IFRS")	1,455,845
Wages, Salaries, Benefits, 15 new employees - over 5 years	1,006,771
Finance/Board/Audit/Security/Consulting	402,703
Tree Trimming	358,783
Maintenance - Overhead/Underground/Transformers	169,832
Load Dispatching/Control Room	150,000
Regulatory Compliance / Application Costs	99,354
Billing & Collections	76,047
Safety & Training	71,790
Customer Premise & Service Locates	71,515
Admin/Service Centre	(66,558)
Meter Reading - Trillant/Olameter	(192,695)
2016 Test Year OM&A	9,903,387

Before MIFRS adjustments Milton Hydro's compounded annual OM&A growth rate is 5.7%



MILTON HYDRO

Employee Count

Department	2011 OEB Approved	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge Year	2016 Test Year
Executive	3	3	3	4	5	5	5
Financial Services	7	5	6	6	6	7	8
Customer Service Representatives	10	11	11	11	11	12	12
Engineering/Operations	13	11	11	11	11	11	12
Information Technology	2	2	2	3	3	4	4
Metering	3	4	4	4	4	5	5
Outside Lines People	11	10	12	12	14	14	15
Total Employees	49	46	49	51	54	58	61

2011 – did not hire 2 employees for control room – looked for alternatives or options

2012 – added an Accounting Clerk and 2 Linepersons

2013 – added an IT Specialist and an Engineering Technician (moved the Director Engineering to Executive)

2014 – added 2 Linepersons and a Director of Operations (was a contract position which ended)

2015 – propose one Communication Specialist, one Customer Service/Billing rep, one IT Administrator, one AMI Operator

2016 – propose one HR Specialist, one Engineering Technician, one Line Person

Between 2016 to 2020 Milton Hydro has 10 employees eligible for retirement.



MILTON HYDRO

Milton Hydro Compared to the Rest of the Industry

Description	Last Rebasing Year - 2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Bridge Year	2016 Test Year
Number of Customers	30,485	32,324	34,073	35,111	36,187	37,765
Total OM&A	6,396,764	6,761,996	8,435,973	8,543,897	10,053,141	9,903,388
OM&A per Customer	209.83	209.19	247.59	243.34	277.81	262.24
Ranked in Ontario - Lowest	21	8	19	17		
Total Distributors Reported	75	73	73	72		
Industry Average	275.43	308.99	316.39	313.83		

Number of Employees	46	49	51	54	58	61
Number Customers Served per Employee	663	660	668	650	624	619
Industry Average	488	484	486	499		

Note: in 2013 Milton Hydro transition to Modified IFRS for an impact of \$1.45 Million



MILTON HYDRO

Revenue Requirement & Deficiency

OM&A Expenses	9,903,388
Amortization Expenses	3,292,486
Total Distribution Expenses	13,195,874
Deemed Interest	2,237,077
Regulated Return On Rate Base	3,420,359
PILs (with gross up)	256,212
Service Revenue Requirement	19,109,522
Less: Revenue Offsets	(1,902,155)
Base Revenue Requirement	17,207,367

Revenue at Existing Rates	16,216,720
Revenue Deficiency	(990,647)



MILTON HYDRO

Deferral & Variance Account Disposition

- RSVA – Wholesale Market Services, Transmission, Low Voltage Total \$3,150,334
- RSVA – Power (\$2,731,860)
- RSVA – Global Adjustment \$2,240,760
- Group 2 DVA \$481,143
- Accounting Changes CGAAP plus Return – USoA 1576 (\$1,571,328)
- LRAMVA \$142,779 (Updated from Application based on 2014 OPA (“IESO”) Final Results)

Note: All the above DVA's include carrying charges to April 30, 2016 except USoA 1576

Proposed disposition over one year.



MILTON HYDRO

Proposed Fixed & Variable Distribution Rates

Customer Class	Proposed Monthly Fixed Distribution Charge	Unit	Proposed Variable Distribution Charge
Residential	19.91	kWh	0.0118
GS < 50 kW	16.86	kWh	0.0178
GS >50 to 999 kW	96.55	kW	3.1935
GS >1000 to 4999 kW	546.12	kW	1.9539
Large Use	2,488.87	kW	1.4900
Sentinel Lights	5.48	kW	41.6271
Street Lighting	2.36	kW	10.3180
Unmetered/Scattered Load	8.58	kWh	0.0181



MILTON HYDRO

Rate Impacts

Class	Typical kWh Usage	Typical kW Demand	Typical Bill 2015 Current Approved \$	Typical Bill 2016 Proposed \$	Difference \$	Total Bill Impact %	Distribution Bill Impact \$	Distribution Bill Impact %	Distribution Bill Impact on Total Bill %
Residential	800		153.50	147.94	(5.55)	(3.62%)	2.32	8.58%	1.57%
General Service < 50kW	2,000		360.61	355.86	(4.75)	(1.32%)	1.56	3.04%	0.44%
General Service > 50 - 999kW	50,000	150	7,572.86	8,016.32	443.46	5.86%	124.71	26.66%	1.56%
General Service > 1000 - 4999kW	1,265,000	1,800	171,358.28	176,112.51	4,754.23	2.77%	(1,805.62)	(30.05%)	(1.03%)
Large Use	3,770,000	7,000	518,736.34	504,654.05	(14,082.29)	(2.71%)	(6,637.66)	(34.05%)	(1.32%)
Unmetered & Scattered	405		78.23	78.81	0.58	0.74%	1.33	9.10%	1.68%
Sentinel Lighting	50	1	35.26	73.12	37.86	107.36%	26.21	125.44%	69.23%
Streetlighting	469,398	1,317	75,779.76	84,325.32	8,545.57	11.28%	1,827.00	15.53%	2.17%



MILTON HYDRO

Residential Rate Increases from 2011 to 2015

	2011		2012		2013		2014		2015	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Rate Increase	\$ 1.89	7.89%	\$ 0.23	0.88%	\$ 0.15	0.48%	\$ 0.37	1.40%	\$ 0.38	1.45%
Percent of Total Bill		1.89%		0.19%		0.12%		0.27%		0.27%



MILTON HYDRO

General Service <50 kW Rate Increases from 2011 to 2015

	2011		2012		2013		2014		2015	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Rate Increase	\$ 3.49	7.60%	\$ 0.40	0.88%	\$ 0.28	0.48%	\$ 0.62	1.40%	\$ 0.63	1.45%
Percent of Total Bill		1.26%		0.14%		0.09%		0.20%		0.20%



MILTON HYDRO

Rates & Rate Impacts Applied for – per Month

Residential

		2015		2016		Change	Percent
Monthly Service Charge	Monthly	\$ 15.43	1 \$ 15.43	\$ 19.91	1 \$ 19.91	\$ 4.48	
Rate Rider Recovery of Smart Meter	Monthly	\$ 0.08	1 \$ 0.08	0	1	(\$ 0.08)	
Distribution Volumetric Rate	per kWh	\$ 0.0144	800 \$ 11.52	\$ 0.0118	800 \$ 9.44	(\$ 2.08)	
Total Distribution			\$ 27.03		\$ 29.35	\$ 2.32	8.50%
Percent of Total Bill							1.57%

General Service <50 kW

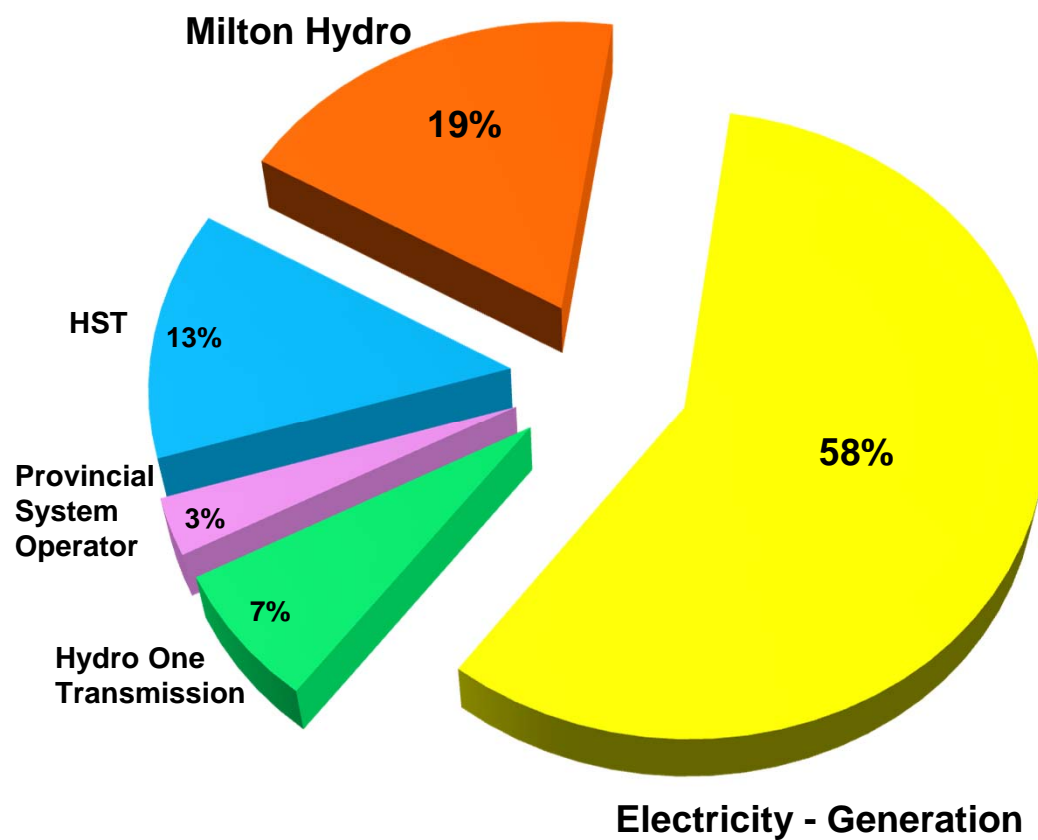
		2015		2016		Change	Percent
Monthly Service Charge	Monthly	16.42	1 \$ 16.42	16.86	1 \$ 16.86	\$ 0.44	
Rate Rider Recovery of Smart Meter	Monthly	0.08	1 \$ 0.08	0	1 \$ -	(\$ 0.08)	
Distribution Volumetric Rate	per kWh	0.0174	2000 \$ 34.80	0.0178	2000 \$ 35.60	\$ 0.80	
LRAM Rate Rider	per kWh		2000 \$ -	0.0002	2000 \$ 0.40	\$ 0.40	
Total Distribution			\$ 51.30		\$ 52.86	\$ 1.56	3.04%
Percent of Total Bill							0.44%

Note: Consistent with OEB direction the Residential rates have been adjusted to reflect the transition to a 100% Fixed Monthly Service Charge by 2019.



MILTON HYDRO

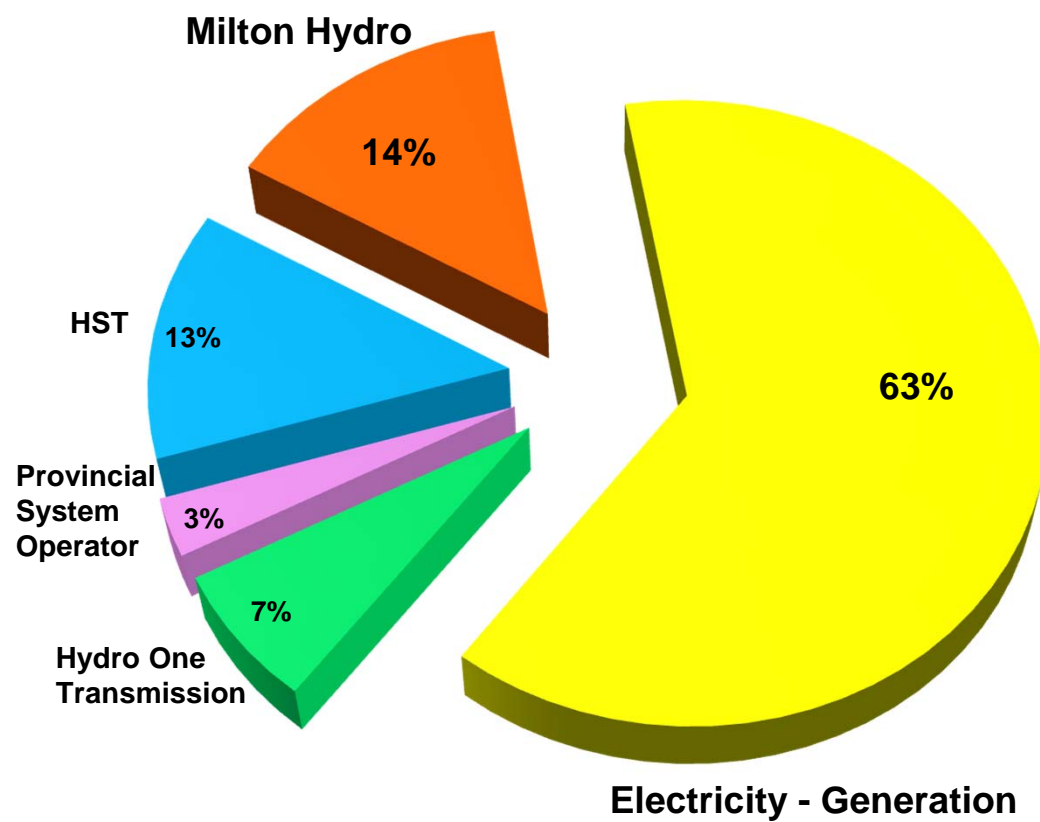
Residential Electricity Bill Breakdown





MILTON HYDRO

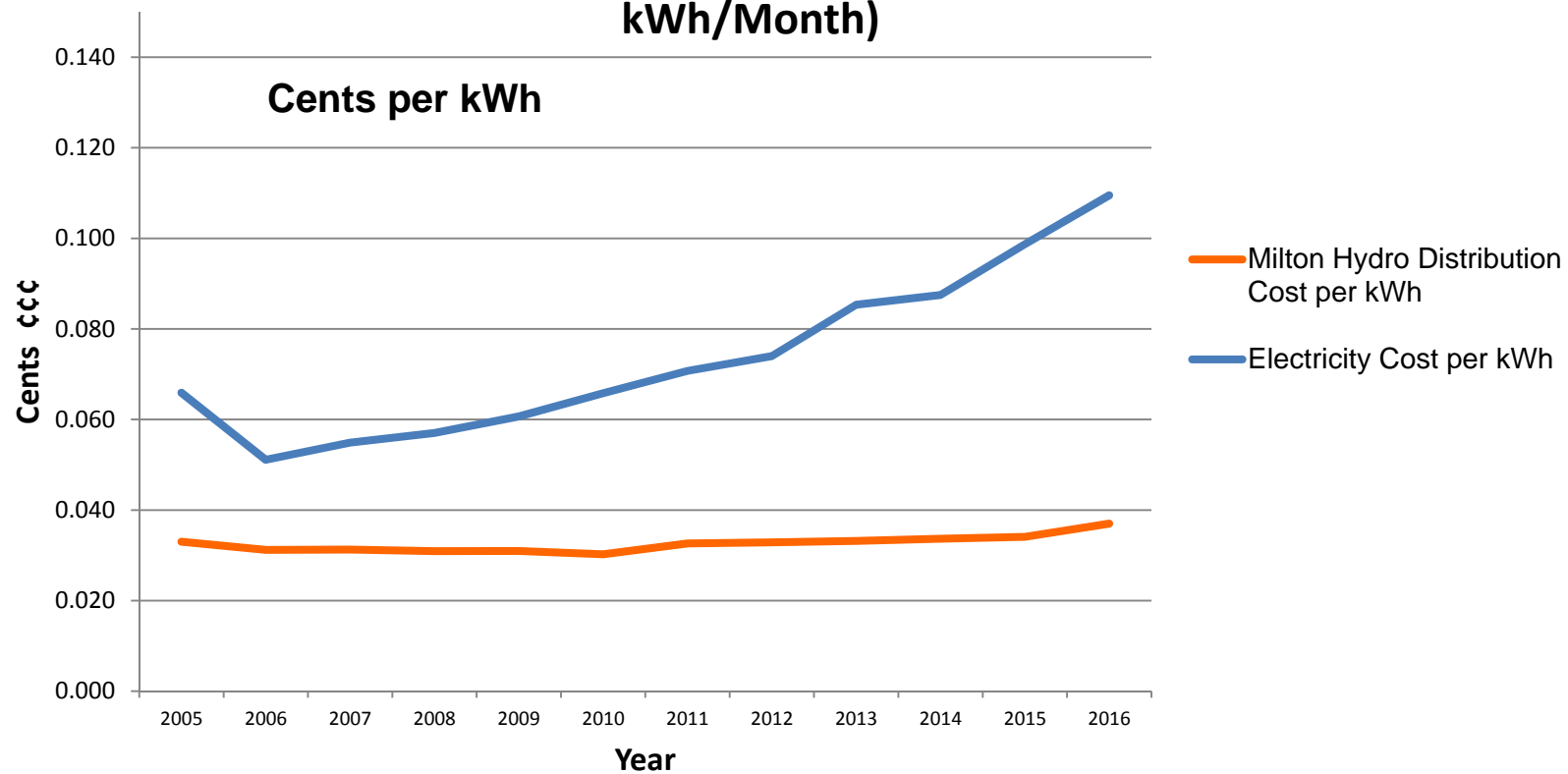
General Service <50 kW Electricity Bill Breakdown





MILTON HYDRO

2005 to 2016 Charges - Avge Residential Customer (800 kWh/Month)





MILTON HYDRO

Questions?