



**EB-2015-0089**

**Milton Hydro Distribution Inc.**

**Application for electricity distribution rates and other  
charges beginning May 1, 2016**

**PROCEDURAL ORDER NO. 4  
March 17, 2016**

Milton Hydro Distribution Inc. (Milton Hydro) filed a complete cost of service application with the Ontario Energy Board (OEB) on August 28, 2015 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B), seeking approval for changes to the rates that Milton Hydro charges for electricity distribution, to be effective May 1, 2016.

A settlement conference was held on January 25 and 26, 2016 and settlement was achieved on all issues except Operations, Maintenance and Administration costs, the cost of the administrative and operations building purchased and renovated by Milton Hydro, and the Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) calculation. On February 9, 2016, Milton Hydro filed its proposal for a partial settlement.

On March 1, 2016, the OEB issued Procedural Order No. 3 which established that an oral hearing would commence on March 21, 2016.

The purpose of this Procedural Order No. 4 is to confirm that the oral hearing will deal with only two issues: the Operations, Maintenance and Administration costs, and the cost of the building and associated land.

With respect to the LRAMVA issue, OEB staff filed a letter in this proceeding on March 3, 2016 noting that the OEB will be holding a stakeholder meeting on March 31, 2016 on the approach to recording demand savings in the LRAMVA, and that further policy guidance from the OEB was expected after that meeting. On March 11, 2016, Milton

Hydro wrote to the OEB to suggest that it is therefore “premature to deal with the LRAMVA issue on a Milton-specific basis at this time.” Milton Hydro asked that the OEB approve its LRAMVA recovery on an interim basis, “with the actual amount to be recovered to be finally determined once the OEB has made a determination in its generic consultation on the LRAMVA.”

The Vulnerable Energy Consumers Coalition (VECC) responded to Milton Hydro’s letter on March 12, 2016. VECC agreed that it was premature to deal with the LRAMVA issue on a Milton-specific basis, but disagreed with Milton Hydro’s proposal for interim rates. VECC suggested instead that Milton Hydro withdraw its application for LRAMVA recovery “and re-apply after the policy has been sorted out.”

The OEB agrees with both Milton Hydro and VECC that, until further policy guidance is provided by the OEB, it would be premature to approve Milton Hydro’s disposition of the LRAMVA on a final basis. The OEB shares VECC’s concerns about approving the disposition on an interim basis. The OEB sees benefit in ensuring that Milton Hydro wait until after the expected policy guidance is in place to recover any of its LRAMVA balance. The OEB notes that its incentive rate-setting application process provides distributors with the ability to apply for disposition of an LRAMVA. The OEB will therefore not consider this aspect of Milton Hydro’s application in this proceeding.

There is one other procedural matter to address. In its February 16, 2016 submission on the proposed partial settlement, OEB staff expressed concerns regarding the bill impact for the Sentinel Light class of customers. This issue will be dealt with in writing in accordance with the schedule set out below; it will not be the subject of cross-examination or argument at the oral hearing. The deadlines for filing written submissions set out in Procedural Order No. 3 will be extended to account for the Easter holiday.

The OEB considers it necessary to make provision for the following matters related to this proceeding.

**IT IS THEREFORE ORDERED THAT:**

1. The oral hearing will be limited to two issues: the Operations, Maintenance and Administration costs, and the cost of the administrative and operations building and associated land.
2. The OEB will not consider Milton Hydro’s request for disposition of the LRAMVA in this proceeding. Milton Hydro may re-apply for such approval after policy guidance has been provided by the OEB.

3. The deadline for intervenors and OEB staff to file written submissions is extended to March 29, 2016.
4. The deadline for Milton Hydro to file written reply submissions is extended to April 1, 2016.
5. If the parties wish to propose a revision to the settlement as it relates to the bill impact for the Sentinel Light class, they may do so before the commencement of the oral hearing by filing the proposal with the OEB. If no revision to the settlement is proposed, Milton Hydro shall file a written submission on this issue by March 23, 2016. In either case, the other parties may address the issue in their written submissions, due March 29, 2016, and Milton Hydro may address the issue in its reply, due April 1, 2016.

All filings to the OEB must quote the file number, EB-2015-0089, be made in searchable/ unrestricted PDF format electronically through the OEB's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>. Two paper copies must also be filed at the OEB's address provided below. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.ontarioenergyboard.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Harold Thiessen at [harold.thiessen@ontarioenergyboard.ca](mailto:harold.thiessen@ontarioenergyboard.ca) and OEB Counsel, Ian Richler at [ian.richler@ontarioenergyboard.ca](mailto:ian.richler@ontarioenergyboard.ca).

**ADDRESS**

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**DATED** at Toronto, **March 17, 2016**

**ONTARIO ENERGY BOARD**

*Original signed by*

Kirsten Walli  
Board Secretary