



MILTON HYDRO DISTRIBUTION INC.

200 Chisholm Drive, Milton, Ontario, L9T 3G9
Telephone (905) 876-4611 • Fax (905) 876-2044

March 31, 2017

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

**Re: Milton Hydro Distribution Inc.
Application for Lost Revenue Adjustment Mechanism Recovery
2011 to 2014 CDM Programs
OEB File No. EB-2016-0242
Response to OEB staff Interrogatories**

Milton Hydro Distribution Inc. ("Milton Hydro") filed a Cost of Service Rate Application on August 28, 2015 for rates effective May 1, 2016. Included in the Application was Milton Hydro's request for recovery of its Lost Revenue related to its 2011 to 2014 Conservation and Demand Management programs.

On August 4, 2016, Milton Hydro filed a separate Application for Lost Revenue Adjustment Mechanism Recovery ("LRAM") under the Ontario Energy Board ("OEB") File No. EB-2015-0089, being the file number that included Milton Hydro's original claim for LRAM recovery. The OEB re-assigned File No. EB-2016-0242 to Milton Hydro's LRAM Claim for Recovery.

History

Milton Hydro filed a Cost of Service Rate Application, which included Milton Hydro's request for recovery of its Lost Revenue related to its 2011 to 2014 Conservation and Demand Management programs, on August 28, 2015 for rates effective May 1, 2016.

On December 18, 2015 Milton Hydro responded to interrogatories on its LRAM claim from both OEB staff and the Vulnerable Energy Consumers Coalition ("VECC"). Milton Hydro's responses were included in its re-filing of its LRAM Claim for Recovery on August 4, 2016.

During the Settlement Conference held on January 25 and 26, 2016 the only remaining unsettled matter in regards to Milton Hydro's claim for LRAM Recovery was the calculation of the kW demand for Demand Response programs. It was agreed at that time to take the LRAM issue off-line to address it outside of the settlement process. The unsettled matter was resolved by the OEB on May 19, 2016 in its Report on "Updated Policy for the Lost Revenue Adjustment Mechanism Calculation: Lost Revenues and Peak Demand Savings from Conservation and Demand Management Programs" EB-2016-0182. Details are also included in Milton Hydro's re-filing for LRAM Claim for Recovery.

Application Information

Milton Hydro's re-filed its Application for Lost Revenue Adjustment Mechanism Recovery on August 4, 2016. Milton Hydro has complied with the requirements set out in the OEB's Letter of Direction and Notice of Application dated August 25, 2016; and filed its Affidavit of Service of Cameron McKenzie on August 31, 2016. The Notice of Application set a date of September 9, 2016 for any party to become an active participant.

There were no requests made for active participation or intervenor status, there were no Procedural Orders issued and there were no interrogatories received from OEB staff. In its September 13, 2016 letter, Milton Hydro requested that its' Application for LRAM Recovery for 2011 to 2014 CDM Programs, OEB File No. EB-2016-0242, be disposed of by way of an OEB Delegated Authority.

On January 11, 2017, Milton Hydro made a follow-up request for its Application for LRAM Recovery for 2011 to 2014 CDM Programs, OEB File No. EB-2016-0242, be disposed of by way of an OEB Delegated Authority.

On March 28, 2017, Milton Hydro received correspondence from the OEB indicating that OEB staff may have questions on its LRAM Application setting a date of April 6, 2017 for a teleconference if required. Milton Hydro received two follow-up questions to confirm the final LRAM amount. This letter will respond to these follow-up questions as follows:

1. Please confirm the final 2011-2014 LRAMVA balance requested for disposition, with carrying charges re-calculated up to May 1, 2017. Please update the figures in Table 3 of the LRAM Application to confirm the final rate riders sought for disposition. Please file the updated table in excel format in response to this question.

Response:

Milton Hydro has re-calculated carrying charges up to May 1, 2017 and updated Table 3 of its LRAM application which sets out the final rate riders sought for disposition. The following Table 3 is updated accordingly and has also been filed separately in Excel format. Milton Hydro would note that, as filed in its original Application, Milton Hydro is requesting disposition over a six (6) month period May 1, 2017 to November 1, 2017.

Description	LRAM\$	2011 Forecast\$	Net LRAMVA	Carrying Charges to April 2016	Total LRAMVA Claim	Proposed Billing Determinant	Unit	LRAMVA Rate Rider (6 months)
Residential (kWh)	\$ 75,991	\$ 66,136	\$ 9,856	\$ (191)	\$ 9,665	311,504,507	kWh	0.0001
General Service <50 kW (kWh)	\$ 56,437	\$ 24,420	\$ 32,017	\$ 1,235	\$ 33,252	91,412,832	kWh	0.0007
General Service 50 -999 kW (kW)	\$ 102,521	\$ 24,240	\$ 78,281	\$ 3,751	\$ 82,032	555,651	kW	0.2953
General Service 1000 - 4999 kW (kW)	\$ 31,923	\$ 11,805	\$ 20,118	\$ 1,027	\$ 21,145	245,808	kW	0.1720
Large User (kW)	\$ 4,678	\$ 6,822	\$ (2,144)	\$ (162)	\$ (2,306)	260,162	kW	-0.0177
Total	\$ 271,551	\$ 133,423	\$ 138,128	\$ 5,659	\$ 143,787			

- In response to VECC's IRs in August 2016 appended to this Application (see #4.0 - VECC-34 g. on PDF p. 20/69 of this Application) Milton Hydro stated that it will update the LRAM Application to include \$9,593 of lost revenues due from the residential class. Please confirm the years in which this amount relates to, and whether or not this amount has been included in the current LRAMVA disposition.

Response:

In response to VECC's IRs in August 2016 appended to this Application (see #4.0 -VECC-34 g.) Milton Hydro confirms that the amount of \$9,593 has been included in the current LRAMVA for disposition. The following table sets out the years of the changes which primarily resulted from the 2014 final IESO CDM Report.

LRAMVA=LRAM\$-2011 Forecast\$		2011	2012	2013	2014	Total
Residential (kWh)	As Filed	\$ (9,033)	\$ (4,372)	\$ 177	\$ 185	\$ (13,043)
Residential (kWh) VECC IR 34g	As Updated	\$ (9,033)	\$ (4,325)	\$ 411	\$ 22,804	\$ 9,856

Relief Requested

Due to the time elapsed with respect to this Application and to facilitate LRAM Rate Riders being implemented May 1, 2017, Milton Hydro requests a Decision and Order as quickly as possible, preferably mid-April 2017 for the following reasons:

- Milton Hydro's LRAM recovery was tested during its 2016 Cost of Service Application process;
- The unsettled matter from the Settlement Conference, relating to the kW demand for Demand Response programs, was resolved by the OEB on May 19, 2016, EB-2016-0182;
- Milton Hydro filed for the disposition of its 2011 – 2014 LRAM on August 4, 2016;
- The OEB did not commence reviewing Milton Hydro's LRAM Application until March 28, 2017;
- There are no further matters outstanding or in dispute;
- A Decision and Order received after mid-April 2017, as recently proposed by the OEB, will mean an implementation date of June 1, 2017 (not May 1, 2017).

Milton Hydro submits that we will respond to all requests for information on a timely basis to facilitate a timely decision by the OEB by mid-April in this matter. Milton Hydro submits that this is reasonable for the following reasons:

- There are no intervenors;
- The two OEB staff follow-up questions have been responded in this letter; any further issues can be resolved in the April 6, 2017 teleconference, if it is still determined to be necessary;
- Milton Hydro did not file any models therefore there are no models to update saving time;
- Milton Hydro confirms that it will not require 14 days to respond to a proposed decision;

Delays beyond mid-April will require the implementation date to be moved to June 1, 2017 with applicable carrying charges having to be re-calculated. It also delays Milton Hydro completing its' rate card for customers

Milton Hydro understands that its request for disposition of its 2011-2014 lost revenues will be considered final once approved.

Respectfully submitted,

Original signed by

Cameron McKenzie

Director, Regulatory Affairs