



**Ontario Energy Board
Commission de l'énergie de l'Ontario**

DECISION AND RATE ORDER

EB-2016-0093

MILTON HYDRO DISTRIBUTION INC.

Application for an order approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2017.

By Delegation, Before: Lynne Anderson

[date]

1 INTRODUCTION AND SUMMARY

This is the Decision and Rate Order (Decision) for Milton Hydro Distribution Inc.'s Incentive Regulation Mechanism (IRM) application for 2017 rates.

Milton Hydro Distribution Inc. (Milton Hydro) serves about 35,000 mostly residential and commercial electricity customers in the Town of Milton. The company is seeking the Ontario Energy Board's approval for the rates it charges to distribute electricity to its customers, as is required of licenced and rate-regulated distributors in Ontario.

Distributors may choose one of three Ontario Energy Board (OEB) rate-setting methods. Milton Hydro has selected the Price Cap Incentive Rate-setting (Price Cap IR) option that has a five-year term. Rates are set through a cost of service rebasing application for the first year and are adjusted mechanically through an IRM application for each of the ensuing four years. The price cap adjustment is based on inflation and the OEB's assessment of a distributor's efficiency.

Milton Hydro filed an IRM application with the OEB on November 2, 2016 to seek approval for changes to its distribution rates to be effective May 1, 2017. Milton Hydro last appeared before the OEB with a cost of service rebasing application for 2016 rates in the EB-2015-0089 proceeding.

The OEB addresses the following issues with respect to Milton Hydro's IRM application in this Decision.

- Price Cap Adjustment
- Regulatory Charges
- Revenue to Cost Ratio Adjustments
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts
- Residential Rate Design
- Implementation and Order

Milton Hydro applied for a rate increase of 1.60% in accordance with the OEB-approved 2017 parameters for inflation and productivity. The 1.60% price cap adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes; it does not apply to the rates and charges listed in Schedule B.

Milton Hydro also applied to change the composition of its distribution service rates. Residential distribution service rates currently include a fixed monthly charge and a variable usage charge. In 2015, the OEB issued a policy to transition these rates to a

fully fixed structure over a four-year period beginning in 2016.¹ Accordingly, the fixed monthly charge for 2017 has once again been adjusted upward in this Decision by more than the mechanistic adjustment alone. The variable usage rate is commensurately lower. This policy change does not affect the total revenue that distributors collect from residential customers.

This Decision on Milton Hydro's IRM application will result in a monthly bill decrease of \$1.33 for a residential customer consuming 750 kWh.

The OEB approves the adjustments made to Milton Hydro's application, and the associated rates calculated, as a result of this proceeding.

2 THE PROCESS

Milton Hydro filed an application with the OEB on November 2, 2016 under section 78 of the OEB Act and under the OEB's Chapter 3 Filing Requirements for Incentive Rate-Setting Applications seeking approval for changes to its electricity distribution rates to be effective May 1, 2017.

The OEB follows a standard, streamlined process for IRM applications under Price Cap IR. This Decision is being issued by delegated authority under section 6 of the *Ontario Energy Board Act, 1998*.

The OEB first prepares a rate model that includes information from past proceedings and annual reporting requirements. The distributor then reviews and updates the model and includes it with its application.

Milton Hydro's IRM application was supported by written evidence and a completed rate model. Questions were asked and answers were provided by Milton Hydro through emails and phone calls. Based on this information, a decision was drafted and provided to Milton Hydro on March 1, 2017. Milton Hydro was given the opportunity to provide its comments on the draft for consideration prior to the OEB issuing this Decision.

3 ORGANIZATION OF THE DECISION

The OEB has organized this Decision into sections to reflect the issues that were considered in making its findings.² Each section outlines the OEB's reasons for

¹ Board Policy: A New Distribution Rate Design for Residential Electricity Customers, EB-2012-0410, April 2, 2015

² See list of issues in the Introduction, p.1

approving or denying the proposals included in the application and affecting 2017 rates. The last section addresses the steps to implement the final rates that flow from this Decision.

4 PRICE CAP ADJUSTMENT

The price cap adjustment follows an OEB-approved formula that includes annually updated components for inflation and the OEB's expectations of efficiency and productivity gains.³ The formula is an *inflation minus X-factor* rate adjustment, which is intended to incent innovation and efficiency. The OEB has set the inflation factor for 2017 rates at 1.9% based on its established formula.⁴

The X-factors for individual distributors have two parts: a productivity element established from a historical analysis of industry cost performance; and a stretch factor based on a distributor's efficiency relative to its expected costs. Subtracting the X-factor from inflation ensures that rates decline in real, constant-dollar terms, providing distributors an incentive to improve efficiency or else experience declining net income.

Based on industry conditions over the historical study period, the productivity factor has been set at 0.0%. A stretch factor is assigned to each distributor based on the individual distributor's total cost performance as benchmarked relative to other distributors in Ontario. For Price Cap IR applications, there are five stretch factor groupings that have each been assigned a stretch factor in the range from 0.0% to 0.6%.⁵ The most efficient distributor, based on the cost evaluation ranking, would be assigned the lowest stretch factor of 0.0%. Higher stretch factors are applied to distributors in accordance with their cost performance relative to expected levels, to reflect the incremental productivity gains that distributors are expected to achieve.

Findings

The OEB assigned Milton Hydro a stretch factor of 0.30% based on the updated benchmarking study for use for rates effective in 2017.⁶ The resulting net price cap adjustment for Milton Hydro is 1.60% (i.e. 1.9% - (0% + 0.30%)).

The 1.60% adjustment applies to distribution rates (fixed and variable charges)

³ Report on Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors (December 4, 2013)

⁴ As outlined in the Report cited at footnote 3 above

⁵ Report to the Ontario Energy Board – "Empirical Research in Support of Incentive Rate-Setting: 2015 Benchmarking Update." Pacific Economics Group LLC. July 2016

⁶ As outlined in the Report cited at footnote 5 above

uniformly across all customer classes; it does not apply to the rates and charges listed in Schedule B.

5 REGULATORY CHARGES

Customers are charged a number of fees to cover the costs associated with various programs and wholesale market services.

The Rural or Remote Electricity Rate Protection (RRRP) program is designed to partially offset the relatively high cost of electricity distribution to eligible customers located in rural or remote areas of Ontario. The funding level is established by the government of Ontario and is recovered from all electricity customers in the province through a charge that is set annually by the OEB.

Wholesale market service (WMS) charges recover the cost of the services provided by the Independent Electricity System Operator (IESO) to operate the electricity system and administer the wholesale market. These charges may include costs associated with: operating reserve, system congestion and imports, and losses on the IESO-controlled grid. Distributors recover the WMS charges from their customers through the WMS kWh rate.

In addition, the costs of the IESO WMS Capacity Based Recovery (CBR) initiative are recovered by distributors from Class B customers through a separate kWh charge, and from Class A customers through their share of the actual CBR charge based on their contribution to peak demand.

The Ontario Electricity Support Program (OESP) is a program to deliver on-bill rate assistance to low income electricity customers. All Ontario customers contribute to this program through the OESP charge.

These four regulatory charges are components of the Regulatory Charge on customers' bills and are established annually by the OEB through a separate order.

Findings

The OEB has set the RRRP charge for 2017 at \$0.0021 per kWh.

The WMS rate used by distributors to bill their Class A and B customers remains at \$0.0032 per kWh. An additional component is billed to Class B customers for the CBR

of \$0.0004 per kWh.⁷

The OESP on-bill rate assistance credits to low income electricity customers remain unchanged; as does the OESP charge at \$0.0011 per kWh.⁸

These changes are effective January 1, 2017 for all distributors as a result of the generic orders that were part of the OEB's separate decisions. The OEB has updated the Tariff of Rates and Charges flowing from this Decision, listed in Schedule A to reflect these new regulatory charges.

6 REVENUE-TO-COST RATIO ADJUSTMENTS

Revenue-to-cost ratios measure the relationship between the revenues expected from a class of customers and the level of costs allocated to that class. The OEB has established target ratio ranges for electricity distributors⁹ to reflect the expectation that each class will pay its respective costs of service, while considering any associated rate class impacts.

In general, increases to the revenue-to-cost ratios of one class will decrease those in other rate classes. Revenue-to-cost ratio adjustments may be permitted through an IRM application if they were pre-approved as part of a cost of service rebasing application.

In this application, Milton Hydro proposed to increase the revenue-to-cost ratio for Sentinel Lighting Service rate class. The additional revenues from these adjustments would be used to reduce the revenue-to-cost ratio for General Service 50 to 999 kW and street lighting service service customers.

Milton Hydro submitted that these ratio adjustments are consistent with the ranges the OEB-approved Settlement Agreement on Milton Hydro's 2016 cost of service application, EB-2015-0089.

⁷ Decision and Rate Order, EB-2016-0362, December 15, 2016

⁸ Decision and Rate Order, EB-2016-0376, December 21, 2016

⁹ Application of Cost Allocation for Electricity Distributors (November 28, 2007); and Review of Electricity Distribution Cost Allocation Policy (March 31, 2011)

The table below outlines the proposed revenue-to-cost ratios.

Current and Proposed Revenue-to-Cost Ratio (%)

Rate Class	Current 2016 Ratio	Proposed 2017 Ratio
RESIDENTIAL SERVICE CLASSIFICATION	0.98	0.98
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	1.09	1.09
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION	0.98	0.98
GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION	1.20	1.20
LARGE USE SERVICE CLASSIFICATION	1.15	1.15
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	1.04	1.04
SENTINEL LIGHTING SERVICE CLASSIFICATION	0.60	0.70
STREET LIGHTING SERVICE CLASSIFICATION	0.98	0.98

Findings

The OEB agrees that the proposal is consistent with the decision on Milton Hydro's 2016 cost of service proceeding and approves the revenue-to-cost ratios as filed.

7 RETAIL TRANSMISSION SERVICE RATES

Electricity distributors use Retail Transmission Service Rates (RTSRs) to pass along the cost of transmission service to their distribution customers. The RTSRs are adjusted annually to reflect the revised costs as calculated by the application of the current

Uniform Transmission Rates (UTRs) to historical transmission deliveries. The UTRs are established annually by a separate OEB order. Partially embedded distributors, such as Milton Hydro, must also adjust their RTSRs to reflect any changes to the applicable RTSRs of their host distributors, which in this case is Hydro One Networks Inc. and Oakville Hydro Distribution Inc. Distributors may apply to the OEB annually to approve the RTSRs they propose to charge their customers, as Milton Hydro has done in this application.

Findings

The OEB approves the RTSRs as adjusted in this application to reflect current applicable rates. The RTSRs are based on the previous years' UTRs as the OEB has not yet approved the adjustment of UTRs for 2017. The OEB has approved the 2017 Sub-Transmission Class RTSRs for Hydro One Networks Inc. (EB-2016-0081) and the 2017 Embedded Distributor RTSRs for Oakville Hydro Electricity Distribution Inc. (EB-2016-0097) to use for billing embedded distributors. These rate changes have been incorporated into the 2017 IRM Rate Generator Model (RTSR filing module) to adjust the RTSRs that Milton Hydro will charge its customers.¹⁰ The differences between the previous and the new 2017 UTRs, once approved, will be captured in Accounts 1584 and 1586 for future disposition.

The applicable UTRs and Sub-Transmission Class RTSRs for Hydro One Networks Inc. are shown in the following tables:

Current Applicable Uniform Transmission Rates

Network Service Rate	\$3.66 per kW
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.87 per kW
Transformation Connection Service Rate	\$2.02 per kW

¹⁰ Rate Order, EB-2016-0081, issued December 21, 2016

2017 Hydro One Sub-Transmission RTSRs

Network Service Rate	\$3.19 per kW
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.77 per kW
Transformation Connection Service Rate	\$1.75 per kW

The OEB has also approved Oakville Hydro Distribution Inc.'s RTSRs, as shown in the following table:

2017 Oakville Hydro Distribution Inc. Embedded Distributor RTSRs

Network Service Rate	\$2.83 per kW
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.00 per kW
Transformation Connection Service Rate	\$1.99 per kW

8 GROUP 1 DEFERRAL AND VARIANCE ACCOUNT BALANCES

Group 1 deferral and variance accounts (Group 1 accounts) track the differences between the costs that a distributor is billed for certain IESO and host distributor services (including the cost of power) and the associated revenues that the distributor receives from its customers for these services. The total net difference between these costs and revenues is disposed to customers through a temporary charge or credit known as a rate rider.

The OEB's policy¹¹ is to review and dispose of the distributor's Group 1 accounts if they exceed (as a debit or credit) the pre-set disposition threshold of \$0.001 per kWh during the term of an incentive ratemaking plan. The distributor must justify why any account balance in excess of the threshold should not be disposed. The distributor may propose to dispose of balances below this threshold.

¹¹ Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (July 31, 2009)

Milton Hydro's 2015 actual year-end total balance for Group 1 accounts including interest projected to April 30, 2017 is a credit of \$2,056,552. This amount represents a total credit claim of \$0.0024 per kWh, which exceeds the preset disposition threshold. Milton Hydro proposes to dispose of this credit amount over a one-year period.

The Group 1 balance includes a Global Adjustment (GA) account balance of \$155,507. Customers' costs for the commodity portion of their electricity service reflect the sum of two charges: the price of electricity established by the operation of the IESO administered wholesale market, and the GA. The GA charge consists of the difference between the market price and the sum of the rates paid to regulated and contracted generators and conservation and demand management (demand response) program costs. The GA is established monthly, by the IESO, and varies in accordance with market conditions.

Most customers pay the GA charge based on the amount of electricity they consume in a month (kWh); these customers are referred to as Class B. Customers who participate in the Industrial Conservation Initiative,¹² are referred to as Class A. The costs for the GA are recovered from Class A customers and Class B customers in different ways:

- Class A customers are assessed GA costs through a peak demand factor that is based on the percentage their demand contributes to the top five Ontario system peaks. This factor determines a Class A customer's allocation for a year-long billing period that starts in July every year. As distributors settle with Class A customers based on the actual GA costs there is no resulting variance.
- Class B customers are billed GA based on an IESO published GA price. For Class B customers, distributors track any difference between the billed amounts and actual costs in the GA Variance Account for disposal, once audited.

Milton Hydro proposed the recovery of the GA variance account balance of \$155,507 as at December 31, 2015, including interest to April 30, 2017, from customers who were Class B customers for the entire period from January 2015 to December 2015, through a kWh rate rider.

The balance for the Group 1 accounts also includes an amount for the recovery of CBR charges related to the IESO's wholesale energy market Demand Response 3 program contracted program providers.¹³ Distributors paid CBR charges to the IESO in 2015 and recorded these to a dedicated sub-account. The disposition of this sub-account is impacted by whether or not a distributor had any customers who were part of Class A during the period from January 2015 to December 2015.

¹² The initiative was introduced by the Government of Ontario in 2010.

¹³ The Demand Response 3 program was introduced by the then OPA in 2007 and is currently administered by the IESO

Milton Hydro had Class A customers during the the entire period of January 2015 to December 2015 so it applied to have the balance of this account disposed through a separate kWh rate rider for Class B customers in order to ensure proper allocation between Class A and Class B customers.

The balances proposed for disposition are the same as the amounts reported as part of the OEB's *Reporting and Record-Keeping Requirements*. Milton Hydro's proposal for a one-year disposition period is in accordance with the OEB's policy.¹⁴

Findings

The OEB approves the disposition of a credit balance of \$2,056,552 as of December 31, 2015, including interest projected to April 30, 2017 for Group 1 accounts.

The following table identifies the principal and interest amounts which the OEB approves for disposition.

¹⁴ Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (July 31, 2009)

Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C=A+B
LV Variance Account	1550	388,200	5,136	393,335
Smart Meter Entity Variance Charge	1551	(16,597)	(245)	(16,842)
RSVA - Wholesale Market Service Charge	1580	(650,899)	(6,959)	(657,858)
Variance WMS - Sub-account CBR Class B	1580	188,940	2,935	191,875
RSVA - Retail Transmission Network Charge	1584	(244,354)	(11,086)	(255,439)
RSVA - Retail Transmission Connection Charge	1586	(185,261)	(7,345)	(192,606)
RSVA - Power	1588	(1,647,749)	(23,857)	(1,671,606)
RSVA - Global Adjustment	1589	160,559	(5,052)	155,507
Disposition and Recovery of Regulatory Balances (2010)	1595	0	(729)	(729)
Disposition and Recovery of Regulatory Balances (2011)	1595	(2,432)	243	(2,189)
Total Group 1 Accounts Excluding Global Adjustment - Account 1589		(2,170,153)	(41,907)	(2,212,059)
Total Group 1 Accounts Excluding Global Adjustment - Account 1589 and Sub-account CBR Class B		(2,359,093)	(44,841)	(2,403,934)
Total Group 1 Accounts		(2,009,593)	(46,958)	(2,056,552)

The balance of each of the Group 1 accounts approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595. Such transfer shall be pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*, effective January 1, 2012. The date of the transfer must be the same as the effective date for the associated rates, which is, generally, the start of the rate year. Milton Hydro should ensure these adjustments are included in the reporting period ending June 30, 2017 (Quarter 2).

The OEB approves these balances to be disposed through the following rate riders:

- Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018
- Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018 - Applicable only for Non-RPP Customers
- Rate Rider for Disposition of Capacity Based Recovery Account (2017) - effective until April 30, 2018 - Applicable only for Class B Customers

The rate riders will be in effect over a one-year period from May 1, 2017 to April 30, 2018.

9 RESIDENTIAL RATE DESIGN

All residential distribution rates currently include a fixed monthly charge and a variable usage charge. The OEB residential rate design policy¹⁵ stipulates that electricity distributors will transition residential customers to a fully fixed monthly distribution service charge over a four-year period starting in 2016. The OEB requires that distributors filing IRM applications this year continue with this transition by once again adjusting their distribution rates to increase the fixed monthly service charge and decrease the variable charge consistent with the policy.

The OEB expects the applicant to apply two tests to evaluate whether mitigation (generally a lengthening of the transition period) for customers in the transition is required. The first test is to calculate the change in the monthly fixed charge, and to consider mitigation if it exceeds \$4. The second is to calculate the total bill impact of the proposals in the application for low volume residential customers (defined as those residential RPP customers whose consumption is at the 10th percentile for the class).

¹⁵ Ibid page 2

Mitigation may be required if the bill impact related to the application exceeds 10% for these customers.

Milton Hydro's implementation of the transition results in an increase to the fixed charge prior to the price cap adjustment of \$2.76. The bill impacts arising from the proposals in this application, including the fixed rate change, are below 10% for low volume residential customers.

Findings

The OEB finds that the proposed 2017 increase to the monthly fixed charge is in accordance with the OEB's residential rate design policy. The results of the monthly fixed charge, and total bill impact for low consumption residential consumers show that no mitigation is required. The OEB approves the increase as proposed by the applicant and calculated in the final rate model.

10 IMPLEMENTATION AND ORDER

Rate Model

This Decision and Rate Order is accompanied by a rate model, applicable supporting models and a Tariff of Rates and Charges (Schedule A). Entries in the models were reviewed to ensure that they are in accordance with Milton Hydro's EB-2015-0089 cost of service decision, and that the 2016 OEB-approved Tariff of Rates and Charges as well as the cost, revenue and consumption results from 2015 are as reported by Milton Hydro to the OEB. The rate model was adjusted, where applicable, to correct any discrepancies.

THE ONTARIO ENERGY BOARD ORDERS THAT

1. The Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order is approved effective May 1, 2017 for electricity consumed or estimated to have been consumed on and after such date. Milton Hydro Distribution Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

ADDRESS

Ontario Energy Board
P.O. Box 2319
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Toronto ON M4P 1E4
Attention: Board Secretary

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Tel: 1-888-632-6273 (Toll free)

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DATED at Toronto, [date]

ONTARIO ENERGY BOARD

Kirsten Walli
Board Secretary

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2016-0093

DATED: [date]

Milton Hydro Distribution Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2017
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2016-0093

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. Class B consumers are defined in accordance with O. Reg. 429/04. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	21.70
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Rate Rider for Group 2 Accounts - effective until August 31, 2017	\$	0.98
Rate Rider for Disposition of Account 1576 - Accounting Change CGAAP/MIFRS - effective until August 31, 2017	\$	(1.4223)
Distribution Volumetric Rate	\$/kWh	0.0074
Low Voltage Service Rate	\$/kWh	0.0006
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018		
Applicable only for Non-RPP Customers	\$/kWh	0.0005
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kWh	(0.0029)
Rate Rider for Disposition of Deferral/Variance Accounts (2016) - effective until August 31, 2017	\$/kWh	0.0036
Rate Rider for Disposition of Deferral/Variance Accounts - Power/WMS (2016) - effective until August 31, 2017	\$/kWh	(0.0032)
Rate Rider for Global Adjustment (non - RPP customers only) - effective until August 31, 2017	\$/kWh	0.0070
Rate Rider for Disposition of Capacity Based Recovery Account (2017) - effective until April 30, 2018		
- Applicable only for Class B Customers	\$/kWh	0.0003
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0072
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0058

Draft March 1, 2017

Milton Hydro Distribution Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2017
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2016-0093

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

DRAFT

Milton Hydro Distribution Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2017
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2016-0093

ONTARIO ELECTRICITY SUPPORT PROGRAM RECIPIENTS

In addition to the charges specified on pages 1 and 2 of this tariff of rates and charges, the following credits are to be applied to eligible residential customers.

APPLICATION

The application of the charges are in accordance with the Distribution System Code (Section 9) and subsection 79.2(4) of the Ontario Energy Board Act, 1998.

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

In this class:

“Aboriginal person” includes a person who is a First Nations person, a Métis person or an Inuit person;

“account-holder” means a consumer who has an account with a distributor that falls within a residential-rate classification as specified in a rate order made by the Ontario Energy Board under section 78 of the Act, and who lives at the service address to which the account relates for at least six months in a year;

“electricity-intensive medical device” means an oxygen concentrator, a mechanical ventilator, or such other device as may be specified by the Ontario Energy Board;

“household” means the account-holder and any other people living at the accountholder’s service address for at least six months in a year, including people other than the account-holder’s spouse, children or other relatives;

“household income” means the combined annual after-tax income of all members of a household aged 16 or over;

MONTHLY RATES AND CHARGES

Class A

- (a) account-holders with a household income of \$28,000 or less living in a household of one or two persons;
 (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of three persons;
 (c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of five persons; and
 (d) account-holders with a household income of between \$48,001 and \$52,000 living in a household of seven or more persons;
 but does not include account-holders in Class E.

OESP Credit \$ (30.00)

Class B

- (a) account-holders with a household income of \$28,000 or less living in a household of three persons;
 (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of four persons;
 (c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of six persons;
 but does not include account-holders in Class F.

OESP Credit \$ (34.00)

Class C

- (a) account-holders with a household income of \$28,000 or less living in a household of four persons;
 (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of five persons;
 (c) account-holders with a household income of between \$39,001 and \$48,000 living in a household of seven or more persons;
 but does not include account-holders in Class G.

OESP Credit \$ (38.00)

Class D

- (a) account-holders with a household income of \$28,000 or less living in a household of five persons; and
 (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of six persons;
 but does not include account-holders in Class H.

OESP Credit \$ (42.00)

Class E

Class E comprises account-holders with a household income and household size described under Class A who also meet any of the following conditions:

(a) the dwelling to which the account relates is heated primarily by electricity;

(b) the account-holder or any member of the account-holder’s household is an Aboriginal person; or

(c) the account-holder or any member of the account-holder’s household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (45.00)

Milton Hydro Distribution Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2017
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2016-0093

Class F

- (a) account-holders with a household income of \$28,000 or less living in a household of six or more persons;
 (b) account-holders with a household income of between \$28,001 and \$39,000 living in a household of seven or more persons; or
 (c) account-holders with a household income and household size described under Class B who also meet any of the following conditions:

- i. the dwelling to which the account relates is heated primarily by electricity;
 ii. the account-holder or any member of the account-holder's household is an Aboriginal person; or
 iii. the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates

OESP Credit \$ (50.00)

Class G

Class G comprises account-holders with a household income and household size described under Class C who also meet any of the following conditions:

- (a) the dwelling to which the account relates is heated primarily by electricity;
 (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
 (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (55.00)

Class H

Class H comprises account-holders with a household income and household size described under Class D who also meet any of the following conditions:

- (a) the dwelling to which the account relates is heated primarily by electricity;
 (b) the account-holder or any member of the account-holder's household is an Aboriginal person ; or
 (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (60.00)

Class I

Class I comprises account-holders with a household income and household size described under paragraphs (a) or (b) of Class F who also meet any of the following conditions:

- (a) the dwelling to which the account relates is heated primarily by electricity;
 (b) the account-holder or any member of the account-holder's household is an Aboriginal person; or
 (c) the account-holder or any member of the account-holder's household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates.

OESP Credit \$ (75.00)

Milton Hydro Distribution Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2017
This schedule supersedes and replaces all previously
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EB-2016-0093

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. Class B consumers are defined in accordance with O. Reg. 429/04. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	16.77
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0177
Low Voltage Service Rate	\$/kWh	0.0006
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018 Applicable only for Non-RPP Customers	\$/kWh	0.0005
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kWh	(0.0028)
Rate Rider for Group 2 Accounts - effective until August 31, 2017	\$/kWh	0.0003
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment) - effective until August 31, 2017	\$/kWh	0.0036
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment)-Power/WMS - effective until August 31, 2017	\$/kWh	(0.0032)
Rate Rider for Global Adjustment (non - RPP customers only) - effective until August 31, 2017	\$/kWh	0.0070
Rate Rider for Disposition of Account 1576 - Accounting Change CGAAP/MIFRS - effective until August 31, 2017	\$/kWh	(0.0019)
Rate Rider for Disposition of Capacity Based Recovery Account (2017) - effective until April 30, 2018 - Applicable only for Class B Customers	\$/kWh	0.0003
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0066
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0051

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Draft March 1, 2017

Milton Hydro Distribution Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2017
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2016-0093

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. Class B consumers are defined in accordance with O. Reg. 429/04. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	79.23
Distribution Volumetric Rate	\$/kW	3.0569
Minimum Distribution Charge – per kW of maximum billing demand in the previous 11 months	\$/kW	0.5957
Low Voltage Service Rate	\$/kW	0.2600
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018 Applicable only for Non-RPP Customers	\$/kWh	0.0005
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018 Applicable only for Non-Wholesale Market Participants	\$/kW	(1.0237)
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kW	(0.0255)
Rate Rider for Group 2 Accounts - effective until August 31, 2017	\$/kW	0.0064
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment) - effective until August 31, 2017	\$/kW	1.3546
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment)-Power/WMS - effective until August 31, 2017	\$/kWh	(0.0032)
Rate Rider for Global Adjustment (non - RPP customers only) - effective until August 31, 2017	\$/kWh	0.0070
Rate Rider for Disposition of Account 1576 - Accounting Change CGAAP/MIFRS - effective until August 31, 2017	\$/kW	(0.7043)
Rate Rider for Disposition of Capacity Based Recovery Account (2017) - effective until April 30, 2018 - Applicable only for Class B Customers	\$/kW	0.1004
Retail Transmission Rate - Network Service Rate	\$/kW	2.9633
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.3694

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Milton Hydro Distribution Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2017
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EB-2016-0093

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. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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.

The rate rider for the disposition of WMS – Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	621.86
Distribution Volumetric Rate	\$/kW	2.1419
Minimum Distribution Charge – per kW of maximum billing demand in the previous 11 months	\$/kW	0.5957
Low Voltage Service Rate	\$/kW	0.2558
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018 Applicable only for Non-RPP Customers	\$/kWh	0.0005
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kW	(1.2186)
Rate Rider for Group 2 Accounts - effective until August 31, 2017	\$/kW	0.0006
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment) - effective until August 31, 2017	\$/kW	1.7263
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment)-Power/WMS - effective until August 31, 2017	\$/kWh	(0.0032)
Rate Rider for Global Adjustment (non - RPP customers only) - effective until August 31, 2017	\$/kWh	0.0070
Rate Rider for Account 1576 - Accounting Change CGAAP/MIFRS - effective until August 31, 2017	\$/kW	(0.8969)
Rate Rider for Disposition of WMS -CBR Class B (2017), not applicable to WMP or 2015 Class A customers - effective until April 30, 2018	\$/kW	0.1166
Retail Transmission Rate - Network Service Rate	\$/kW	2.9144
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.3308

Draft March 1, 2017

Milton Hydro Distribution Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2017
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MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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Milton Hydro Distribution Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2017
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EB-2016-0093

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. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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.

The rate rider for the disposition of WMS – Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	2,482.8500
Distribution Volumetric Rate	\$/kW	1.4864
Minimum Distribution Charge – per kW of maximum billing demand in the previous 11 months	\$/kW	0.5957
Low Voltage Service Rate	\$/kW	0.2860
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kW	(1.5105)
Rate Rider for Group 2 Accounts - effective until August 31, 2017	\$/kW	0.0001
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment) - effective until August 31, 2017	\$/kW	1.8945
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment)-Power/WMS - effective until August 31, 2017	\$/kWh	(0.0032)
Rate Rider for Account 1576 - Accounting Change CGAAP/MIFRS - effective until August 31, 2017	\$/kW	(0.9879)
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	3.1560
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.6066

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Draft March 1, 2017

Milton Hydro Distribution Inc.
TARIFF OF RATES AND CHARGES
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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. Class B consumers are defined in accordance with O. Reg. 429/04. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	7.99
Distribution Volumetric Rate	\$/kWh	0.0169
Low Voltage Service Rate	\$/kWh	0.0006
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kWh	(0.0028)
Rate Rider for Group 2 Accounts - effective until August 31, 2017	\$/kWh	0.0019
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment) - effective until August 31, 2017	\$/kWh	0.0033
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment)-Power/WMS - effective until August 31, 2017	\$/kWh	(0.0032)
Rate Rider for Account 1576 - Accounting Change CGAAP/MIFRS - effective until August 31, 2017	\$/kWh	(0.0019)
Rate Rider for Disposition of Capacity Based Recovery Account (2017) - effective until April 30, 2018 - Applicable only for Class B Customers	\$/kWh	0.0003
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0066
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0051

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Milton Hydro Distribution Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2017
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SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to all services supported to supply sentinel lighting equipment. Class B consumers are defined in accordance with O. Reg. 429/04. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	4.32
Distribution Volumetric Rate	\$/kW	32.8091
Low Voltage Service Rate	\$/kW	0.1786
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kW	(1.0192)
Rate Rider for Group 2 Accounts - effective until August 31, 2017	\$/kW	7.0181
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment) - effective until August 31, 2017	\$/kW	1.2180
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment)-Power/WMS - effective until August 31, 2017	\$/kWh	(0.0032)
Rate Rider for Account 1576 - Accounting Change CGAAP/MIFRS - effective until August 31, 2017	\$/kW	(0.6824)
Rate Rider for Disposition of Capacity Based Recovery Account (2017) - effective until April 30, 2018 - Applicable only for Class B Customers	\$/kW	0.0976
Retail Transmission Rate - Network Service Rate	\$/kW	2.0173
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.6273

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Milton Hydro Distribution Inc.
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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. Class B consumers are defined in accordance with O. Reg. 429/04. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	2.44
Distribution Volumetric Rate	\$/kW	10.6912
Low Voltage Service Rate	\$/kW	0.1749
Rate Rider for Disposition of Global Adjustment Account (2017) - effective until April 30, 2018 Applicable only for Non-RPP Customers	\$/kWh	0.0005
Rate Rider for Disposition of Deferral/Variance Accounts (2017) - effective until April 30, 2018	\$/kW	(1.0085)
Rate Rider for Group 2 Accounts - effective until August 31, 2017	\$/kW	1.6248
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment) - effective until August 31, 2017	\$/kW	1.3059
Rate Rider for Deferral Variance Account Balances (excluding Global Adjustment)-Power/WMS - effective until August 31, 2017	\$/kWh	(0.0032)
Rate Rider for Global Adjustment (non - RPP customers only) - effective until August 31, 2017	\$/kWh	0.0070
Rate Rider for Account 1576 - Accounting Change CGAAP/MIFRS - effective until August 31, 2017	\$/kW	(0.6739)
Rate Rider for Disposition of Capacity Based Recovery Account (2017) - effective until April 30, 2018 - Applicable only for Class B Customers	\$/kW	0.0966
Retail Transmission Rate - Network Service Rate	\$/kW	2.0070
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.5938

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0021
Ontario Electricity Support Program Charge (OESP)	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Milton Hydro Distribution Inc.
TARIFF OF RATES AND CHARGES
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microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator'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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5.40
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Milton Hydro Distribution Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2017
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approved schedules of Rates, Charges and Loss Factors

EB-2016-0093

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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment 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	%	1.50
Late payment – per annum	%	19.56
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

Other

Optional interval/TOU meter charge \$/month	\$	5.50
Specific charge for access to the power poles - \$/pole/year (with the exception of wireless attachments)	\$	22.35
Clearance pole attachment charge \$/pole/year	\$	5.59

Milton Hydro Distribution Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2017
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2016-0093

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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment 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
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0154
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0272
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0054

Schedule B

To Decision and Rate Order

List of Rates and Charges Not Affected by the Price Cap or Annual IR Index

OEB File No: EB-2016-0093

DATED: [date]

The following rates and charges are not affected by the Price Cap or Annual IR Index:

- Rate riders
- Rate adders
- Low voltage service charges
- Retail transmission service rates
- Wholesale market service rate
- Rural or remote electricity rate protection charge
- Standard supply service – administrative charge
- Ontario Electricity Support Program
- Transformation and primary metering allowances
- Loss factors
- Specific service charges
- microFIT charge
- Retail service charges