**Milton Hydro Distribution Inc.**

**Application Analysis (EB-2016-0093)**

**Question:**

**Tab 3 – Continuity Schedule**

OEB staff notes the small figure, $3,741, for Variance WMS – Sub – account CBR Class B. Please explain the magnitude of this figure, given it relates to Class B customers the OEB would expect it to be a larger value.

**Response:**

For the period May to December 2015 Milton Hydro separated the CBDR, now referred to as the CBR between the amount billed to Class B customers at $0.0004 per kWh and the amount billed by the IESO. Milton Hydro billed $192,688.06 to its Class B customers and was billed $188,940.35 from the IESO for the CBR, leaving a credit in the variance account of $3,747.71.

**Question:**

**Tab 6 – GA calculation**

Given Milton Hydro has Class A customers, please click the tick box inside of the blue box in Tab 6 to generate Tab 6a. Please complete Tab 6a as appropriate and resubmit the updated model.

**Response:**

The tick box inside the blue box on Tab 6 refers to “If a Class B customer switched into Class A during the 2015 rate year click this checkbox.”

Milton Hydro did not have any Class B customers switch into Class A during the 2015 rate year.

**Question:**

**Tab 16 – Rev2Cost\_GDPIPI**

OEB staff notes that a stretch factor has not been chosen from the drop down menu. Please explain why this is.

**Response:**

Milton Hydro has opened the model filed in the OEB webdrawer and would note that on Tab 16 the Stretch Factor Group was selected as “III” resulting in an Associated Stretch Factor Value of 0.30% which reduced the Price Escalator from 2.10% to a Price Cap Index of 1.80%.

**Question:**

OEB staff is unable to validate the data submitted for the revenue to cost ratio. The filling requirements outline a supplemental model to be filled out. Please fill out and submit this model.

**Response:**

Milton Hydro’s last rebasing year was 2016. The drop down window in the 2017 Revenue to Cost Ratio Adjustment Model Tab 1. used to select the Last COS Re-based Year only allows the selection of a rebased year of up to 2014 and would not accept 2016. On October 21, 2016 Milton Hydro sent its model to the OEB by way of email explaining the problem. No response was received.

As the OEB model did not work Milton Hydro used the same approach as filed in its Addendum to its Settlement Proposal dated 20160407 (EB-2015-0089). A copy of the Addendum has been attached, please refer to pages 6 and 7. The impact on the three classes by moving the Sentinel Light class up to the 80% revenue to cost ratio over 2017 and 2018 is very minimal, being pennies on the three classes.

**Question:**

**Customer Classification**

Please confirm if there has been any movement of customers from Class A to Class B or from Class B to Class A.

**Response:**

Milton Hydro did not have any movement of customers from Class A to Class B or from Class B to Class A during the 2015 rate year.