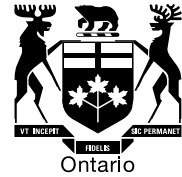


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BY E-MAIL

August 18, 2016

Board Secretary
Ontario Energy Board
2300 Yonge Street, Ste. 2701
Toronto ON M4P 1E4

Attention: Mr. John Pickernell, Applications Administration

Dear Mr. Pickernell:

**Re: Milton Hydro Distribution Inc.
2016 Distribution Rates Application
Board File Number EB-2015-0089
OEB staff comments on Milton Hydro Draft Rate Order**

As directed by the Ontario Energy Board (OEB) in its July 28, 2016 Decision and Order, and amended in its letter of August 10, 2016, Milton Hydro Distribution Inc. (Milton Hydro) filed its draft rate order on August 12, 2016.

Intervenors and OEB staff were provided the opportunity to comment on the draft rate order by August 18, 2016.

OEB staff reviewed the draft rate order as filed and is satisfied that Milton Hydro has appropriately reflected the OEB Decision and Order in determining its distribution rates with an implementation date of September 1, 2016. However, OEB staff makes the following comments:

- 1) OEB staff notes that Table 1c shows the impact on key application parameters, such as rate base, return on capital, taxes/PILs due to the adjustments to capital assets arising from the decision, while Table 2 shows the impact on the same parameters due to the adjustments to OM&A arising from the decision. However, there is no table that shows the combined effect of both the capital and OM&A adjustments as directed in the OEB's decision. Milton Hydro should provide a summary table that shows the impact on both the capital and OM&A adjustments; this should correspond with the revenue requirement as documented by Milton Hydro in its DRO filing, including that shown in the RRWF filed as part of the DRO.

- 2) At Table 15, Customer Class Bill Impacts, under the Residential Class, the line corresponding to consumption of 750 kWh, appears to be incorrect. In addition, on the spreadsheet filed, entitled Milton Hydro DRO_RO Bill Impacts by Rate Class 20160812, Milton Hydro's calculations appear to be incorrect for the 750 kWh Residential consumption level. OEB staff submit that both areas require correction.
- 3) The Proposed Tariffs of Rates and Charges document shows an Effective and Implementation date of May 1, 2016. This should be amended to show an implementation date of September 1, 2016.
- 4) The Proposed Tariffs of Rates and Charges document does not include the Forgone Revenue rate rider for each class. Milton Hydro should add these riders as appropriate for each applicable class.
- 5) The Proposed Tariffs of Rates and Charges document also does not show the end date of each rate rider for all the rate riders listed. Milton Hydro should add these end dates as appropriate for each rider in each applicable class.
- 6) The Proposed Tariffs of Rates and Charges document also does not include the Ontario Electricity Support Program Recipients pages common to all distribution utility tariffs. Milton Hydro should contact OEB staff to ensure these pages are added to the Final Tariff of Rates and Charges.

Yours truly,

Original signed by

Harold Thiessen
Ontario Energy Board staff
Case Manager, EB-2015-0089

cc. All Parties, EB-2015-0089