



## **MILTON HYDRO DISTRIBUTION INC.**

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August 12, 2016

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

**Re: Milton Hydro Distribution Inc. 2016 Cost of Service Application**  
**OEB File No. EB-2015-0089**  
**Draft Rate Order**

Please find attached Milton Hydro's Draft Rate Order prepared in accordance with the Ontario Energy Board Decision and Order issued July 28, 2016 and letter dated February 10, 2016 for Milton Hydro's 2016 Cost of Service Rate Application. This Draft Rate Order and live Excel models have been filed through the RESS. Two hard copies of the Draft Rate Order will follow by courier under separate cover.

Yours truly,

*Original signed by*

Cameron McKenzie  
Director, Regulatory Affairs  
Milton Hydro Distribution Inc.

cc: Intervenor of Record

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, 3 Schedule B, as amended (the “OEB Act”);

**AND IN THE MATTER OF** an Application by Milton Hydro Distribution Inc. under Section 78 of the OEB Act 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, 2016.

**MILTON HYDRO DISTRIBUTION INC. (“MILTON HYDRO”)**

**DRAFT RATE ORDER**

**Filed: August 12, 2016**

Cameron McKenzie  
Director, Regulatory Affairs  
Milton Hydro Distribution Inc.  
200 Chisholm Drive  
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L9T 3G9

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## **BACKGROUND:**

Milton Hydro Distribution Inc. (the “Applicant” or “Milton Hydro”) filed a cost of service application with the Ontario Energy Board (the “OEB”) on August 28, 2015 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B) (the “Act”), seeking approval for changes to the rates that Milton Hydro charges for electricity distribution, to be effective May 1, 2016 (OEB File Number EB-2015-0089) (the “Application”).

Following the receipt of interrogatories, Milton Hydro filed its interrogatory responses with the OEB on December 18, 2015 and filed responses to VECC and Energy Probe clarifying questions on January 23, 2016.

On January 6, 2016 the OEB issued Procedural Order No. 2 rescheduling the dates for the Settlement Conference to January 25, 26 and 27, 2016.

A Settlement Conference was convened on January 25 and 26, 2016 in accordance with the OEB’s *Rules of Practice and Procedure* (the “Rules”) and the OEB’s *Practice Direction on Settlement Conferences* (the “Practice Direction”).

Milton Hydro filed a Settlement Proposal on February 9, 2016 reflecting a partial settlement among all parties with respect to some of the issues in this proceeding. The unsettled issues were:

1. The 2016 Test Year Operations, Maintenance & Administration (“OM&A”) expense;
2. The capital addition in respect of the Chisholm Drive building; and
3. The recovery of the 2011 – 2014 LRAMVA

The OEB determined that it would not deal with the third outstanding issue in this proceeding. It is being dealt with by the OEB on a more generic basis. The first two unsettled issues were the subject of an oral hearing conducted by the OEB on April 4 and 5, 2016.

On April 7, 2016, Milton Hydro filed an addendum to the Settlement Proposal to address an OEB staff submission with respect to the bill impact for the Sentinel Light class, which was agreed to by all parties.

The Parties have agreed that the effective date of the rates arising out of the Settlement Proposal, and out of the OEB’s decision on the outstanding matters, should be May 1, 2016. Further, the parties agreed that in the event that it was not possible for the Board to issue its

Rate Order in time for May 1, 2016 implementation, a rate rider would be established to refund/recover to or from ratepayers the difference in revenue collected from the effective date of May 1, 2016 through to the actual implementation date as determined by the Board. Milton Hydro will prepare a draft rate rider as part of its draft rate order following the Board's issuance of a Decision and Order in this proceeding.

## **DECISION AND ORDER**

Milton Hydro received the OEB's Decision and Order ("Decision") on its 2016 Cost of Service Application on July 28, 2016. The Decision dealt with the remaining unsettled issues resulting from the Settlement Conference held on January 25 and 26, 2016 being:

1. The 2016 Test Year Operations, Maintenance & Administration ("OM&A") expense; and
2. The capital addition in respect of the Chisholm Drive building.

The Decision summarized the disallowances and adjustments that Milton Hydro is required to make in the preparation of this Draft Rate Order as follows:

- (i) For the capital gain realized on the sale of the property at the Fifth Line and Main Street – a rate base reduction of about \$506,000;
- (ii) For 6,800 square feet of excess office space – a rate base reduction of \$675,722;
- (iii) For the capital cost differential between inside and outside storage – a rate base reduction of \$753,480;
- (iv) The reversal and elimination of the revenue requirement offset of \$87,975;
- (v) For OM&A cost reductions related to excess office space and the use of building space as the equivalent of outside storage – a total amount of \$50,000 included in the \$550,000 OM&A expenses disallowance found in Section 6.2 of this Decision and Order; and
- (vi) For the reversal of accumulated depreciation amounts at December 31, 2015 related to the depreciable components of disallowed rate base items – a total amount of \$33,000. Rate base for 2016 will increase by this amount.

### **Rate Base Adjustment**

Milton Hydro has combined the rate base adjustments identified in the summary issues i) in the amount of \$506,000 as discussed above in relation to the gain on the sale of Fifth & Main; ii) in the amount \$675,722 for the excess square feet of office space; and iii) in the amount of \$753,480 being the capital cost differential between inside and outside storage, into a single total reduction to the building costs for 200 Chisholm Drive in the amount of \$1,935,202. Milton Hydro has reduced its Rate Base accordingly and has also removed the revenue offset in the amount of \$87,975 as set out in issue iv) above.

### **Fixed Asset Continuity Schedule**

Milton Hydro has provide the Table 1a below reflecting the changes to the 2015 additions as set out in the Rate Base Adjustment above removing the \$1,935,202 from the building addition for 200 Chisholm Drive. The building cost as filed was \$10,460,000 and has been reduce to \$8,524,798 as per the Decision.

**Table 1a**  
**2015 Fixed Asset Continuity Schedule**

OEB Account <sup>3</sup>	Description <sup>3</sup>	Opening Balance	Additions <sup>4</sup>	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance
1609	Capital Contributions Paid	\$ 122,349			\$ 122,349	-\$ 4,583	-\$ 3,059		-\$ 7,642
1611	Computer Software (Formally known as Account 1925)	\$ 1,022,976	\$ 291,170		\$ 1,314,146	-\$ 638,768	-\$ 140,718		-\$ 779,486
1612	Land Rights (Formally known as Account 1906)	\$ -			\$ -	\$ -			\$ -
1805	Land	\$ 69,883			\$ 69,883	\$ -			\$ -
1808	Buildings	\$ -			\$ -	\$ -			\$ -
1810	Leasehold Improvements	\$ -			\$ -	\$ -			\$ -
1815	Transformer Station Equipment >50 kV	\$ -			\$ -	\$ -			\$ -
1820	Distribution Station Equipment <50 kV	\$ 1,516,192			\$ 1,516,192	-\$ 1,449,764	-\$ 23,011		-\$ 1,472,775
1825	Storage Battery Equipment	\$ -			\$ -	\$ -			\$ -
1830	Poles, Towers & Fixtures	\$ 31,199,868	\$ 1,092,972		\$ 32,292,840	-\$ 10,568,966	-\$ 455,398		-\$ 11,024,364
1835	Overhead Conductors & Devices	\$ 22,998,751	\$ 913,178		\$ 23,911,929	-\$ 12,616,426	-\$ 380,485		-\$ 12,996,911
1840	Underground Conduit	\$ 26,162,539	\$ 1,245,285		\$ 27,407,824	-\$ 8,339,453	-\$ 567,106		-\$ 8,906,559
1845	Underground Conductors & Devices	\$ 18,700,819	\$ 811,878		\$ 19,512,697	-\$ 7,494,710	-\$ 369,731		-\$ 7,864,441
1850	Line Transformers	\$ 37,877,784	\$ 890,846		\$ 38,768,630	-\$ 18,040,731	-\$ 712,642		-\$ 18,753,373
1855	Services (Overhead & Underground)	\$ 14,797,250	\$ 628,445		\$ 15,425,695	-\$ 3,958,473	-\$ 243,666		-\$ 4,202,139
1860	Meters	\$ -			\$ -	\$ -			\$ -
1860	Meters (Smart Meters)	\$ 11,625,856	\$ 285,365		\$ 11,911,221	-\$ 5,460,909	-\$ 722,424		-\$ 6,183,333
1905	Land	\$ 5,182,052		-\$ 1,109,265	\$ 4,072,787	\$ -			\$ -
1908	Buildings & Fixtures	\$ -	\$ 8,524,798		\$ 8,524,798	\$ -	-\$ 85,248		-\$ 85,248
1910	Leasehold Improvements	\$ 377,009			\$ 377,009	-\$ 377,009	\$ -		-\$ 377,009
1915	Office Furniture & Equipment (10 years)	\$ 714,887	\$ 400,000		\$ 1,114,887	-\$ 637,675	-\$ 20,000		-\$ 657,675
1915	Office Furniture & Equipment (5 years)	\$ -			\$ -	\$ -			\$ -
1920	Computer Equipment - Hardware	\$ 1,892,372	\$ 106,393		\$ 1,998,765	-\$ 1,624,526	-\$ 87,558		-\$ 1,712,084
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -			\$ -	\$ -			\$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ -			\$ -	\$ -			\$ -
1930	Transportation Equipment	\$ 2,661,180	\$ 440,677		\$ 3,101,857	-\$ 1,479,598	-\$ 157,469		-\$ 1,637,067
1935	Stores Equipment	\$ 281,519	\$ 78,146		\$ 359,665	-\$ 184,363	-\$ 9,324		-\$ 193,687
1940	Tools, Shop & Garage Equipment	\$ 420,812	\$ 28,232		\$ 449,044	-\$ 391,177	-\$ 6,715		-\$ 397,892
1945	Measurement & Testing Equipment	\$ 126,481			\$ 126,481	-\$ 52,515	-\$ 9,476		-\$ 61,991
1950	Power Operated Equipment	\$ -			\$ -	\$ -			\$ -
1955	Communications Equipment	\$ 269,021	\$ 360,000		\$ 629,021	-\$ 200,060	-\$ 45,247		-\$ 245,307
1955	Communication Equipment (Smart Meters)	\$ -			\$ -	\$ -			\$ -
1960	Miscellaneous Equipment	\$ -			\$ -	\$ -			\$ -
1970	Load Management Controls Customer Premises	\$ -			\$ -	\$ -			\$ -
1975	Load Management Controls Utility Premises	\$ -			\$ -	\$ -			\$ -
1980	System Supervisor Equipment	\$ 122,172			\$ 122,172	-\$ 47,743	-\$ 5,375		-\$ 53,118
1985	Miscellaneous Fixed Assets	\$ -			\$ -	\$ -			\$ -
1990	Other Tangible Property	\$ 133,004			\$ 133,004	-\$ 47,006	-\$ 13,301		-\$ 60,307
1995	Contributions & Grants				\$ -				\$ -
2440	Deferred Revenue <sup>5</sup>	-\$ 51,971,243	-\$ 1,179,035		-\$ 53,150,278	\$ 13,305,772	\$ 1,101,657		\$ 14,407,429
	<b>Sub-Total</b>	<b>\$ 126,303,534</b>	<b>\$ 14,918,350</b>	<b>-\$ 1,109,265</b>	<b>\$ 140,112,619</b>	<b>-\$ 60,308,683</b>	<b>-\$ 2,956,296</b>	<b>\$ -</b>	<b>-\$ 63,264,979</b>
	<b>Less Socialized Renewable Energy Generation Investments (input as negative)</b>				\$ -				\$ -
	<b>Less Other Non Rate-Regulated Utility Assets (input as negative)</b>				\$ -				\$ -
	<b>Total PP&amp;E</b>	<b>\$ 126,303,534</b>	<b>\$ 14,918,350</b>	<b>-\$ 1,109,265</b>	<b>\$ 140,112,619</b>	<b>-\$ 60,308,683</b>	<b>-\$ 2,956,296</b>	<b>\$ -</b>	<b>-\$ 63,264,979</b>
	<b>Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable<sup>6</sup></b>								
	<b>Total</b>					<b>-\$ 2,956,296</b>			

Transportation
Stores Equipment
Tools, Shop & Garage Equipment
Measurement & Testing Equipment

**Less: Fully Allocated Depreciation**  
Transportation **-\$ 157,469**  
Stores Equipment  
Tools **-\$ 6,715**  
Measurement **-\$ 9,476**  
**Net Depreciation **-\$ 2,782,636****

Milton Hydro has also provide the following Table 1b 2016 Fixed Asset Continuity Schedule which also reflects the changes above and the revised average opening and closing balances for the fixed assets and accumulated depreciation.

**Table 1b**  
**2015 Fixed Asset Continuity Schedule**

OEB Account <sup>3</sup>	Description <sup>3</sup>	Opening Balance	Additions <sup>4</sup>	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance
1609	Capital Contributions Paid	\$ 122,349			\$ 122,349	-\$ 7,642	-\$ 3,059		-\$ 10,701
1611	Computer Software (Formally known as Account 1925)	\$ 1,314,146	\$ 80,000		\$ 1,394,146	-\$ 779,486	-\$ 177,835		-\$ 957,321
1612	Land Rights (Formally known as Account 1906)	\$ -			\$ -	\$ -			\$ -
1805	Land	\$ 69,883			\$ 69,883	\$ -			\$ -
1808	Buildings	\$ -			\$ -	\$ -			\$ -
1810	Leasehold Improvements	\$ -			\$ -	\$ -			\$ -
1815	Transformer Station Equipment >50 kV	\$ -			\$ -	\$ -			\$ -
1820	Distribution Station Equipment <50 kV	\$ 1,516,192			\$ 1,516,192	-\$ 1,472,775	-\$ 23,011		-\$ 1,495,786
1825	Storage Battery Equipment	\$ -			\$ -	\$ -			\$ -
1830	Poles, Towers & Fixtures	\$ 32,292,840	\$ 2,089,184		\$ 34,382,024	-\$ 11,024,364	-\$ 414,332		-\$ 11,438,696
1835	Overhead Conductors & Devices	\$ 23,911,929	\$ 1,926,976		\$ 25,838,905	-\$ 12,996,911	-\$ 488,466		-\$ 13,485,377
1840	Underground Conduit	\$ 27,407,824	\$ 1,792,153		\$ 29,199,977	-\$ 8,906,559	-\$ 530,774		-\$ 9,437,333
1845	Underground Conductors & Devices	\$ 19,512,697	\$ 1,152,391		\$ 20,665,088	-\$ 7,864,441	-\$ 468,585		-\$ 8,333,026
1850	Line Transformers	\$ 38,768,630	\$ 1,130,764		\$ 39,899,394	-\$ 18,753,373	-\$ 737,912		-\$ 19,491,285
1855	Services (Overhead & Underground)	\$ 15,425,695	\$ 1,080,520		\$ 16,506,215	-\$ 4,202,139	-\$ 265,028		-\$ 4,467,167
1860	Meters	\$ -			\$ -	\$ -			\$ -
1860	Meters (Smart Meters)	\$ 11,911,221	\$ 293,926		\$ 12,205,147	-\$ 6,183,333	-\$ 741,734		-\$ 6,925,067
1905	Land	\$ 4,072,787			\$ 4,072,787	\$ -			\$ -
1908	Buildings & Fixtures	\$ 8,524,798			\$ 8,524,798	-\$ 85,248	-\$ 170,496		-\$ 255,744
1910	Leasehold Improvements	\$ 377,009			\$ 377,009	-\$ 377,009			-\$ 377,009
1915	Office Furniture & Equipment (10 years)	\$ 1,114,887			\$ 1,114,887	-\$ 657,675	-\$ 40,000		-\$ 697,675
1915	Office Furniture & Equipment (5 years)	\$ -			\$ -	\$ -			\$ -
1920	Computer Equipment - Hardware	\$ 1,998,765	\$ 98,000		\$ 2,096,765	-\$ 1,712,084	-\$ 107,997		-\$ 1,820,081
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -			\$ -	\$ -			\$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ -			\$ -	\$ -			\$ -
1930	Transportation Equipment	\$ 3,101,857	\$ 645,000		\$ 3,746,857	-\$ 1,637,067	-\$ 208,004		-\$ 1,845,071
1935	Stores Equipment	\$ 359,665	\$ 43,680		\$ 403,345	-\$ 193,687	-\$ 12,369		-\$ 206,056
1940	Tools, Shop & Garage Equipment	\$ 449,044	\$ 29,500		\$ 478,544	-\$ 397,892	-\$ 8,639		-\$ 406,531
1945	Measurement & Testing Equipment	\$ 126,481			\$ 126,481	-\$ 61,991	-\$ 9,476		-\$ 71,467
1950	Power Operated Equipment	\$ -			\$ -	\$ -			\$ -
1955	Communications Equipment	\$ 629,021	\$ 805,000		\$ 1,434,021	-\$ 245,307	-\$ 103,497		-\$ 348,804
1955	Communication Equipment (Smart Meters)	\$ -			\$ -	\$ -			\$ -
1960	Miscellaneous Equipment	\$ -			\$ -	\$ -			\$ -
1970	Load Management Controls Customer Premises	\$ -			\$ -	\$ -			\$ -
1975	Load Management Controls Utility Premises	\$ -			\$ -	\$ -			\$ -
1980	System Supervisor Equipment	\$ 122,172			\$ 122,172	-\$ 53,118	-\$ 5,375		-\$ 58,493
1985	Miscellaneous Fixed Assets	\$ -			\$ -	\$ -			\$ -
1990	Other Tangible Property	\$ 133,004			\$ 133,004	-\$ 60,307	-\$ 13,301		-\$ 73,608
1995	Contributions & Grants	\$ -			\$ -	\$ -			\$ -
2440	Deferred Revenue <sup>5</sup>	-\$ 53,150,278	-\$ 3,808,361		-\$ 56,958,639	\$ 14,407,429	\$ 1,163,311		\$ 15,570,740
					\$ -				\$ -
	<b>Sub-Total</b>	<b>\$ 140,112,619</b>	<b>\$ 7,358,733</b>	<b>\$ -</b>	<b>\$ 147,471,352</b>	<b>-\$ 63,264,979</b>	<b>-\$ 3,366,579</b>	<b>\$ -</b>	<b>-\$ 66,631,558</b>
	<b>Less Socialized Renewable Energy Generation Investments (input as negative)</b>				\$ -				\$ -
	<b>Less Other Non Rate-Regulated Utility Assets (input as negative)</b>				\$ -				\$ -
	<b>Total PP&amp;E</b>	<b>\$ 140,112,619</b>	<b>\$ 7,358,733</b>	<b>\$ -</b>	<b>\$ 147,471,352</b>	<b>-\$ 63,264,979</b>	<b>-\$ 3,366,579</b>	<b>\$ -</b>	<b>-\$ 66,631,558</b>
	<b>Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable<sup>6</sup></b>								
	<b>Total</b>					<b>-\$ 3,366,579</b>			
	<b>Average</b>	<b>143,791,985</b>					<b>Average -</b>	<b>64,948,269</b>	
	Transportation						<b>Less: Fully Allocated Depreciation</b>		
	Stores Equipment						Transportation		-\$ 208,004
	Tools, Shop & Garage Equipment						Stores Equipment		-\$ 8,639
	Measurement & Testing Equipment						Tools		-\$ 9,476
							Measurement		-\$ 3,140,460
							<b>Net Depreciation</b>		

The following Table 1c summarizes each adjustment to Milton Hydro's Cost of Capital, Rate Base and Capital Expenditures; Operating Expenses and Revenue Requirement throughout this proceeding and up to the Rate Base adjustment in the amount of \$1,935,202 discussed above.

This adjustment also impacts Milton Hydro's accumulated depreciation and depreciation expense in the amount of \$38,703.



**Table 1c**  
**Summary of Adjustments Including Rate Base**

Reference <sup>(1)</sup>	Item / Description <sup>(2)</sup>	Cost of Capital		Rate Base and Capital Expenditures			Operating Expenses			Revenue Requirement			
		Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance (\$)	Amortization / Depreciation	Taxes/PILs	OM&A	Service Revenue Requirement	Other Revenues	Base Revenue Requirement	Grossed up Revenue Deficiency / Sufficiency
	<b>Original Application</b>	\$ 79,441	2.16%	\$ -	\$ 91,945,126	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-\$ 0
2.0 - Staff-13, 2 - EP7, 10	Update 2015 & 2016 Capital Additions	\$ 5,657,436	6.15%	\$ 89,858,544	\$ 116,369,556	\$ 8,727,717	\$ 3,187,941	\$ 6,101	\$ 9,903,388	\$ 19,004,977	\$ 1,902,155	\$ 17,102,822	\$ 886,102
	Change	\$ 5,577,995	3.99%	\$ 89,858,544	\$ 24,424,430	\$ 8,727,717	\$ 3,187,941	\$ 6,101	\$ 9,903,388	\$ 19,004,977	\$ 1,902,155	\$ 17,102,822	\$ 886,102
2.0 - Staff-13, 4-EP-27	Revised OM&A to 2016 budget	\$ 5,657,436	6.15%	\$ 89,874,974	\$ 116,588,616	\$ 8,744,147	\$ 3,187,941	\$ 6,683	\$ 10,122,448	\$ 19,224,037	\$ 1,902,155	\$ 17,321,882	\$ 1,105,162
	Change	\$ -	0.00%	\$ 16,430	\$ 219,060	\$ 16,430	\$ -	\$ 12,784	\$ 219,060	\$ 219,060	\$ -	\$ 219,060	\$ 219,060
3.0 EP -20	Revised Other Revenue to 2016 budget and added 50% of land proceeds	\$ 5,657,436	6.15%	\$ 89,874,974	\$ 116,588,616	\$ 8,744,147	\$ 3,187,941	\$ 125	\$ 10,122,448	\$ 19,224,037	\$ 2,018,810	\$ 17,205,227	\$ 988,507
	Change	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ 6,808	\$ -	\$ -	\$ 116,655	-\$ 116,655	-\$ 116,655
3-Staff-39	New Load Forecast	\$ 5,657,436	6.15%	\$ 89,874,974	\$ 116,588,616	\$ 8,744,147	\$ 3,187,941	\$ 125	\$ 10,122,448	\$ 19,224,037	\$ 2,018,810	\$ 17,205,227	\$ 927,792
	Change	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-\$ 60,715
5.0 - Staff - 70	Revised Cost of Capital parameters	\$ 5,456,935	6.04%	\$ 89,874,974	\$ 116,588,616	\$ 8,744,147	\$ 3,187,941	\$ 6,106	\$ 10,122,448	\$ 19,017,431	\$ 2,018,810	\$ 16,998,621	\$ 721,186
	Change	-\$ 200,501	-0.11%	\$ -	\$ -	\$ -	\$ -	\$ 6,231	\$ -	-\$ 206,606	\$ -	-\$ 206,606	-\$ 206,606
2.0 Staff -12, 2.0 EP-4	COP Adjustment using Oct 15 Price report rates w/new LF and WMS Charges	\$ 5,456,935	6.04%	\$ 90,365,591	\$ 123,130,182	\$ 9,234,764	\$ 3,187,941	\$ 6,106	\$ 10,122,448	\$ 19,017,431	\$ 2,018,810	\$ 16,998,621	\$ 721,186
	Change	\$ -	0.00%	\$ 490,617	\$ 6,541,566	\$ 490,617	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Settlement Proposal	Settlement Proposal	\$ 5,385,342	5.98%	\$ 90,010,310	\$ 123,601,244	\$ 9,270,093	\$ 3,179,163	\$ 253,626	\$ 10,122,448	\$ 18,940,580	\$ 2,018,810	\$ 16,921,770	\$ 621,894
	Change	-\$ 71,593	-0.06%	\$ 355,281	\$ 471,062	\$ 35,329	-\$ 8,778	\$ 259,732	\$ -	-\$ 76,851	\$ -	-\$ 76,851	-\$ 99,292
<b>Decision</b>	Rate Base	\$ 5,271,874	5.98%	\$ 88,113,811	\$ 123,601,244	\$ 9,270,093	\$ 3,140,460	\$ 255,144	\$ 10,122,448	\$ 18,789,927	\$ 1,930,835	\$ 16,859,092	\$ 559,216
	Change	-\$ 113,468	0.00%	\$ 1,896,499	\$ -	\$ -	-\$ 38,703	\$ 1,518	\$ -	-\$ 150,653	-\$ 87,975	-\$ 62,678	-\$ 62,678

### **Operations, Maintenance & Administration**

Milton Hydro has reduced its total OM&A costs by \$550,000 as per issue v) above for the reduction of costs related to the excess office space in the amount \$50,000 and the disallowance of OM&A expenses in the amount of \$500,000.

The following Table 2 is similar to the Table 1 above but summarizes the adjustment to Milton Hydro's Cost of Capital, Rate Base and Capital Expenditures; Operating Expenses and Revenue Requirement throughout this proceeding and up to the OM&A adjustment in the amount of \$550,000.

**Table 2**  
**Summary of Adjustments Including OM&A**

Reference <sup>(1)</sup>	Item / Description <sup>(2)</sup>	Cost of Capital		Rate Base and Capital Expenditures			Operating Expenses			Revenue Requirement			
		Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance (\$)	Amortization / Depreciation	Taxes/PILs	OM&A	Service Revenue Requirement	Other Revenues	Base Revenue Requirement	Grossed up Revenue Deficiency / Sufficiency
	<b>Original Application</b>	\$ 79,441	2.16%	\$ -	\$ 91,945,126	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0
2.0 - Staff-13, 2 - EP7, 10	Update 2015 & 2016 Capital Additions	\$ 5,657,436	6.15%	\$ 89,858,544	\$ 116,369,556	\$ 8,727,717	\$ 3,187,941	\$ 6,101	\$ 9,903,388	\$ 19,004,977	\$ 1,902,155	\$ 17,102,822	\$ 886,102
	Change	\$ 5,577,995	3.99%	\$ 89,858,544	\$ 24,424,430	\$ 8,727,717	\$ 3,187,941	\$ 6,101	\$ 9,903,388	\$ 19,004,977	\$ 1,902,155	\$ 17,102,822	\$ 886,102
2.0 - Staff-13, 4-EP-27	Revised OM&A to 2016 budget	\$ 5,657,436	6.15%	\$ 89,874,974	\$ 116,588,616	\$ 8,744,147	\$ 3,187,941	-\$ 6,683	\$ 10,122,448	\$ 19,224,037	\$ 1,902,155	\$ 17,321,882	\$ 1,105,162
	Change	\$ -	0.00%	\$ 16,430	\$ 219,060	\$ 16,430	\$ -	-\$ 12,784	\$ 219,060	\$ 219,060	\$ -	\$ 219,060	\$ 219,060
3.0 EP -20	Revised Other Revenue to 2016 budget and added 50% of land proceeds	\$ 5,657,436	6.15%	\$ 89,874,974	\$ 116,588,616	\$ 8,744,147	\$ 3,187,941	\$ 125	\$ 10,122,448	\$ 19,224,037	\$ 2,018,810	\$ 17,205,227	\$ 988,507
	Change	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ 6,808	\$ -	\$ -	\$ 116,655	-\$ 116,655	-\$ 116,655
3-Staff-39	New Load Forecast	\$ 5,657,436	6.15%	\$ 89,874,974	\$ 116,588,616	\$ 8,744,147	\$ 3,187,941	\$ 125	\$ 10,122,448	\$ 19,224,037	\$ 2,018,810	\$ 17,205,227	\$ 927,792
	Change	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-\$ 60,715
5.0 - Staff - 70	Revised Cost of Capital parameters	\$ 5,456,935	6.04%	\$ 89,874,974	\$ 116,588,616	\$ 8,744,147	\$ 3,187,941	-\$ 6,106	\$ 10,122,448	\$ 19,017,431	\$ 2,018,810	\$ 16,998,621	\$ 721,186
	Change	-\$ 200,501	-0.11%	\$ -	\$ -	\$ -	\$ -	-\$ 6,231	\$ -	-\$ 206,606	\$ -	-\$ 206,606	-\$ 206,606
2.0 Staff -12, 2.0 EP-4	COP Adjustment using Oct 15 Price report rates w/new LF and WMS Charges	\$ 5,456,935	6.04%	\$ 90,365,591	\$ 123,130,182	\$ 9,234,764	\$ 3,187,941	-\$ 6,106	\$ 10,122,448	\$ 19,017,431	\$ 2,018,810	\$ 16,998,621	\$ 721,186
	Change	\$ -	0.00%	\$ 490,617	\$ 6,541,566	\$ 490,617	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Settlement Proposal	Settlement Proposal	\$ 5,385,342	5.98%	\$ 90,010,310	\$ 123,601,244	\$ 9,270,093	\$ 3,179,163	\$ 253,626	\$ 10,122,448	\$ 18,940,580	\$ 2,018,810	\$ 16,921,770	\$ 621,894
	Change	-\$ 71,593	-0.06%	-\$ 355,281	\$ 471,062	\$ 35,329	-\$ 8,778	\$ 259,732	\$ -	-\$ 76,851	\$ -	-\$ 76,851	-\$ 99,292
<b>Decision</b>	OM&A Adjustment	\$ 5,382,874	5.98%	\$ 89,969,060	\$ 123,051,244	\$ 9,228,843	\$ 3,179,163	\$ 253,080	\$ 9,572,448	\$ 18,387,565	\$ 2,018,810	\$ 16,368,775	\$ 68,880
	Change	-\$ 2,468	0.00%	-\$ 41,250	-\$ 550,000	-\$ 41,250	\$ -	-\$ 546	-\$ 550,000	-\$ 553,015	\$ -	-\$ 552,995	-\$ 553,014

## Revenue Deficiency

The total of the adjustments in this Decision, including the Settlement Proposal, have reduced Milton Hydro's Revenue Deficiency from the Application as filed in the amount of \$990,647 to the amount of \$6,002 as set out in Table 3 below and also in the Revenue Deficiency Table 4 below and included in the Revenue Requirement Work Form provided in Appendix B and filed in the Excel version.

**Table 3**  
**Summary of Revenue Deficiency**

Revenue Deficiency as Filed	990,647
Adjustments IRRs & Settlement	(368,753)
Revenue Deficiency - Settlement	621,894
Decision - Rate Base Change	(62,678)
Decision - OM&A Change	(553,014)
Decision - Revenue Deficiency	6,202

**Table 4**  
**Revenue Deficiency**

Particulars	Initial Application		Interrogatory Responses		Per Board Decision	
	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
Revenue Deficiency from Below		\$990,647		\$621,894		\$6,200
Distribution Revenue	\$16,216,720	\$16,216,720	\$16,299,876	\$16,299,876	\$16,299,876	\$16,299,876
Other Operating Revenue	\$1,902,155	\$1,902,155	\$2,018,810	\$2,018,810	\$1,930,835	\$1,930,835
Offsets - net						
<b>Total Revenue</b>	<b>\$18,118,875</b>	<b>\$19,109,522</b>	<b>\$18,318,686</b>	<b>\$18,940,580</b>	<b>\$18,230,711</b>	<b>\$18,236,911</b>
Operating Expenses	\$13,195,874	\$13,195,874	\$13,301,611	\$13,301,611	\$12,712,907	\$12,712,907
Deemed Interest Expense	\$2,237,077	\$2,237,077	\$2,076,563	\$2,076,563	\$2,031,859	\$2,031,859
<b>Total Cost and Expenses</b>	<b>\$15,432,951</b>	<b>\$15,432,951</b>	<b>\$15,378,175</b>	<b>\$15,378,175</b>	<b>\$14,744,766</b>	<b>\$14,744,766</b>
<b>Utility Income Before Income Taxes</b>	<b>\$2,685,924</b>	<b>\$3,676,571</b>	<b>\$2,940,511</b>	<b>\$3,562,405</b>	<b>\$3,485,945</b>	<b>\$3,492,145</b>
Tax Adjustments to Accounting Income per 2013 PILs model	(\$2,709,732)	(\$2,709,732)	(\$2,605,325)	(\$2,605,325)	(\$2,531,400)	(\$2,531,400)
<b>Taxable Income</b>	<b>(\$23,808)</b>	<b>\$966,839</b>	<b>\$335,186</b>	<b>\$957,080</b>	<b>\$954,545</b>	<b>\$960,745</b>
Income Tax Rate	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
<b>Income Tax on Taxable Income</b>	<b>(\$6,309)</b>	<b>\$256,212</b>	<b>\$88,824</b>	<b>\$253,626</b>	<b>\$252,954</b>	<b>\$254,597</b>
<b>Income Tax Credits</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Utility Net Income</b>	<b>\$2,692,233</b>	<b>\$3,420,359</b>	<b>\$2,851,687</b>	<b>\$3,308,779</b>	<b>\$3,232,990</b>	<b>\$3,237,547</b>
<b>Utility Rate Base</b>	<b>\$91,945,126</b>	<b>\$91,945,126</b>	<b>\$90,010,310</b>	<b>\$90,010,310</b>	<b>\$88,072,560</b>	<b>\$88,072,560</b>
Deemed Equity Portion of Rate Base	\$36,778,051	\$36,778,051	\$36,004,124	\$36,004,124	\$35,229,024	\$35,229,024
Income/(Equity Portion of Rate Base)	7.32%	9.30%	7.92%	9.19%	9.18%	9.19%
Target Return - Equity on Rate Base	9.30%	9.30%	9.19%	9.19%	9.19%	9.19%
Deficiency/Sufficiency in Return on Equity	-1.98%	0.00%	-1.27%	0.00%	-0.01%	0.00%
Indicated Rate of Return	5.36%	6.15%	5.48%	5.98%	5.98%	5.98%
Requested Rate of Return on Rate Base	6.15%	6.15%	5.98%	5.98%	5.98%	5.98%
Deficiency/Sufficiency in Rate of Return	-0.79%	0.00%	-0.51%	0.00%	-0.01%	0.00%
Target Return on Equity	\$3,420,359	\$3,420,359	\$3,308,779	\$3,308,779	\$3,237,547	\$3,237,547
Revenue Deficiency/(Sufficiency)	\$728,125	(\$0)	\$457,092	\$0	\$4,557	\$0
<b>Gross Revenue</b>	<b>\$990,647 (1)</b>		<b>\$621,894 (1)</b>		<b>\$6,200 (1)</b>	
<b>Deficiency/(Sufficiency)</b>						

## Allocation of the Revenue Requirement

Milton Hydro has allocated its Revenue Requirement in accordance with the results of the cost allocation model set out in Table 5 below. All cost allocation ratios, as agreed to in Milton Hydro's Settlement Proposal filed February 9, 2016 are within the OEB-Approved ranges except the Sentinel Light class cost allocation ratio which was agreed to in the Addendum to the

Settlement Proposal filed April 7, 2016. The Sentinel Light cost allocation ratio will be adjusted upwards to 80% over the following two year Incentive Regulation Applications and any revenue impacts to the remaining classes will be adjusted accordingly.

**Table 5**  
**Cost Allocation Ratios**

Class	Previously Approved Ratios	Status Quo Ratios	Proposed Ratios
	Most Recent Year: 2012	(7C + 7E) / (7A)	(7D + 7E) / (7A)
	%	%	%
Residential	104.40	96.34	97.83
GS < 50 kW	99.20	109.47	109.47
GS > 50 kW to 999 kW	83.80	86.78	97.83
GS > 1,000 kW to 4,999 kW	105.00	173.27	120.00
Large User	105.00	172.74	115.00
Street Lighting	70.00	83.97	97.83
Sentinel Lighting	70.00	47.50	60.00
Unmetered Scattered Load (USL)	105.00	104.42	104.42
Other class, if applicable			
Embedded distributor class			

Milton Hydro has applied the ratios in Table 5 above to allocate its Revenue Requirement in the amount of \$16,306,076 to each customer class as set out in the Table 6 below.

**Table 6**  
**Class Allocation of Revenue Requirement**

Class	Revenue Requirement - 2016 Cost Allocation Model (A)	2016 Base Revenue Allocated based on Proportion of Revenue at Existing Rates	Miscellaneous Revenue Allocated from 2016 Cost Allocation Model	Total Revenue (B)	Revenue Cost Ratio (A)/(B)	Check Revenue Cost Ratios from 2016 Cost Allocation Model	Proposed Revenue to Cost Ratio	Proposed Revenue	Miscellaneous Revenue	Proposed Base Revenue
Residential	12,773,612	10,771,497	1,534,188	12,305,685	96.3%	96.3%	97.8%	12,496,770	1,534,188	10,962,581
GS < 50 kW	2,085,824	2,107,774	175,569	2,283,343	109.5%	109.5%	109.5%	2,283,342	175,569	2,107,774
GS >50 to 999 kW	2,063,653	1,668,204	122,653	1,790,857	86.8%	86.8%	97.8%	2,018,927	122,653	1,896,274
GS >1000 to 4999 kW	421,344	702,182	27,898	730,079	173.3%	173.3%	120.0%	505,613	27,898	477,716
Large Use	436,107	720,392	32,925	753,317	172.7%	172.7%	115.0%	501,523	32,925	468,598
Sentinel Lights	48,515	14,589	8,456	23,046	47.5%	47.5%	60.0%	29,109	8,456	20,653
Street Lighting	368,247	286,435	22,788	309,223	84.0%	84.0%	97.8%	360,266	22,788	337,478
Unmetered and Scattered	39,610	35,003	6,359	41,362	104.4%	104.4%	104.4%	41,362	6,359	35,003
<b>TOTAL</b>	<b>18,236,911</b>	<b>16,306,076</b>	<b>1,930,836</b>	<b>18,236,912</b>				<b>18,236,912</b>	<b>1,930,836</b>	<b>16,306,076</b>

## Residential Rate Design

The 2016 rate year is the first year of the four year period to transition the Residential customer class distribution charges to a 100% fixed monthly rate. The following Table 7 provides the calculation of the fixed monthly distribution charge.

**Table 7**  
**Residential Fixed Monthly Distribution Charge**

<b>B) Current Fixed/Variable Split</b>				
	<b>Base Rates</b>	<b>Billing Determinants</b>	<b>Revenue</b>	<b>% of Total Revenue</b>
Fixed	15.51	33,751	\$ 6,281,736.12	58.34%
Variable	0.0144	311,504,507	\$ 4,485,664.90	41.66%
TOTAL	-	-	\$ 10,767,401.02	-
<b>C) Calculating Test Year Base Rates</b>				
Number of Required Rate Design Policy Transition Years <sup>2</sup>	4			
	<b>Test Year Revenue @ Current F/V Split</b>	<b>Test Year Base Rates @ Current F/V Split</b>	<b>Reconciliation - Test Year Base Rates @ Current F/V Split</b>	
Fixed	\$ 6,395,604.90	15.79	\$ 6,395,139.48	
Variable	\$ 4,566,976.37	0.0147	\$ 4,579,116.25	
TOTAL	\$ 10,962,581.27	-	\$ 10,974,255.73	
	<b>New F/V Split</b>	<b>Revenue @ new F/V Split</b>	<b>Final Adjusted Base Rates</b>	<b>Revenue Reconciliation @ Adjusted Rates</b>
Fixed	68.76%	\$ 7,537,348.99	18.61	\$ 7,537,273.32
Variable	31.24%	\$ 3,425,232.28	0.0110	\$ 3,426,549.58
TOTAL	-	\$ 10,962,581.27	-	\$ 10,963,822.90
<b>Checks</b>				
Change in Fixed Rate	\$ 2.82			
Difference Between Revenues @ Proposed Rates and Class Specific Revenue Requirement	\$ 1,241.63			
	0.01%			

## Distribution Rates

Milton Hydro's distribution charges are calculate based on the current 2015 fixed/variable split for each customer class except for the Residential customer class as discussed above and the General Service 50 to 999 kW customer class whereby the fixed distribution charge was not changed from the 2015 OEB approved fixed charge as agreed to in the Settlement Proposal.

The following Table 8 sets out Milton Hydro's proposed distribution rates by customer class.



**Table 8**  
**Proposed Distribution Rates**

Customer Class	Total Net Rev. Requirement	Rev Requirement %	Proposed Fixed Rate	Proposed Variable Rate	Total Fixed Revenue	Total Variable Revenue	Transformer Allowance	Gross Distribution Revenue
Residential	10,962,581	67.23%	18.61	\$0.0110	\$ 7,537,273	\$ 3,425,308		10,962,581
GS < 50 kW	2,107,774	12.93%	16.51	\$0.0174	\$ 516,585	\$ 1,591,188		2,107,774
GS >50 to 999 kW	1,896,274	11.63%	77.98	\$3.0100	\$ 278,357	\$ 1,617,917	\$ 54,591	1,950,866
GS >1000 to 4999 kW	477,716	2.93%	612.07	\$2.1082	\$ 95,483	\$ 382,233	\$ 135,983	613,698
Large Use	468,598	2.87%	2,443.75	\$1.4630	\$ 87,975	\$ 380,623	\$ -	468,598
Sentinel Lights	20,653	0.13%	3.44	\$26.1496	\$ 10,092	\$ 10,561		20,653
Street Lighting	337,478	2.07%	2.40	\$10.5265	\$ 92,306	\$ 245,172		337,478
Unmetered and Scattered	35,003	0.21%	7.86	\$0.0166	\$ 16,795	\$ 18,208		35,003
<b>TOTAL</b>	<b>16,306,076</b>	<b>100.00%</b>			<b>\$ 8,634,867</b>	<b>\$ 7,671,209</b>	<b>\$ 190,574</b>	<b>\$ 16,496,650</b>

## **Revenue Reconciliation**

The following Table 9 provides the reconciliation of customer class revenues based on Milton Hydro's distribution rates in accordance with the Decision.

**Table 9**  
**2016 Revenue Reconciliation**

Rate Class	Customers/ Connections	Number of Customers/Connections			Test Year Consumption		Proposed Rates			Revenues at Proposed Rates	Class Specific Revenue Requirement	Transformer Allowance Credit	Total	Difference
		Start of Test Year	End of Test Year	Average	kWh	kW	Monthly Service Charge		Volumetric					
Residential	Customers	33,001	34,501	33,751	311,504,507		\$ 18.61	\$ 0.0110		\$ 10,963,822.90	\$ 10,962,581		\$ 10,962,581	-\$ 1,242
GS < 50 kW	Customers	2,544	2,574	2,559	91,412,832		\$ 16.51	\$ 0.0174		\$ 2,098,062.94	\$ 2,107,774		\$ 2,107,774	\$ 9,711
GS > 50 to 999 kW	Customers	293	302	297		555,651	\$ 77.98		\$ 3.0100	\$ 1,950,865.51	\$ 1,896,274	\$ 54,591	\$ 1,950,866	\$ -
GS > 1,000 to 4,999 kW	Customers	13	13	13		245,808	\$ 612.07		\$ 2.1082	\$ 613,698.33	\$ 477,716	\$ 135,983	\$ 613,698	\$ -
Large Use	Customers	3	3	3		260,162	\$ 2,443.75		\$ 1.4630	\$ 468,597.93	\$ 468,598		\$ 468,598	\$ -
Streetlighting	Connections	3,165	3,234	3,199		23,291	\$ 2.40		\$ 10.5265	\$ 337,478.11	\$ 337,478		\$ 337,478	\$ -
Sentinel Lighting	Connections	247	242	244		404	\$ 3.44		\$ 26.1496	\$ 20,652.52	\$ 20,653		\$ 20,653	\$ -
Unmetered Scattered Load	Connections	178	178	178	1,096,423		\$ 7.86	\$ 0.0166		\$ 35,002.89	\$ 35,003		\$ 35,003	\$ -
<b>Total</b>										\$ 16,488,181.12	\$ 16,306,076	\$ 190,574	\$ 16,496,650	\$ 8,469

## Low Voltage Charges

Milton Hydro has allocated its Low Voltage costs in the amount of \$535,000 across each customer class based on the retail transmission connection rate calculated in the 2016 Retail Transmission Service Rate model. The following Table 10 provides the allocation of Milton Hydro's Low Voltage costs to each customer class and Table 11 sets out the Low Voltage Charge by customer class as agreed to in the Settlement Proposal.

**Table 10**  
**Low Voltage Costs Allocated to Customer Classes**

Customer Class	Retail Transmission Connection Rate (\$)		Basis for Allocation (\$)	Allocation Percentages	Allocated \$
	per KWh	per kW			
Residential	0.0060		1,860,661	36.88%	197,330
GS < 50 kW	0.0053		482,319	9.56%	51,152
GS >50 to 999 kW		2.4517	1,362,277	27.00%	144,475
GS >1000 to 4999 kW		2.4117	592,805	11.75%	62,869
Large Use		2.6971	701,676	13.91%	74,415
Sentinel Lights		1.6838	680	0.01%	72
Street Lighting		1.6492	38,411	0.76%	4,074
Unmetered and Scattered	0.0053		5,785	0.11%	614
<b>TOTALS</b>			<b>5,044,615</b>	<b>100.00%</b>	<b>535,000</b>

**Table 11**  
**Low Voltage Charge**

Customer Class	LV Cost Allocated	Load Forecast kWh	Load Forecast kW	Volumetric Rate Type	LV Rate kWh	LV Rate kW
Residential	197,330	311,504,507		kWh	0.0006	
GS < 50 kW	51,152	91,412,832		kWh	0.0006	
GS >50 to 999 kW	144,475	206,918,158	555,651	kW		0.2600
GS >1000 to 4999 kW	62,869	116,570,267	245,808	kW		0.2558
Large Use	74,415	135,893,889	260,162	kW		0.2860
Sentinel Lights	72	145,711	404	kW		0.1786
Street Lighting	4,074	8,298,679	23,291	kW		0.1749
Unmetered and Scattered	614	1,096,423		kWh	0.0006	
<b>TOTALS</b>	<b>535,000</b>	<b>871,840,466</b>	<b>1,085,316</b>			

## Retail Transmission Service Rates

Milton Hydro's transmission network and connection charges are calculated using the Retail Transmission Service Rate model and have been agreed to in the Settlement Proposal. The following Table 12 sets out the retail transmission service rates.

**Table 12**  
**Retail Transmission Service Rates**

Customer Class	Retail Transmission Network Rates		Retail Transmission Connection Rates	
	Per kWh	Per kW	Per kWh	Per kW
Residential	0.0073		0.0060	
GS < 50 kW	0.0067		0.0053	
GS >50 to 999 kW		3.0196		2.4517
GS >1000 to 4999 kW		2.9698		2.4117
Large Use		3.2159		2.6971
Sentinel Lights		2.0556		1.6838
Street Lighting		2.0451		1.6492
Unmetered and Scattered	0.0067		0.0053	

The following Table 13 sets out Milton Hydro's deferral and variance account rates riders as agreed to and filed in the Settlement Proposal.

### Table 13

Please indicate the Rate Rider Recovery Period (in years)		1				
Rate Rider Calculation for Deferral / Variance Accounts Balances (excluding Global Adj.)						
<i>1550, 1551, 1584, 1586, 1595</i>						
Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Balance (excluding 1589)	Rate Rider for Deferral/Variance Accounts		
RESIDENTIAL	kWh	311,504,507	\$ 1,113,905	0.0036	\$/kWh	
GENERAL SERVICE LESS THAN 5	kWh	91,412,832	\$ 331,997	0.0036	\$/kWh	
GENERAL SERVICE 50 TO 999 KW	kW	555,651	\$ 752,700	1.3546	\$/kW	
GENERAL SERVICE 1,000 TO 4,999	kW	245,808	\$ 424,329	1.7263	\$/kW	
LARGE USE	kW	260,162	\$ 492,873	1.8945	\$/kW	
UNMETERED AND SCATTERED	kWh	1,096,423	\$ 3,622	0.0033	\$/kWh	
SENTINEL	kW	404	\$ 492	1.2180	\$/kW	
STREETLIGHTING	kW	23,291	\$ 30,417	1.3059	\$/kW	
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
Total	0	-	\$ 3,150,334	0		
Rate Rider Calculation for Deferral / Variance Accounts Balances (excluding Global Adj.) - NON-WMP						
<i>1580 and 1588</i>						
Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Balance (excluding 1589)	Rate Rider for Deferral/Variance Accounts		
RESIDENTIAL	kWh	311,504,507	-\$ 981,530	- 0.0032	\$/kWh	
GENERAL SERVICE LESS THAN 5	kWh	91,412,832	-\$ 288,036	- 0.0032	\$/kWh	
GENERAL SERVICE 50 TO 999 KW	kWh	202,078,292	-\$ 636,735	- 0.0032	\$/kWh	
GENERAL SERVICE 1,000 TO 4,999	kWh	116,570,267	-\$ 367,305	- 0.0032	\$/kWh	
LARGE USE	kWh	135,893,889	-\$ 428,192	- 0.0032	\$/kWh	
UNMETERED AND SCATTERED	kWh	1,096,423	-\$ 3,455	- 0.0032	\$/kWh	
SENTINEL	kWh	145,711	-\$ 459	- 0.0032	\$/kWh	
STREETLIGHTING	kWh	8,298,679	-\$ 26,149	- 0.0032	\$/kWh	
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
Total	0	-	-\$ 2,731,860	0		

**Balance of Account 1589 Allocated to Non-WMPs**

### Rate Rider Calculation for Group 2 Accounts

Rate Class (Enter Rate Classes in cells below)	Units	Non-RPP kW / kWh / # of Customers	Balance of Group 2 Accounts	Rate Rider for RSVA - Power - Global Adjustment
RESIDENTIAL	# of Customers	34,501	\$ 403,744	\$ 0.98
GENERAL SERVICE LESS THAN 5	kWh	91,412,832	\$ 30,918	\$ 0.0003
GENERAL SERVICE 50 TO 999 KW	kW	555,651	\$ 3,533	\$ 0.0064
GENERAL SERVICE 1,000 TO 4,999	kW	245,808	\$ 152	\$ 0.0006
LARGE USE	kW	260,162	\$ 35	\$ 0.0001
UNMETERED AND SCATTERED	kWh	1,096,423	\$ 2,083	\$ 0.0019
SENTINEL	kW	404	\$ 2,834	\$ 7.0181
STREETLIGHTING	kW	23,291	\$ 37,842	\$ 1.6248
		-	\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -
		-	\$ -	\$ -
Total	0	-	\$ 481,143	0

**Please indicate the Rate Rider Recovery Period (in years)**

1

0

<b>Rate Class</b> <b>(Enter Rate Classes in cells below)</b>	<b>Units</b>	<b>kW / kWh / # of Customers</b>	<b>Balance of Accounts 1575 and 1576</b>	<b>Rate Rider for Accounts 1575 and 1576</b>		
RESIDENTIAL	# of Customers	34,501	-\$ 589,152	- 1.4230	per customer per month	
GENERAL SERVICE LESS THAN 5	kWh	91,412,832	-\$ 172,890	- 0.0019	\$/kWh	
GENERAL SERVICE 50 TO 999 KW	kW	555,651	-\$ 391,347	- 0.7043	\$/kW	
GENERAL SERVICE 1,000 TO 4,999	kW	245,808	-\$ 220,471	- 0.8969	\$/kW	
LARGE USE	kW	260,162	-\$ 257,018	- 0.9879	\$/kW	
UNMETERED AND SCATTERED	kWh	1,096,423	-\$ 2,074	- 0.0019	\$/kWh	
SENTINEL	kW	404	-\$ 276	- 0.6824	\$/kW	
STREETLIGHTING	kW	23,291	-\$ 15,695	- 0.6739	\$/kW	
	kWh	-	\$ -	-	\$/kWh	
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
		-	\$ -	-		
<b>Total</b>	<b>0</b>	<b>-</b>	<b>-\$ 1,648,922</b>	<b>0</b>		

## Foregone Revenue

Milton Hydro has prepared its foregone distribution revenues and rate riders for each rate class for the period May 1, 2016 to August 31, 2016 or four months expecting the implementation of rates for September 1, 2016.

Milton Hydro has used the actual kWh consumption and kW demand for May and June 2016 in calculating the foregone distribution revenue for the Residential, General Service <50 kW, General Service 50 to 999 kW, Large User and Street Light customer classes. July and August actual kWh and kW is not available as of the filing date of this Draft Rate Order and therefore Milton Hydro has used its load forecast model for determining the kWh and kW for these two months.

Milton Hydro has used its load forecast model to calculate the foregone distribution revenue for the Sentinel Light and Unmetered/Scattered Load customer classes as these two customer classes are flat rate billed.



The following Table 14 provides Milton Hydro's calculations for the foregone distribution revenue for each customer class.

**Table 14**  
**Foregone Distribution Revenue for May to August 2016**

	Customer #'s from OEB- Approved Load Forecast	kWh or kW from OEB-Approved Load Forecast	kWh or kW to be recovered over XX Months	May 1, 2016 Interim Rates Fixed Distribution Charge	May 1, 2016 Interim Rates Variable Distribution Charge	Proposed Fixed Distribution Charge Effective	Proposed Variable Distribution Charge Effective	Difference in Fixed Distribution Charge	Difference in Variable Distribution Charge	Total Foregone Revenue Fixed Distribution Charge (F) =(B*E)	Total Foregone Revenue Variable Distribution Charge (F) =(B*E)	Year End Customer Count	Average kWh or kW Over Recovery Period	Foregone Fixed Distribution Revenue Rate Rider	Foregone Variable Distribution Revenue Rate Rider
			May 1 to Aug 31			Dec 1, 2016	Dec 1, 2016								
			July & Aug - LF												
			2											8	
<b>Residential</b>															
May - Actual	33,375	20,580,362		\$15.51	\$0.0144	\$18.61	\$0.0110	\$3.10	\$-0.0034	\$103,463	\$-69,973				
June - Actual	33,515	30,017,796		\$15.51	\$0.0144	\$18.61	\$0.0110	\$3.10	\$-0.0034	\$103,897	\$-102,061				
July - LF	33,876	29,835,738		\$15.51	\$0.0144	\$18.61	\$0.0110	\$3.10	\$-0.0034	\$105,016	\$-101,442				
August - LF	34,001	28,767,412		\$15.51	\$0.0144	\$18.61	\$0.0110	\$3.10	\$-0.0034	\$105,403	\$-97,809				
September	34,126	23,573,063						\$0.00	\$0.0000	\$0	\$0				
October	34,251	23,775,699						\$0.00	\$0.0000	\$0	\$0				
November	34,376	24,374,015						\$0.00	\$0.0000	\$0	\$0				
<b>Total</b>										<b>\$417,778</b>	<b>\$-371,284</b>	<b>34,501</b>	<b>25,357,401</b>	<b>1.51</b>	<b>- 0.0018</b>
<b>General Service &lt; 50 kW</b>															
May - Actual	2,608	6,413,975		\$16.42	\$0.0174	\$16.51	\$0.0174	\$0.09	\$0.0000	\$225	\$0				
June - Actual	2,625	7,347,608		\$16.42	\$0.0174	\$16.51	\$0.0174	\$0.09	\$0.0000	\$226	\$0				
July - LF	2,616	7,787,810		\$16.42	\$0.0174	\$16.51	\$0.0174	\$0.09	\$0.0000	\$226	\$0				
August - LF	2,622	7,641,577		\$16.42	\$0.0174	\$16.51	\$0.0174	\$0.09	\$0.0000	\$226	\$0				
September	2,628	7,040,935						\$0.00	\$0.0000	\$0	\$0				
October	2,633	7,276,905						\$0.00	\$0.0000	\$0	\$0				
November	2,638	7,589,222						\$0.00	\$0.0000	\$0	\$0				
<b>Total</b>										<b>\$903</b>	<b>\$0</b>	<b>2,642</b>	<b>7,698,194</b>	<b>0.04</b>	<b>-</b>
<b>General Service 50 to 999 kW</b>															
May - Actual	291	47,938		\$77.98	\$2.5984	\$77.98	\$3.0100	\$0.00	\$0.4116	\$0	\$19,731				
June - Actual	292	49,740		\$77.98	\$2.5984	\$77.98	\$3.0100	\$0.00	\$0.4116	\$0	\$20,473				
July - LF	298	47,634		\$77.98	\$2.5984	\$77.98	\$3.0100	\$0.00	\$0.4116	\$0	\$19,606				
August - LF	299	47,896		\$77.98	\$2.5984	\$77.98	\$3.0100	\$0.00	\$0.4116	\$0	\$19,714				
September	300	45,173						\$0.00	\$0.0000	\$0	\$0				
October	301	45,320						\$0.00	\$0.0000	\$0	\$0				
November	302	46,789						\$0.00	\$0.0000	\$0	\$0				
<b>Total</b>										<b>\$0</b>	<b>\$79,524</b>	<b>302</b>	<b>46,131</b>	<b>-</b>	<b>0.2155</b>
<b>General Service 1000 to 4999 kW</b>															
May - Actual - Customers	13			\$899.32		\$612.07		\$-287.25		\$-3,734					
May - Actual - kW		23,201			\$2.8380		\$2.1082		\$-0.7298		\$-16,932				
June - Actual - Customers	13			\$899.32		\$612.07		\$-287.25		\$-3,734					
June - Actual - kW		21,879			\$2.8380		\$2.1082		\$-0.7298		\$-15,967				
Customers	13			\$899.32		\$612.07		\$-287.25		\$-7,469					
kW - LF		20,484	40,968		\$2.8380		\$2.1082		\$-0.7298		\$-29,898				
										<b>\$-14,937</b>	<b>\$-62,797</b>	<b>13</b>	<b>20,484</b>	<b>- 143.63</b>	<b>- 0.3832</b>

<b>Large User</b>														
May - Actual - Customers	3			\$3,755.43		\$2,443.75		\$-1,311.68		\$-3,935				
May - Actual - kW		21,165			\$2.2483		\$1.4630		\$-0.7853		\$-16,620			
June - Actual - Customers	3			\$3,755.43		\$2,443.75		\$-1,311.68		\$-3,935				
June - Actual - kW		21,768			\$2.2483		\$1.4630		\$-0.7853		\$-17,094			
Customers	3			\$3,755.43		\$2,443.75		\$-1,311.68		\$-7,870				
kW - LF		21,680	43,360		\$2.2483		\$1.4630		\$-0.7853		\$-34,050			
										<b>\$-15,740</b>	<b>\$-67,764</b>	<b>3</b>	<b>21,680</b>	<b>- 655.84 - 0.3907</b>
<b>Streetlights</b>														
May - Actual - Customers	3,163			\$2.04		\$2.40		\$0.36		\$1,153				
May - Actual - kW		1,809			\$8.9310		\$10.5265		\$1.5955		\$2,886			
June - Actual - Customers	3,164			\$2.04		\$2.40		\$0.36		\$1,153				
June - Actual - kW		1,810			\$8.9310		\$10.5265		\$1.5955		\$2,888			
Connections	3,234			\$2.04		\$2.40		\$0.36		\$2,357				
kW - LF		1,941	3,882		\$8.9310		\$10.5265		\$1.5955		\$6,193			
										<b>\$4,663</b>	<b>\$11,968</b>	<b>3,234</b>	<b>1,941</b>	<b>0.18 0.7707</b>
<b>Sentinel Lights</b>														
Connections	242		0	\$2.43		\$3.44		\$1.01		<b>\$980</b>				
kW		34	67		\$18.4656		\$26.1496		\$7.6840		<b>\$1,034</b>			
										<b>\$980</b>	<b>\$1,034</b>	<b>242</b>	<b>34</b>	<b>0.51 3.8420</b>
<b>Unmetered Loads</b>														
Connections	178		0	\$7.86		\$7.86		\$0.00		<b>\$0</b>				
kWh		91,369	182,737		\$0.0166		\$0.0166		\$0.0000		<b>\$0</b>			
<b>Total</b>										<b>\$393,646</b>	<b>\$-409,319</b>			
										<b>\$-15,673</b>				

## Bill Impacts

The following Table 15 sets out the bill impacts for both the total bill and the distribution portion of the bill by customer class and varying consumption and demand. This table included the foregone revenue rate rider for May to August 2016.

**Table 15**  
**Customer Class Bill Impacts**

In calculating the 2015 charges the DRC was remove for the Residential Class only; the Wholesale Market Service Rate was set to the 2016 rate for all classes; the Ontario Electricity Support Program charge was set to the 2016 rate for all classes; Electricity rate impact is zero.

Rate Class	kWh	kW	# Connections	2015 Bill \$	2016 Bill \$	\$ Difference	Total Bill Impact %	\$ Distribution Impact	Distribution Bill Impact %
Residential	100			\$ 35.88	\$ 38.80	\$ 2.92	8.15%	4.09	24.13%
	250			\$ 59.83	\$ 61.94	\$ 2.11	3.52%	3.31	17.30%
	362			\$ 77.32	\$ 78.80	\$ 1.48	1.91%	2.72	13.13%
	500			\$ 99.74	\$ 100.46	\$ 0.72	0.72%	2.00	8.80%
	750			\$ 283.91	\$ 283.26	-\$ 0.65	-0.23%	0.69	2.63%
	800			\$ 147.45	\$ 146.69	-\$ 0.76	-0.51%	0.43	1.59%
	1,000			\$ 179.54	\$ 177.52	-\$ 2.03	-1.13%	0.62	-2.06%
	1,500			\$ 259.35	\$ 254.55	-\$ 4.79	-1.85%	3.23	-8.71%
	2,000			\$ 339.14	\$ 331.61	-\$ 7.53	-2.22%	5.85	-13.20%
GS <50 kW	1,000			\$ 192.14	\$ 187.74	-\$ 4.40	-2.29%	0.06	0.16%
	2,000			\$ 361.30	\$ 355.60	-\$ 5.71	-1.58%	0.06	0.12%
	5,000			\$ 868.83	\$ 859.18	-\$ 9.65	-1.11%	0.08	0.08%
	10,000			\$ 1,714.69	\$ 1,698.48	-\$ 16.21	-0.95%	0.12	0.06%
	15,000			\$ 2,560.56	\$ 2,537.79	-\$ 22.78	-0.89%	0.15	0.05%
GS > 50 - 999 kW	30,000	60		\$ 4,314.30	\$ 4,504.79	\$ 190.49	4.42%	\$ 37.62	16.09%
	50,000	150		\$ 7,590.42	\$ 7,992.22	\$ 401.79	5.29%	\$ 94.06	20.11%
	277,200	500		\$ 38,413.87	\$ 40,304.89	\$ 1,891.02	4.92%	\$ 313.54	22.77%
GS > 1,000-4,999 kW	540,000	1,000		\$ 76,326.78	\$ 77,549.60	\$ 1,222.83	1.60%	\$ 1,543.87	-41.31%
	1,265,000	1,800		\$ 171,802.63	\$ 175,933.16	\$ 4,130.52	2.40%	\$ 2,434.27	-40.52%
	1,800,000	3,500		\$ 252,988.59	\$ 258,805.72	\$ 5,817.13	2.30%	\$ 4,326.35	-39.94%
Large Use	2,400,000	5,400		\$ 346,062.36	\$ 328,375.33	-\$ 17,687.04	-5.11%	\$ 11,915.11	-61.12%
	3,770,000	7,000		\$ 520,033.40	\$ 500,969.41	-\$ 19,064.00	-3.67%	\$ 10,199.40	-52.32%
Unmetered	405			\$ 78.38	\$ 77.36	-\$ 1.02	-1.30%	\$ 0.01	0.09%
Sentinel	50	1		\$ 35.29	\$ 58.16	\$ 22.87	64.80%	\$ 13.04	62.42%
Streetlighting	469,398	1,317		\$ 75,944.64	\$ 84,835.83	\$ 8,891.20	11.71%	\$ 3,116.91	26.49%

## Tariff of Rates and Charges

Milton Hydro's tariff of rates and charges is attached as Appendix A.

**CONCLUSION:**

Milton Hydro has prepared the above Tables and its Tariff of Rates and Charges as filed in this Draft Rate Order in accordance with the OEB Decision and Order issued July 28, 2016 and the OEB letter dated August 10, 2016.

As indicated in Milton Hydro's letter dated August 9, 2016, Milton Hydro intends to file a Motion for Review of the Decision. As such, Milton Hydro respectfully requests that the OEB not issue a Final Rate Order at this time, pending the outcome of the Motion, as Milton Hydro submits that a second rate adjustment for 2016 (which may occur if the Motion is successful) may lead to confusion for Milton Hydro's customers.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 12<sup>TH</sup> DAY OF AUGUST, 2016.

Milton Hydro Distribution Inc.

*Original signed by*

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Cameron McKenzie  
Director, Regulatory Affairs  
Milton Hydro Distribution Inc.

Appendix A            Tariff of Rates and Charges (also filed as a pdf.)

Appendix B            Revenue Requirement Work Form

Milton Hydro has also filed Excel versions of the following spreadsheets:

MILTON\_EB-2015-0089\_DRF\_RO\_Cost\_Allocation\_Model\_V3\_3\_20160812

MILTON\_EB-2015-0089\_DRF\_RO\_EDDVAR\_Continuity\_Schedule\_CoS\_V2\_6\_20160812

MILTON\_EB-2015-0089\_DRF\_RO\_Rev\_Reqt\_Work\_Form\_V6\_20160812

MILTON\_EB-2015-0089\_DRF\_RO\_2016\_RTISR\_MODEL\_V4\_0\_20160812

MILTON\_EB-2015-0089\_DRF\_RO\_2016\_Test\_year\_Income\_Tax\_PILs\_Workform\_20160812

MILTON\_EB-2015-0089\_DRF\_RO\_COS\_Weather\_Normalization\_Regression

Model\_2016\_by\_customer\_class\_20160812

MILTON\_EB-2015-0089\_DRF\_RO\_2016\_Filing\_Requirements\_Chapter2\_Appendices\_20160812

MILTON\_EB-2015-0089\_DRF\_RO\_Bill\_Impacts\_by\_Rate\_Class\_20160812

## **Appendix A**

### **Tariff of Rates and Charges**

# Milton Hydro Distribution Inc.

## PROPOSED TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 01, 2016

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

EB-2015-0089

## RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to detached, semi-detached and townhouse residential buildings as defined in local zoning bylaws. A residential service is a single-family unit used for domestic or household purposes, including seasonal occupancy. At Milton Hydro's discretion, residential rates may be applied to apartment buildings with 6 or less units by simple application of the residential rate by blocking the residential rate by the number of units. Further servicing details are available in the distributor's Conditions of Service.

Where the residential dwelling comprises the entire electrical load of a farm, it is defined as a residential service. Where the residential dwelling does not comprise the entire electrical load of the farm:

- The service will be defined as a General Service if the occupant derives his/her principal livelihood from the working of the farm;
- The service will be defined as a Residential Service if the occupant does not derive his/her principal livelihood from the working of the farm;
- Where the residential farm dwelling is supplied by one separately metered service and the electrical loads in other buildings are supplied by a different separately metered service, then the former is defined as a Residential Service and the latter is defined as a General Service.

## APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

## MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	18.61
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Rate Rider for Group 2 Accounts	\$	0.98
Rate Rider for Account 1576 - Accounting Change CGAAP/MIFRS	\$	(1.4230)
Distribution Volumetric Rate	\$/kWh	0.0110
Low Voltage Service Rate	\$/kWh	0.0006
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment)	\$/kWh	0.0036
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment)-Power/WMS	\$/kWh	(0.0032)
Rate Rider for Global Adjustment (non - RPP customers only)	\$/kWh	0.0070
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0073
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0060

## MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25



# Milton Hydro Distribution Inc.

## PROPOSED TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 01, 2016

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

EB-2015-0089

## GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non-residential customer with an average peak demand below 50 kW over the past twelve months. For a new customer without prior billing history, the peak demand will be based on the customer's proposed capacity. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	16.51
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0174
Low Voltage Service Rate	\$/kWh	0.0006
Rate Rider for Group 2 Accounts	\$/kWh	0.0003
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment)	\$/kWh	0.0036
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment)-Power/WMS	\$/kWh	(0.0032)
Rate Rider for Global Adjustment (non - RPP customers only)	\$/kWh	0.0070
Rate Rider for Account 1576 - Accounting Change CGAAP/MIFRS	\$/kWh	(0.0019)
Rate Rider for LRAM Adjustment	\$/kWh	
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0067
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0053

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Milton Hydro Distribution Inc.

## PROPOSED TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 01, 2016

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

EB-2015-0089

## GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION

This classification refers to a non-residential customer with an average peak demand equal to or greater than 50 kW and less than 1,000 kW over the past twelve months. For a new customer without prior billing history, the peak demand will be based on the customer's proposed capacity. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	77.98
Distribution Volumetric Rate	\$/kW	3.0100
Low Voltage Service Rate	\$/kW	0.2600
Rate Rider for Group 2 Accounts	\$/kW	0.0064
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment)	\$/kW	1.3546
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment)-Power/WMS	\$/kWh	(0.0032)
Rate Rider for Global Adjustment (non - RPP customers only)	\$/kWh	0.0070
Rate Rider for Account 1576 - Accounting Change CGAAP/MIFRS	\$/kW	(0.7043)
Rate Rider for LRAM Adjustment	\$/kW	
Retail Transmission Rate - Network Service Rate	\$/kW	3.0196
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.4517

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Milton Hydro Distribution Inc.

## PROPOSED TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 01, 2016

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

EB-2015-0089

## GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non-residential customer with an average peak demand equal to or greater than 1,000 kW and less than 5,000 kW, regardless of when the demand occurs, averaged over twelve months. For a new customer without prior billing history, the peak demand will be based on the customer's proposed capacity. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	612.07
Distribution Volumetric Rate	\$/kW	2.1082
Low Voltage Service Rate	\$/kW	0.2558
Rate Rider for Group 2 Accounts	\$/kW	0.0006
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment)	\$/kW	1.7263
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment)-Power/WMS	\$/kWh	(0.0032)
Rate Rider for Global Adjustment (non - RPP customers only)	\$/kWh	0.0070
Rate Rider for Account 1576 - Accounting Change CGAAP/MIFRS	\$/kW	(0.8969)
Rate Rider for LRAM Adjustment	\$/kW	
Retail Transmission Rate - Network Service Rate	\$/kW	2.9698
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.4117

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Milton Hydro Distribution Inc.

## PROPOSED TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 01, 2016

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

EB-2015-0089

## LARGE USE SERVICE CLASSIFICATION

This classification refers to a non-residential customer with an average peak demand equal to or greater than 5,000 kW, regardless of when the demand occurs, averaged over twelve months. For a new customer without prior billing history, the peak demand will be based on the customer's proposed capacity. Further servicing details are available in the distributor's Conditions of Service.

## APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

## MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	2,443.75
Distribution Volumetric Rate	\$/kW	1.4630
Low Voltage Service Rate	\$/kW	0.2860
Rate Rider for Group 2 Accounts	\$/kW	0.0001
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment)	\$/kW	1.8945
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment)-Power/WMS	\$/kWh	(0.0032)
Rate Rider for Account 1576 - Accounting Change CGAAP/MIFRS	\$/kW	(0.9879)
Rate Rider for LRAM Adjustment	\$/kW	
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	3.2159
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.6971

## MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Milton Hydro Distribution Inc.

## PROPOSED TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 01, 2016

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

EB-2015-0089

## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to the supply of electricity to unmetered loads less than 50 kW including traffic signals and pedestrian X-walks signals/beacons, bus shelters, telephone booths, signs, Cable TV amplifiers and decorative lighting and tree lighting connected to Milton Hydro's distribution system, and similar small unmetered loads. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	7.86
Distribution Volumetric Rate	\$/kWh	0.0166
Low Voltage Service Rate	\$/kWh	0.0006
Rate Rider for Group 2 Accounts	\$/kWh	0.0019
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment)	\$/kWh	0.0033
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment)-Power/WMS	\$/kWh	(0.0032)
Rate Rider for Account 1576 - Accounting Change CGAAP/MIFRS	\$/kWh	(0.0019)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0067
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0053

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Milton Hydro Distribution Inc.

## PROPOSED TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 01, 2016

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

EB-2015-0089

## SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to all services supported to supply sentinel lighting equipment. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	3.44
Distribution Volumetric Rate	\$/kW	26.1496
Low Voltage Service Rate	\$/kW	0.1786
Rate Rider for Group 2 Accounts	\$/kW	7.0181
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment)	\$/kW	1.2180
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment)-Power/WMS	\$/kWh	(0.0032)
Rate Rider for Account 1576 - Accounting Change CGAAP/MIFRS	\$/kW	(0.6824)
Retail Transmission Rate - Network Service Rate	\$/kW	2.0556
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.6838

### MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

# Milton Hydro Distribution Inc.

## PROPOSED TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 01, 2016

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

EB-2015-0089

## STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to all services supplied to street lighting equipment owned by or operated for a municipality or the Province of Ontario. Further servicing details are available in the distributor's Conditions of Service.

## APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

## MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	2.40
Distribution Volumetric Rate	\$/kW	10.5265
Low Voltage Service Rate	\$/kW	0.1749
Rate Rider for Group 2 Accounts	\$/kW	1.6248
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment)	\$/kW	1.3059
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment)-Power/WMS	\$/kWh	(0.0032)
Rate Rider for Global Adjustment (non - RPP customers only)	\$/kWh	0.0070
Rate Rider for Account 1576 - Accounting Change CGAAP/MIFRS	\$/kW	(0.6739)
Retail Transmission Rate - Network Service Rate	\$/kW	2.0451
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.6492

## MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0036
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0013
Ontario Electricity Support Program (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

**Milton Hydro Distribution Inc.**  
**PROPOSED TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 01, 2016**

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

EB-2015-0089

## **MICROFIT SERVICE CLASSIFICATION**

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

## **APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

## **MONTHLY RATES AND CHARGES - Delivery Component**

Service Charge	\$	5.40
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# Milton Hydro Distribution Inc.

## PROPOSED TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 01, 2016

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

EB-2015-0089

## ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

## SPECIFIC SERVICE CHARGES

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

### Customer Administration

Arrears certificate	\$	15.00
Statement of Account	\$	15.00
Easement Letter	\$	15.00
Credit Reference/credit check (plus credit agency costs)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned cheque charge (plus bank charges)	\$	15.00
Special meter reads	\$	30.00

### Non-Payment of Account

Late Payment – per month	%	1.5000
Late Payment – per annum	%	19.5600
Collection of account charge – no disconnection	\$	30.00
Disconnect/Reconnect Charges for non payment of account - At Meter During Regular Hours	\$	65.00
Disconnect/Reconnect Charges for non payment of account - At Meter After Hours	\$	185.00
Optional Interval/TOU Meter charge \$/month	\$	5.50
Specific Charge for Access to the Power Poles - \$/pole/year	\$	22.35
Clearance Pole Attachment charge \$/pole/year	\$	5.59

# Milton Hydro Distribution Inc.

## PROPOSED TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 01, 2016

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

EB-2015-0089

### RETAIL SERVICE CHARGES (if applicable)

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

### LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0375
Distribution Loss Factor - Secondary Metered Customer > 5,000 kW	1.0154
Distribution Loss Factor - Primary Metered Customer < 5,000 kW	1.0272
Distribution Loss Factor - Primary Metered Customer > 5,000 kW	1.0054

## **Appendix B**

### **Revenue Requirement Work Form**



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2016 Filers



Version 6.00

Utility Name	Milton Hydro Distribution inc.
Service Territory	Town of Milton
Assigned EB Number	EB-2015-0089
Name and Title	Cameron McKenzie
Phone Number	289-429-5212
Email Address	cameronmckenzie@miltonhydro.com

*This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.*

*While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.*



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2016 Filers

[1. Info](#)

[2. Table of Contents](#)

[3. Data Input Sheet](#)

[4. Rate Base](#)

[5. Utility Income](#)

[6. Taxes PILs](#)

[7. Cost of Capital](#)

[8. Rev Def Suff](#)

[9. Rev Req](#)

[10. Tracking Sheet](#)

## Notes:

- (1) Pale green cells represent inputs
- (2) Pale green boxes at the bottom of each page are for additional notes
- (3) Pale yellow cells represent drop-down lists
- (4) ***Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.***
- (5) ***Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel***



# Revenue Requirement Workform (RRWF) for 2016 Filers

Data Input <sup>(1)</sup>

	Initial Application	(2)	Adjustments	Interrogatory Responses	(6)	Adjustments	Per Board Decision
<b>1 Rate Base</b>							
Gross Fixed Assets (average)	\$148,315,728		(\$2,965,549)	\$ 145,350,179		(\$1,935,202)	\$143,414,977
Accumulated Depreciation (average)	(\$65,098,318)	(5)	\$488,356	(\$64,609,962)		\$38,702	(\$64,571,260)
<b>Allowance for Working Capital:</b>							
Controllable Expenses	\$9,903,388		\$138,342.13	\$ 10,041,730		(\$550,000)	\$9,491,730
Cost of Power	\$106,466,168		\$7,093,346	\$ 113,559,514			\$113,559,514
Working Capital Rate (%)	7.50%	(9)		7.50%	(9)		7.50% (9)
<b>2 Utility Income</b>							
Operating Revenues:							
Distribution Revenue at Current Rates	\$16,216,720		\$83,156	\$16,299,876		\$0	\$16,299,876
Distribution Revenue at Proposed Rates	\$17,207,367		(\$285,597)	\$16,921,770		(\$615,694)	\$16,306,076
<b>Other Revenue:</b>							
Specific Service Charges	\$24,276		(\$1,877)	\$22,399		\$0	\$22,399
Late Payment Charges	\$191,188		(\$13,193)	\$177,995		\$0	\$177,995
Other Distribution Revenue	\$1,598,658		\$119,341	\$1,717,999		(\$87,975)	\$1,630,024
Other Income and Deductions	\$88,033		\$12,384	\$100,417		\$0	\$100,417
Total Revenue Offsets	\$1,902,155	(7)	\$116,655	\$2,018,810		(\$87,975)	\$1,930,835
<b>Operating Expenses:</b>							
OM+A Expenses	\$9,903,388		\$219,060.13	\$ 10,122,448		(\$550,000)	\$9,572,448
Depreciation/Amortization	\$3,292,486		\$113,322.74	\$ 3,179,163		(\$38,704)	\$3,140,459
Property taxes							
Other expenses							
<b>3 Taxes/PILs</b>							
Taxable Income:							
Adjustments required to arrive at taxable income	(\$2,709,732)	(3)		(\$2,605,325)			(\$2,531,400)
<b>Utility Income Taxes and Rates:</b>							
Income taxes (not grossed up)	\$188,316			\$186,415			\$187,129
Income taxes (grossed up)	\$256,212			\$253,626			\$254,597
Federal tax (%)	15.00%			15.00%			15.00%
Provincial tax (%)	11.50%			11.50%			11.50%
Income Tax Credits							
<b>4 Capitalization/Cost of Capital</b>							
<b>Capital Structure:</b>							
Long-term debt Capitalization Ratio (%)	56.0%			56.0%			56.0%
Short-term debt Capitalization Ratio (%)	4.0%	(8)		4.0%	(8)		4.0% (8)
Common Equity Capitalization Ratio (%)	40.0%			40.0%			40.0%
Preferred Shares Capitalization Ratio (%)							
	100.0%			100.0%			100.0%
<b>Cost of Capital</b>							
Long-term debt Cost Rate (%)	4.2%			4.00%			4.00%
Short-term debt Cost Rate (%)	2.2%			1.65%			1.65%
Common Equity Cost Rate (%)	9.3%			9.19%			9.19%
Preferred Shares Cost Rate (%)							

## Notes:

## General

Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.

- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- (6) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
- (7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement
- (8) 4.0% unless an Applicant has proposed or been approved for another amount.
- (9) The default Working Capital Allowance factor is 7.5% (of Cost of Power plus controllable expenses), per the letter issued by the Board on June 3, 2015. Alternatively, WCA factor based on lead-lag study or approved WCA factor for another distributor, with supporting rationale.



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2016 Filers

## Rate Base and Working Capital

Line No.	Particulars		Initial Application	Adjustments	Interrogatory Responses	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(3)	\$148,315,728	(\$2,965,549)	\$145,350,179	(\$1,935,202)	\$143,414,977
2	Accumulated Depreciation (average)	(3)	(\$65,098,318)	\$488,356	(\$64,609,962)	\$38,702	(\$64,571,260)
3	Net Fixed Assets (average)	(3)	\$83,217,410	(\$2,477,193)	\$80,740,217	(\$1,896,500)	\$78,843,717
4	Allowance for Working Capital	(1)	\$8,727,717	\$542,377	\$9,270,093	(\$41,250)	\$9,228,843
5	<b>Total Rate Base</b>		<b>\$91,945,126</b>	<b>(\$1,934,816)</b>	<b>\$90,010,310</b>	<b>(\$1,937,750)</b>	<b>\$88,072,560</b>

### (1) Allowance for Working Capital - Derivation

6	Controllable Expenses		\$9,903,388	\$138,342	\$10,041,730	(\$550,000)	\$9,491,730
7	Cost of Power		\$106,466,168	\$7,093,346	\$113,559,514	\$ -	\$113,559,514
8	Working Capital Base		\$116,369,556	\$7,231,688	\$123,601,244	(\$550,000)	\$123,051,244
9	Working Capital Rate %	(2)	7.50%	0.00%	7.50%	0.00%	7.50%
10	Working Capital Allowance		\$8,727,717	\$542,377	\$9,270,093	(\$41,250)	\$9,228,843

### Notes

- (2) Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 2016 cost of service applications is 7.5%, per the letter issued by the Board on June 3, 2015. Alternatively, a utility could conduct and file its own lead-lag study.
- (3) Average of opening and closing balances for the year.



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2016 Filers

## Utility Income

Line No.	Particulars	Initial Application	Adjustments	Interrogatory Responses	Adjustments	Per Board Decision
	<b>Operating Revenues:</b>					
1	Distribution Revenue (at Proposed Rates)	\$17,207,367	(\$285,597)	\$16,921,770	(\$615,694)	\$16,306,076
2	Other Revenue (1)	\$1,902,155	\$116,655	\$2,018,810	(\$87,975)	\$1,930,835
3	Total Operating Revenues	\$19,109,522	(\$168,942)	\$18,940,580	(\$703,669)	\$18,236,911
	<b>Operating Expenses:</b>					
4	OM+A Expenses	\$9,903,388	\$219,060	\$10,122,448	(\$550,000)	\$9,572,448
5	Depreciation/Amortization	\$3,292,486	(\$113,323)	\$3,179,163	(\$38,704)	\$3,140,459
6	Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$13,195,874	\$105,737	\$13,301,611	(\$588,704)	\$12,712,907
10	Deemed Interest Expense	\$2,237,077	(\$160,513)	\$2,076,563	(\$44,704)	\$2,031,859
11	Total Expenses (lines 9 to 10)	\$15,432,951	(\$54,776)	\$15,378,175	(\$633,408)	\$14,744,766
12	Utility income before income taxes	\$3,676,571	(\$114,166)	\$3,562,405	(\$70,260)	\$3,492,145
13	Income taxes (grossed-up)	\$256,212	(\$2,586)	\$253,626	\$972	\$254,597
14	Utility net income	\$3,420,359	(\$111,579)	\$3,308,779	(\$71,232)	\$3,237,547

## Notes

### Other Revenues / Revenue Offsets

(1)	Specific Service Charges	\$24,276	(\$1,877)	\$22,399	\$ -	\$22,399
	Late Payment Charges	\$191,188	(\$13,193)	\$177,995	\$ -	\$177,995
	Other Distribution Revenue	\$1,598,658	\$119,341	\$1,717,999	(\$87,975)	\$1,630,024
	Other Income and Deductions	\$88,033	\$12,384	\$100,417	\$ -	\$100,417
	Total Revenue Offsets	\$1,902,155	\$116,655	\$2,018,810	(\$87,975)	\$1,930,835





# Revenue Requirement Workform (RRWF) for 2016 Filers

## Taxes/PILs

Line No.	Particulars	Application	Interrogatory Responses	Per Board Decision
<b><u>Determination of Taxable Income</u></b>				
1	Utility net income before taxes	\$3,420,359	\$3,308,779	\$3,237,547
2	Adjustments required to arrive at taxable utility income	(\$2,709,732)	(\$2,605,325)	(\$2,531,400)
3	Taxable income	<u>\$710,626</u>	<u>\$703,454</u>	<u>\$706,148</u>
<b><u>Calculation of Utility income Taxes</u></b>				
4	Income taxes	<u>\$188,316</u>	<u>\$186,415</u>	<u>\$187,129</u>
6	Total taxes	<u>\$188,316</u>	<u>\$186,415</u>	<u>\$187,129</u>
7	Gross-up of Income Taxes	<u>\$67,896</u>	<u>\$67,211</u>	<u>\$67,468</u>
8	Grossed-up Income Taxes	<u>\$256,212</u>	<u>\$253,626</u>	<u>\$254,597</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$256,212</u>	<u>\$253,626</u>	<u>\$254,597</u>
10	Other tax Credits	\$ -	\$ -	\$ -
<b><u>Tax Rates</u></b>				
11	Federal tax (%)	15.00%	15.00%	15.00%
12	Provincial tax (%)	11.50%	11.50%	11.50%
13	Total tax rate (%)	<u>26.50%</u>	<u>26.50%</u>	<u>26.50%</u>

## Notes



# Revenue Requirement Workform (RRWF) for 2016 Filers

## Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate		Return	
Initial Application							
		(%)		(\$)		(%)	(\$)
	Debt						
1	Long-term Debt	56.00%		\$51,489,271	4.19%		\$2,157,636
2	Short-term Debt	4.00%		\$3,677,805	2.16%		\$79,441
3	Total Debt	60.00%		\$55,167,076	4.06%		\$2,237,077
Equity							
4	Common Equity	40.00%		\$36,778,051	9.30%		\$3,420,359
5	Preferred Shares	0.00%		\$ -	0.00%		\$ -
6	Total Equity	40.00%		\$36,778,051	9.30%		\$3,420,359
7	Total	100.00%		\$91,945,126	6.15%		\$5,657,436
Interrogatory Responses							
		(%)		(\$)		(%)	(\$)
	Debt						
1	Long-term Debt	56.00%		\$50,405,774	4.00%		\$2,017,157
2	Short-term Debt	4.00%		\$3,600,412	1.65%		\$59,407
3	Total Debt	60.00%		\$54,006,186	3.85%		\$2,076,563
Equity							
4	Common Equity	40.00%		\$36,004,124	9.19%		\$3,308,779
5	Preferred Shares	0.00%		\$ -	0.00%		\$ -
6	Total Equity	40.00%		\$36,004,124	9.19%		\$3,308,779
7	Total	100.00%		\$90,010,310	5.98%		\$5,385,342
Per Board Decision							
		(%)		(\$)		(%)	(\$)
	Debt						
8	Long-term Debt	56.00%		\$49,320,634	4.00%		\$1,973,731
9	Short-term Debt	4.00%		\$3,522,902	1.65%		\$58,128
10	Total Debt	60.00%		\$52,843,536	3.85%		\$2,031,859
Equity							
11	Common Equity	40.00%		\$35,229,024	9.19%		\$3,237,547
12	Preferred Shares	0.00%		\$ -	0.00%		\$ -
13	Total Equity	40.00%		\$35,229,024	9.19%		\$3,237,547
14	Total	100.00%		\$88,072,560	5.98%		\$5,269,406

### Notes

(1)

Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I



# Revenue Requirement Workform (RRWF) for 2016 Filers

## Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Interrogatory Responses		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$990,647		\$621,894		\$6,200
2	Distribution Revenue	\$16,216,720	\$16,216,720	\$16,299,876	\$16,299,876	\$16,299,876	\$16,299,876
3	Other Operating Revenue	\$1,902,155	\$1,902,155	\$2,018,810	\$2,018,810	\$1,930,835	\$1,930,835
	Offsets - net						
4	<b>Total Revenue</b>	<b>\$18,118,875</b>	<b>\$19,109,522</b>	<b>\$18,318,686</b>	<b>\$18,940,580</b>	<b>\$18,230,711</b>	<b>\$18,236,911</b>
5	Operating Expenses	\$13,195,874	\$13,195,874	\$13,301,611	\$13,301,611	\$12,712,907	\$12,712,907
6	Deemed Interest Expense	\$2,237,077	\$2,237,077	\$2,076,563	\$2,076,563	\$2,031,859	\$2,031,859
8	<b>Total Cost and Expenses</b>	<b>\$15,432,951</b>	<b>\$15,432,951</b>	<b>\$15,378,175</b>	<b>\$15,378,175</b>	<b>\$14,744,766</b>	<b>\$14,744,766</b>
9	<b>Utility Income Before Income Taxes</b>	<b>\$2,685,924</b>	<b>\$3,676,571</b>	<b>\$2,940,511</b>	<b>\$3,562,405</b>	<b>\$3,485,945</b>	<b>\$3,492,145</b>
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$2,709,732)	(\$2,709,732)	(\$2,605,325)	(\$2,605,325)	(\$2,531,400)	(\$2,531,400)
11	<b>Taxable Income</b>	<b>(\$23,808)</b>	<b>\$966,839</b>	<b>\$335,186</b>	<b>\$957,080</b>	<b>\$954,545</b>	<b>\$960,745</b>
12	Income Tax Rate	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
13	<b>Income Tax on Taxable Income</b>	<b>(\$6,309)</b>	<b>\$256,212</b>	<b>\$88,824</b>	<b>\$253,626</b>	<b>\$252,954</b>	<b>\$254,597</b>
14	<b>Income Tax Credits</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
15	<b>Utility Net Income</b>	<b>\$2,692,233</b>	<b>\$3,420,359</b>	<b>\$2,851,687</b>	<b>\$3,308,779</b>	<b>\$3,232,990</b>	<b>\$3,237,547</b>
16	<b>Utility Rate Base</b>	<b>\$91,945,126</b>	<b>\$91,945,126</b>	<b>\$90,010,310</b>	<b>\$90,010,310</b>	<b>\$88,072,560</b>	<b>\$88,072,560</b>
17	Deemed Equity Portion of Rate Base	\$36,778,051	\$36,778,051	\$36,004,124	\$36,004,124	\$35,229,024	\$35,229,024
18	Income/(Equity Portion of Rate Base)	7.32%	9.30%	7.92%	9.19%	9.18%	9.19%
19	Target Return - Equity on Rate Base	9.30%	9.30%	9.19%	9.19%	9.19%	9.19%
20	Deficiency/Sufficiency in Return on Equity	-1.98%	0.00%	-1.27%	0.00%	-0.01%	0.00%
21	Indicated Rate of Return	5.36%	6.15%	5.48%	5.98%	5.98%	5.98%
22	Requested Rate of Return on Rate Base	6.15%	6.15%	5.98%	5.98%	5.98%	5.98%
23	Deficiency/Sufficiency in Rate of Return	-0.79%	0.00%	-0.51%	0.00%	-0.01%	0.00%
24	Target Return on Equity	\$3,420,359	\$3,420,359	\$3,308,779	\$3,308,779	\$3,237,547	\$3,237,547
25	Revenue Deficiency/(Sufficiency)	\$728,125	(\$0)	\$457,092	\$0	\$4,557	\$0
26	<b>Gross Revenue Deficiency/(Sufficiency)</b>	<b>\$990,647 (1)</b>		<b>\$621,894 (1)</b>		<b>\$6,200 (1)</b>	

### Notes:

(1) Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)

(2)



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2016 Filers

## Revenue Requirement

Line No.	Particulars	Application	Interrogatory Responses	Per Board Decision
1	OM&A Expenses	\$9,903,388	\$10,122,448	\$9,572,448
2	Amortization/Depreciation	\$3,292,486	\$3,179,163	\$3,140,459
3	Property Taxes	\$ -		
5	Income Taxes (Grossed up)	\$256,212	\$253,626	\$254,597
6	Other Expenses	\$ -		
7	Return			
	Deemed Interest Expense	\$2,237,077	\$2,076,563	\$2,031,859
	Return on Deemed Equity	\$3,420,359	\$3,308,779	\$3,237,547
8	<b>Service Revenue Requirement (before Revenues)</b>	<u>\$19,109,522</u>	<u>\$18,940,580</u>	<u>\$18,236,911</u>
9	Revenue Offsets	\$1,902,155	\$2,018,810	\$1,930,835
10	<b>Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)</b>	<u>\$17,207,367</u>	<u>\$16,921,770</u>	<u>\$16,306,076</u>
11	Distribution revenue	\$17,207,367	\$16,921,770	\$16,306,076
12	Other revenue	\$1,902,155	\$2,018,810	\$1,930,835
13	<b>Total revenue</b>	<u>\$19,109,522</u>	<u>\$18,940,580</u>	<u>\$18,236,911</u>
14	<b>Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)</b>	<u>(\$0) (1)</u>	<u>\$0 (1)</u>	<u>\$0 (1)</u>

### Notes

(1) Line 11 - Line 8

 Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2016 Filers

## Tracking Form

The last row shown is the most current estimate of the cost of service data reflecting the original application and any updates provided by the applicant distributor (for updated evidence, responses to interrogatories, undertakings, etc.).

Please ensure a Reference (Column B) and/or Item Description (Column C) is entered. Please note that unused rows will automatically be hidden and the PRINT AREA set when the PRINT BUTTON on Sheet 1 is activated.

<sup>(1)</sup> Short reference to evidence material (interrogatory response, undertaking, exhibit number, Board Decision, Code, Guideline, Report of the Board, etc.)

(2) Short description of change, issue, etc.

60 Tracking Rows have been provided below. If you require more, please contact Industry Relations @ [IndustryRelations@ontarioenergyboard.ca](mailto:IndustryRelations@ontarioenergyboard.ca).

### ***Summary of Proposed Changes***

[illegible]